



*More Careful Monitoring of Billings for
Working Capital Fund Administrative
Services Is Needed*

April 27, 2007

Reference Number: 2007-10-074

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

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TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

April 27, 2007

MEMORANDUM FOR CHIEF FINANCIAL OFFICER

Michael R. Phillips

FROM:

Michael R. Phillips
Deputy Inspector General for Audit

SUBJECT:

Final Audit Report – More Careful Monitoring of Billings for Working
Capital Fund Administrative Services Is Needed (Audit # 200610032)

This report presents the results of our review to determine whether the Internal Revenue Service (IRS) has established adequate controls to effectively monitor and accurately record transactions related to the administrative services it receives from the Department of the Treasury Working Capital Fund (hereafter referred to as the WCF or the Fund). This is one of the coordinated audits being conducted in conjunction with the Treasury Office of Inspector General that provide comprehensive coverage of this critical, multibureau program. The WCF Fiscal Year 2007 budget is \$267 million; the IRS' allocated share is \$209 million. This review was included in our Fiscal Year 2006 Annual Audit Plan. The Treasury Office of Inspector General is presently evaluating whether costs charged by the Fund are appropriate and adequately supported, and whether the activities/programs are appropriate for inclusion in the Fund.

Impact on the Taxpayer

WCF billings to the IRS for actual costs incurred were not consistently subject to any type of review for accuracy or reasonableness by the IRS. This puts the IRS at risk of being unable to timely identify potential errors and overcharges. In addition, \$34 million of the \$97 million in total charges we reviewed were not accurately recorded by the IRS. Effective controls over Fund-related transactions are critical to the IRS' ability to ensure accountability for its expenditures and to accurately report the results of its financial transactions to both internal and external stakeholders, including taxpayers.



More Careful Monitoring of Billings for Working Capital Fund Administrative Services Is Needed

Synopsis

The WCF was established to provide common administrative services that benefit more than one bureau within the Department of the Treasury and, in certain circumstances, other agencies. Its purpose is to provide these services on a centralized basis, where they can be administered more advantageously and economically, and it is funded through advance payments from various Department of the Treasury bureaus, including the IRS. These advance payments are based on estimated expenditures for the upcoming fiscal year.

Overall, the IRS has established adequate controls to support the proper recording of advance payments made to the Fund. Specifically, the IRS developed detailed procedures which require that all advance payments to the Fund initially be recorded as an asset in its records. This asset is subsequently reduced by the IRS as billings related to Fund services are received throughout the year. In addition, to more timely recognize expenses associated with the WCF, the IRS estimates and accrues Fund expenses in its records monthly. These accruals are calculated based on a weighted average of the prior 2 years' actual expenses. This process allows the IRS to more evenly reflect Fund-related costs throughout the fiscal year.

However, improvements are needed in two critical areas related to the IRS' monitoring of the administrative services it receives from the WCF. First, the IRS' review of Department of the Treasury billings for Fund services provided needs to be significantly improved. The IRS did not subject its Fund billings for actual costs incurred to any type of review for accuracy or compare them to current year estimated program expenditures for reasonableness. Compounding the risk of this condition is the magnitude of these expenses. For example, billings to the IRS for actual WCF services totaled more than \$100 million during the period October 2005 through June 2006. At the time of our review, the IRS had no procedures in place requiring the review and certification of Fund billings as accurate before they are entered into its general ledger¹ as valid expenses.

A number of IRS managers we interviewed from the functions responsible for oversight of Fund-related services informed us they relied entirely on the Department of the Treasury to not make any mistakes or errors in the calculation of the amounts billed to the IRS for Fund costs. However, a recent Treasury Inspector General for Tax Administration report noted the Department of the Treasury made mathematical errors that resulted in the issuance of overstated WCF billing documents, including more than \$526,000 erroneously billed to the IRS for personnel action processing-related services.² The Treasury Office of Inspector General is currently conducting a separate audit of a sample of Fund expenses billed by the Department of

¹ A ledger in which all transactions to record an entity's financial events are posted, either individually or in summary.

² *The Department of the Treasury Needs to Improve Its Management of Employee Express System Funds* (Reference Number 2005-10-153, dated September 2005).



