



Treasury Inspector General for Tax Administration Office of Audit

THE FEDERAL STUDENT AID DATASHARE APPLICATION WAS SUCCESSFULLY DEPLOYED, BUT IMPROVEMENTS IN SYSTEMS DEVELOPMENT DISCIPLINES ARE NEEDED

Issued on September 3, 2010

Highlights

Highlights of Report Number: 2010-20-099 to the Internal Revenue Service Chief Technology Officer.

IMPACT ON TAXPAYERS

The Federal Student Aid Datashare application provides a web-based method for taxpayers to complete the Department of Education's Free Application for Federal Student Aid. Instead of manually entering their tax return information on the application form, taxpayers can now automatically transfer their tax return data to the application form.

WHY TIGTA DID THE AUDIT

This audit was initiated at the request of the Associate Chief Information Officer for Applications Development. The Internal Revenue Service (IRS) implemented the project to assist the Department of Education initiative to simplify the Federal student aid application process. Our objective was to determine whether the IRS followed the Enterprise Life Cycle in developing the project within the established time period and ensuring adequate security was put in place to protect taxpayer information.

WHAT TIGTA FOUND

The IRS successfully developed and deployed the Federal Student Aid Datashare application on January 28, 2010. As of May 2010, more than 264,750 taxpayers had used the application to automatically transfer their tax return information to the Federal student aid application form. Security controls to safeguard taxpayer information were built into the application and tested prior to deployment of the application.

While the application was successfully deployed, some system development processes needed improvement. The IRS took actions on many of our recommendations and observations during the course of our audit and addressed the concerns TIGTA identified. However, some actions had not been completed or developed by the time our review concluded. Specifically, controls over requirements management need strengthening to ensure test cases and requirement documents are fully

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developed; test results should be documented timely and consistently and in a manner that minimizes the potential for manipulation; and project team meetings should be documented to ensure significant decisions and followup action items are tracked and timely completed.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Chief Technology Officer ensure that the Systems Acceptability Test team 1) uses consistent, documented processes to generate a requirements traceability matrix linking each requirement to a test case and 2) revises the applicable Internal Revenue Manual to require that test results be recorded, documented, and verified consistently during test execution.

In their response to the report, IRS officials agreed to TIGTA's recommendations. IRS management plans to revise the Internal Revenue Manual Part 2.6.1 to add hyperlinks in the Requirements Traceability Verification Matrix that connect directly to the associated test cases and update the Test Results Section to require consistent recording, documentation, and verification of test results.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2010reports/201020099fr.pdf>.

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