



Treasury Inspector General for Tax Administration Office of Audit

INTERNAL REVENUE SERVICE DIVERSITY DEMOGRAPHICS COMPARE FAVORABLY WITH OTHER FEDERAL AGENCIES' SENIOR EXECUTIVE SERVICE RANKS

Issued on November 18, 2011

Highlights

Highlights of Report Number: 2012-10-006 to the Internal Revenue Service Deputy Commissioner for Operations Support and Deputy Commissioner for Services and Enforcement.

IMPACT ON TAXPAYERS

Diversity and an inclusive work environment in the Federal Government's leadership ranks can be a key organizational component for executing the agencies' missions and can yield greater engagement, productivity, and organizational performance. The IRS's Senior Executive Service (SES) diversity demographic statistics compare favorably with other Federal agencies' SES ranks. When agencies recruit and retain a representative leadership workforce, one that looks like the public that it serves and the workforce it leads, they are enabled to better serve the public.

WHY TIGTA DID THE AUDIT

This audit was initiated to determine the level of diversity in the IRS SES appointments and whether the IRS has an effective strategy that complies with applicable law and regulations to achieve diversity within executive positions. This review was included in our Fiscal Year 2009 Annual Audit Plan and addresses the major management challenge of Human Capital.

WHAT TIGTA FOUND

The IRS's diversity demographic statistics compare favorably with other Federal agencies' SES ranks. For example, in Fiscal Year 2009, the IRS SES level had a higher percentage of diversity in eight of 12 Office of Personnel Management diversity categories. Also, three of the other four diversity categories were underrepresented by less than 1 percent.

The success the IRS has achieved in its SES diversity demographics is the result of key diversity practices that have been integrated into business processes agency-wide, as well as top level executive commitment and support, which have established a culture that respects and values diversity. However, TIGTA noted that these key practices were not formally documented in

the IRS's Equity, Diversity, and Inclusion (EDI) policies and procedures. TIGTA believes memorializing the IRS's key diversity practices in formal internal procedures will help ensure that these practices continue to receive the level of commitment that currently exists, in spite of retirements, attrition, or other changes in the IRS's top leadership ranks. In addition, the IRS could benefit by expanding its outreach efforts to have a more specific focus at the SES level by participating with professional executive organizations.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Deputy Commissioner for Operations Support and the Deputy Commissioner for Services and Enforcement ensure key SES diversity practices are memorialized within EDI internal guidance (policies and procedures). In addition, they should consider partnering with Federal professional executive organizations and communicate the existence of these organizations to employees.

IRS management agreed with our recommendations. The IRS Human Capital Office and the Office of EDI plan to review existing written policies and revise them, if necessary, to ensure these documents accurately capture current practices. In addition, the IRS plans to partner with external executive and professional organizations and communicate this information to all employees.

READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2012reports/201210006fr.pdf>

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