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the Treasury in Fiscal Year 2006. Accordingly, we did not perform any indepth testing of the specific costs on which the Fund billings are based.

Second, expense transactions relating to actual WCF expenditures were not always accurately recorded. Our review of a random sample of Fund-related expenditures recorded in the IRS general ledger during the period October 2005 through June 2006 identified a number of instances in which material financial transactions were misclassified. Similarly, WCF program expenditures were frequently allocated to obligations³ not directly related to the expenditures. In total, \$34 million of the \$97 million in charges we reviewed were misclassified. Inaccurate financial management information compromises the ability of the IRS to readily monitor costs and produce reliable accounting data.

Finally, the Department of the Treasury was unable to readily substantiate the need for more than \$60 million it accumulated from the IRS and held in the WCF as of December 2006. We have shared this information with Treasury Office of Inspector General staff, who indicated they will be performing further detailed testing in this area.

Recommendations

We recommended the Chief Financial Officer develop procedures requiring that Fund billings be reviewed and certified as accurate before entry into IRS records as valid expenses, request that the Department of the Treasury include additional information on the Fund billing statements to better facilitate the review and accurate recording of Fund-related transactions, revise procedures to require that Fund expenditures be allocated only to obligations directly related to the expenditures, and periodically review expenditures related to the Fund to ensure the account classifications are consistent with the definitions of the Fund services being received.

Response

IRS management agreed with all of our recommendations. The Chief Financial Officer will develop and implement policies and procedures providing guidance to the business units for review and certification of WCF billings; identify additional information needed for the IRS to review and validate its portion of the Fund billing statements and request that the Department of the Treasury provide such information with the Fund billing statement; and revise internal procedures to ensure proper posting of WCF expenses, based on supporting documentation provided by the Department of the Treasury and IRS business units. Management's complete response to the draft report is included as Appendix V.

³ Obligations are budgetary journal entries that allocate resources for a specific planned purpose.



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Please contact me at (202) 622-6510 if you have questions or Nancy A. Nakamura, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs), at (202) 622-8500.



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Abbreviations

| | |
|-----------|--------------------------|
| CFO | Chief Financial Officer |
| FY | Fiscal Year |
| IRS | Internal Revenue Service |
| WCF; Fund | Working Capital Fund |



More Careful Monitoring of Billings for Working Capital Fund Administrative Services Is Needed

Background

The Department of the Treasury Working Capital Fund (hereafter referred to as the WCF or the Fund) was established to provide common administrative services that benefit more than one Department of the Treasury bureau or entity.¹ Services provided by the Fund include an automated human resources system and a centralized data network and management system. The Fund also provides support services in the areas of emergency preparedness, safety, and health. The WCF Fiscal Year (FY) 2006 budget was \$221 million; the Internal Revenue Service's (IRS) allocated share was \$161 million. The Fund FY 2007 budget is \$267 million; the IRS' allocated share is \$209 million.

The WCF is a revolving, no-year fund, without dollar limitation, that is funded through advance payments from Department of the Treasury bureaus. These advance payments represent cash collected in advance of the services provided and are based on estimated expenditures for the upcoming fiscal year. The Fund advance balance for each Department of the Treasury bureau is periodically reduced as expenses are incurred and posted to each customer's account. Any Fund balance remaining at fiscal yearend, which was not obligated, may be used to meet the requirements in the next fiscal year. This unused funding is referred to as a carryover.

The Department of the Treasury notifies each of its bureaus of the amount of its annual advance payment via the WCF collection letter, which details the estimated funding requirements for each service provided through the Fund and includes a charge for the overhead associated with administering it. The Fund collection letter specifies that the advance payment will be collected via the Intra-governmental Payment and Collection system within 2 weeks of the date of the letter, unless the bureau contacts the WCF Manager with a concern or request for further clarification.

The Department of the Treasury WCF transactions primarily affect the IRS' budget, cash, and expense accounting cycles. Responsibility within the IRS for financial controls over Fund-related transactions is shared between the Office of the Chief Financial Officer (CFO) and the various business units that receive goods and services through the Fund.

Specifically, the CFO Corporate Performance Budgeting Unit has overall responsibility for monitoring and controlling transfers between the IRS and other agencies, including those related to the WCF. These responsibilities include coordinating the issuance of Fund estimates to all IRS Financial Plan Managers. The CFO Corporate Performance Budgeting Unit also provides guidance regarding the processing of obligation² documents; examines financial plans monthly;

¹ 31 United States Code Section 322 (2003).

² Obligations are budgetary journal entries that allocate resources for a specific planned purpose.



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and has established Business Unit Analysts, who serve as liaisons with the business units to facilitate the Unit's activities.

The Beckley Finance Center (located in Beckley, West Virginia, and part of the CFO Internal Financial Management Unit) is responsible for processing IRS-wide disbursements, including those related to the WCF. The Beckley Finance Center also posts, maintains, and monitors all suspense accounts related to Intra-governmental Payment and Collection system transactions and serves as a liaison with the business units on financial reconciliations, reports, and reporting requirements.

This review was performed at the IRS National Headquarters in Washington, D.C., in the offices of the Chief Financial Officer; Chief Information Officer; Chief, Agency-Wide Shared Services; and Chief, Criminal Investigation. We also performed work at the Beckley Finance Center. This review was performed during the period August 2006 through January 2007. The audit was conducted in accordance with *Government Auditing Standards*. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.



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Results of Review

Adequate Procedures Have Been Established to Guide the Recording of Advance Payments Made to the Department of the Treasury Working Capital Fund

Overall, the IRS has established adequate controls to support the proper recording of advance payments made to the WCF. Specifically, the IRS developed detailed procedures which require that all advance payments to the Fund initially be recorded as an asset in its records. This asset is subsequently reduced by the IRS as billings related to Fund services are received throughout the year. In addition, to more timely recognize expenses associated with the WCF, the IRS estimates and accrues expenses in its records monthly. These accruals are calculated based on a weighted average of the prior 2 years' actual expenses. This process allows the IRS to more evenly reflect Fund-related costs throughout the fiscal year.

However, improvements are needed in two critical areas related to the IRS' monitoring of the administrative services it receives from the WCF.

- Controls over the review of billings for services need to be improved.
- Transactions relating to actual expenditures were not always accurately recorded.

Controls Over the Review of Billings for Services Provided Through the Working Capital Fund Need to Be Improved

The Department of the Treasury reports actual expenditures related to WCF services to participating agencies via billings that are generally issued quarterly. These billings report (1) actual expenditures for the various programs provided through the Fund to the IRS and (2) the Fund advance balance remaining after the current expenditures have been applied.

The IRS did not subject its Fund billings for actual costs incurred to any type of review for accuracy or compare them to current year estimated program expenditures for reasonableness. This puts the IRS at risk of being unable to timely identify potential errors and overcharges. Billings to the IRS for actual WCF services totaled more than \$100 million during the period of October 2005 through June 2006. In addition, the Fund is comprised of 38 programs and provides a variety of services in areas such as human resources, data networking and management, emergency preparedness, and safety and health. At the time of our review, the IRS



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had no procedures in place requiring the review and certification of billings as accurate before they are entered into its general ledger³ as valid expenses.

A number of IRS managers we interviewed from the functions responsible for oversight of Fund-related services informed us they relied entirely on the Department of the Treasury to not make any mistakes or errors in the calculation of the amounts billed to the IRS for WCF costs. However, a recent Treasury Inspector General for Tax Administration report noted the Department of the Treasury made mathematical errors that resulted in the issuance of overstated Fund billing documents, including more than \$526,000 erroneously billed to the IRS for personnel action processing-related services.⁴ An indepth review of a sample of Fund expenses billed by the Department of the Treasury in FY 2006 will be completed as part of a separate audit presently being conducted by the Treasury Office of Inspector General. Accordingly, we did not perform any indepth testing of the specific costs on which the Fund billings are based.

Also, the IRS' ability to readily identify errors in WCF billings would be significantly enhanced if the information on the billing statements were expanded in two key areas. First, the current billings contain totals only by type of service and do not include any breakdown as to type of cost such as salary, rent, or equipment. Second, the billings do not specify the budget year associated with the program costs reported. Adding this additional information would allow the IRS to much more quickly and easily compare billings to budgeted costs and identify significant variances for follow-up. All of the information necessary to provide this additional data is already accumulated by the Department of the Treasury in the accounting systems used to compile the Fund billings. The Treasury Office of Inspector General will also be evaluating the overall clarity of information provided in connection with the operation of the WCF as part of its ongoing review.

Recommendations

Recommendation 1: The CFO should develop procedures requiring that Fund billings be reviewed and certified as accurate before entry into IRS records as valid expenses.

Management's Response: IRS management agreed with this recommendation. The CFO will develop and implement policies and procedures providing guidance to the business units for review and certification of WCF billings.

Recommendation 2: The CFO should request that the Department of the Treasury include additional information on the Fund billing statements to better facilitate the review and accurate recording of Fund-related transactions. Specifically, the information should include a

³ A ledger in which all transactions to record an entity's financial events are posted, either individually or in summary.

⁴ *The Department of the Treasury Needs to Improve Its Management of Employee Express System Funds* (Reference Number 2005-10-153, dated September 2005).



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breakdown as to type of cost being billed such as salary, rent, or equipment and specify the budget year associated with the program costs reported.

Management's Response: IRS management agreed with this recommendation. The CFO will identify additional information needed for the IRS to review and validate its portion of the WCF billing statements and request that the Department of the Treasury provide such information with the Fund billing statement.

***Transactions Relating to Working Capital Fund Expenditures Were
Not Always Accurately Recorded***

At the beginning of each fiscal year, the IRS records a series of obligations in its general ledger to reflect anticipated expenditures relating to the WCF. These entries also establish the specific general ledger account that will be used to track the expenditures when they are eventually incurred. When the IRS receives the quarterly Fund billings from the Department of the Treasury, it should record the actual expenditures in the appropriate general ledger accounts and reduce the balance of the associated obligations.

However, our review of a random sample of Fund-related expenditures recorded in the IRS general ledger during the period October 2005 through June 2006 identified a number of instances in which material financial transactions were misclassified. For example, expenses related to E-Government Enterprise Solutions,⁵ totaling \$801,224, were recorded as local telephone expenses in the IRS' records; expenses related to Fund Cyber Security Initiatives, totaling \$231,487, were recorded as an expense related to guard services; and Telecommunications System-related expenses, totaling \$435,273, were recorded as a management and professional support-related expense. Similarly, WCF program expenditures were frequently allocated to obligations not directly related to the expenditures. For example, emergency preparedness-related services, totaling \$215,395, were allocated to an obligation established by the IRS to allocate resources for accounting system-related services. In total, \$34 million of the \$97 million in charges we reviewed were misclassified. Appendix IV presents details on the reliability of information outcome measure resulting from the identification of this error.

These misclassifications are primarily attributable to the IRS' policy of first applying current Fund-related expenditures to comparable, existing aged WCF obligations and then, if comparable aged WCF obligations were depleted, to aged obligations that were not directly related to the expenditures. Inaccurate financial management information compromises the ability of the IRS to readily monitor costs and produce reliable accounting data.

⁵ A program dedicated to leveraging innovative information technology solutions.



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Recommendation

Recommendation 3: The CFO should revise procedures to require that Fund expenditures be allocated only to obligations directly related to the expenditures. Expenditures related to the Fund should also be periodically reviewed to ensure the account classifications are consistent with the definitions of the WCF services being received.

Management's Response: IRS management agreed with this recommendation. The CFO will revise internal procedures to ensure proper posting of WCF expenses, based on supporting documentation provided by the Department of the Treasury and IRS business units.

The Department of the Treasury Was Unable to Readily Substantiate the Need for a Significant Amount of the Funds It Had Accumulated From the Internal Revenue Service for the Working Capital Fund

The Department of the Treasury was unable to readily substantiate the need for more than \$60 million it accumulated from the IRS and held in the WCF of December 2006. Department of the Treasury WCF staff informed us these accumulated funds represent monies obligated for planned future expenditures. However, the WCF program office was unable to readily identify when the monies were obligated, the purpose of the obligation, or whether the obligation is still valid. We have shared this information with Treasury Office of Inspector General staff, who indicated they will be performing further detailed testing in this area. As a result, we are making no recommendation regarding this issue.



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Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this review was to determine whether the IRS has established adequate controls to effectively monitor and accurately record transactions related to the administrative services it receives from the Department of the Treasury WCF (also referred to as the Fund). To accomplish our objective, we:

- I. Determined whether the IRS established adequate financial controls to effectively administer its participation in the WCF and to ensure Fund budget-related transactions were accurately recorded.
 - A. Determined whether the IRS adequately reviewed the annual program budget estimate and cost allocations.
 - B. Ascertained whether the IRS effectively managed its budgetary resources and accurately recorded budget transactions related to the Fund.
- II. Determined whether the IRS effectively reviewed the WCF charges to ensure expenses were properly identified, allocated, and supported by sufficient/reliable documentation to confirm their receipt and acceptance.
 - A. Interviewed IRS CFO Internal Financial Management Unit personnel regarding the process used to review and reconcile the charges.
 - B. Flowcharted the charge review and reconciliation process and identified key controls.
 - C. Determined whether the IRS effectively reviewed the charges.
- III. Determined whether the IRS continually monitored its WCF account balance, including the amounts and disposition of any funds that remained unused at yearend.
- IV. Determined whether the Department of the Treasury established effective controls to ensure it does not accumulate excessive funds in the WCF.

We used a stratified random sampling method to obtain a sample of IRS WCF program charges for the first 3 quarters of FY 2006 (October 2005-June 2006) from the IRS general ledger.¹ We separated into 2 strata the population of 32 charges, totaling \$100,393,268. The first stratum included all charges greater than or equal to \$1 million. The second stratum included all charges less than \$1 million. We sampled all items in the first stratum and selected a random sample

¹ A ledger in which all transactions to record an entity's financial events are posted, either individually or in summary.



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from the second stratum. This resulted in a sample size of 18 IRS program charges, totaling \$96,540,612. We used a stratified random sampling method because it allowed us to place additional emphasis on large-dollar transactions, while still maintaining the overall randomness of our sample.

As part of our evaluation of controls over Fund transactions, we reviewed computer-processed data from the IRS general ledger pertaining to FY 2006 Fund-related transactions. To assess the reliability of these data, we compared the data to source input documents and the quarterly Department of the Treasury WCF billings. We also interviewed IRS managers responsible for oversight of Fund-related services regarding selected transactions. Our overall purpose in using these data was to test the operation of selected financial management processes and internal controls. As discussed in the report body, we found that expense transactions relating to actual Fund expenditures were not always accurately recorded. Similarly, WCF program expenditures were frequently allocated to obligations not directly related to the expenditures.



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Appendix II

Major Contributors to This Report

Nancy A. Nakamura, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs)

John R. Wright, Director

Anthony J. Choma, Audit Manager

Philip A. Smith, Lead Auditor

Richard Loudon, Senior Auditor

Kanika Kals, Auditor

Rashme Sawhney, Auditor



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Appendix III

Report Distribution List

Commissioner C
Office of the Commissioner – Attn: Chief of Staff C
Deputy Commissioner for Operations Support OS
Deputy Commissioner for Services and Enforcement SE
Chief, Agency-Wide Shared Services OS:A
Chief, Criminal Investigation SE:CI
Chief Information Officer OS:CIO
Deputy Chief, Criminal Investigation SE:CI
Deputy Chief Financial Officer OS:CFO
Deputy Chief Information Officer OS:CIO
Chief Counsel CC
National Taxpayer Advocate TA
Director, Office of Legislative Affairs CL:LA
Director, Office of Program Evaluation and Risk Analysis RAS:O
Office of Internal Control OS:CFO:CPIC:IC
Audit Liaison: Chief Financial Officer OS:CFO



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Appendix IV

Outcome Measure

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. This benefit will be incorporated into our Semiannual Report to Congress.

Type and Value of Outcome Measure:

- Reliability of Information – Actual; \$34,485,176 in misclassified expenditures (see page 5).

Methodology Used to Measure the Reported Benefit:

To determine whether the IRS accurately recorded transactions related to Department of the Treasury WCF expenditures, we analyzed a stratified random sample of 18 IRS Fund program charges totaling \$96,540,612 from the IRS general ledger's¹ total population of 32 IRS Fund program charges totaling \$100,393,268 for the first 3 quarters of FY 2006. Our analysis of the 18 IRS program charges determined \$34,485,176 in total charges were misclassified. These misclassifications are primarily attributable to the IRS' policy of first applying current Fund-related expenditures to comparable, existing aged Fund obligations and then, if comparable aged Fund obligations were depleted, to aged obligations that were not directly related to the expenditures.

¹ A ledger in which all transactions to record an entity's financial events are posted, either individually or in summary.



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Appendix V

Management's Response to the Draft Report



CHIEF FINANCIAL OFFICER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

RECEIVED
APR 4 - 2007

April 4, 2007

MEMORANDUM FOR MICHAEL R. PHILLIPS
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Janice J. Lambert *Janice Lambert*
Chief Financial Officer

SUBJECT: Draft Audit Report – More Careful Monitoring of Billings for
Working Capital Fund Administrative Services Is Needed
(Audit # 200610032)

Thank you for the opportunity to review and comment on your draft report, "More Careful Monitoring of Billings for Working Capital Fund Administrative Services Is Needed." We will use the recommendations from this audit to supplement our ongoing efforts with the Department of the Treasury to improve our internal controls related to the accurate recording of Working Capital Fund transactions.

I have attached a detailed response to each recommendation along with management corrective actions, proposed implementation dates, and responsible officials, as applicable. As stated in the attachment, implementation of recommended process changes is contingent upon receiving additional detailed supporting information from the Department of the Treasury to enable us to accurately review and certify the billings.

If you have any questions, please contact me at (202) 622-6400 or have a member of your staff contact William H. Maglin, Associate CFO for Internal Financial Management, at (202) 435-5499.

Attachment



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2

Attachment

RECOMMENDATION 1

The IRS Chief Financial Officer should develop procedures requiring that WCF billings be reviewed and certified as accurate before entry into records as a valid expense.

CORRECTIVE ACTION(S):

The CFO will develop and implement policies and procedures providing guidance to the business units (BUs) for review and certification of WCF billings.

PROPOSED IMPLEMENTATION DATE: July 1, 2007 (NOTE: Implementation of new review and certification procedures is contingent upon receiving from Treasury the supporting information necessary to adequately identify the specific WCF items billed.)

RESPONSIBLE OFFICIAL:

Associate CFO for Internal Financial Management

CORRECTIVE ACTION(S) MONITORING PLAN:

The CFO will collect and review BUs certification(s) of WCF billings and promptly follow up on any late or incomplete certifications.



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RECOMMENDATION 2

The IRS Chief Financial Officer should request the Department of the Treasury include additional information on the WCF billing statements to better facilitate the review and accurate recording of WCF related transactions. Specifically, the information should include a breakdown as to type of cost being billed such as salary, rent, or equipment, and to specify the budget year associated with the program costs reported.

CORRECTIVE ACTION(S):

The CFO will identify additional information needed for IRS to review and validate its portion of the WCF billing statements and request that Treasury provide such information with the WCF billing statement.

PROPOSED IMPLEMENTATION DATE: May 1, 2007

RESPONSIBLE OFFICIAL:

Associate CFO for Internal Financial Management

CORRECTIVE ACTION(S) MONITORING PLAN:

The CFO will follow up with Treasury to ensure additional specific information is provided as requested.



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RECOMMENDATION 3

The IRS Chief Financial Officer should revise procedures to require that WCF expenditures only be allocated to obligations directly related to the expenditure. Expenditures related to the WCF should also be periodically reviewed to ensure that the account classifications are consistent with the definition of the WCF service being received.

CORRECTIVE ACTION(S):

The CFO will revise internal procedures to ensure proper posting of WCF expenses based on supporting documentation provided by the Department of the Treasury and IRS business units.

PROPOSED IMPLEMENTATION DATE: July 1, 2007 (NOTE: Implementation of revised procedures is contingent upon receiving from Treasury the supporting information necessary to adequately identify the specific WCF items billed.)

RESPONSIBLE OFFICIAL:

Associate CFO for Internal Financial Management

CORRECTIVE ACTION(S) MONITORING PLAN:

The CFO will monitor and review the effectiveness of the procedures by conducting periodic reviews of posted WCF expenses and obligations.