



Treasury Inspector General for Tax Administration Office of Audit

INITIAL EFFORTS TO DEVELOP A NEW WEB-BASED PORTAL ENVIRONMENT WERE NOT SUCCESSFUL

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Highlights

Highlights of Report Number: 2009-20-079 to the Internal Revenue Service Chief Technology Officer.

IMPACT ON TAXPAYERS

The use of the Internet is critically important to the Internal Revenue Service's (IRS) tax administration mission of delivering top-quality service to all taxpayers. Internet portals allow taxpayers and tax practitioners to submit and retrieve tax-related and general information and electronically file tax returns. Although the initial attempt to develop a new portal environment terminated unsuccessfully, the IRS subsequently hired a contractor to assist in the development of an enterprise portal business strategy. The success of this effort is important to provide taxpayers with both continuous access to IRS data and information and the ability to electronically fulfill their tax responsibilities.

WHY TIGTA DID THE AUDIT

This audit was initiated to review the management and development of the new web-based portal environment. This audit was included in the TIGTA Fiscal Year 2009 Annual Audit Plan to address the major management challenge of Modernizing the IRS.

WHAT TIGTA FOUND

In Fiscal Year 2006, the IRS recognized the need to upgrade its existing portal environment and initiated the New Portal Implementation Project. A major concern that led to developing the new portal environment was that a significant amount of portal equipment was nearing or was at the end of its useful life expectancy. In addition, requirements from existing and planned projects that needed portal support could not be met due to technical limitations of existing equipment.

The IRS planned to complete the new portal environment by November 2008; however, in June 2008, the IRS Chief Information Officer cancelled the Project before it was completely developed. Reasons for the cancellation included the lack of a comprehensive enterprise strategy that considered industry best practices, and budget challenges due to the significant expenditure requirements necessary to replace existing

equipment. Subsequent to the Project being cancelled, the IRS hired a contractor to assist in developing an enterprise portal business strategy.

The IRS did not have a formal process to continuously identify and evaluate future planned projects that may require portal support. It uses various methods to identify existing projects that require portal support, such as the Modernization Vision and Strategy process and Unified Work Requests. However, these processes would not include all new information technology projects and would not identify their portal needs before the projects were approved. Thus, until a process is developed to continuously identify new portal-dependent projects, there is a risk that portal capacity may not be sufficient to handle dependent projects, and performance and functionality may not meet user needs.

WHAT TIGTA RECOMMENDED

TIGTA recommended the Chief Technology Officer work with the Commissioner, Wage and Investment Division, to develop a process to ensure that new projects seeking approval and funding during the information technology governance process, and which are not part of the Modernization Vision and Strategy process, are properly identified and their portal needs are considered. The new process should be similar to existing procedures to ensure that a uniform analysis is conducted for projects that are not part of the Modernization Vision and Strategy process.

In their response to the report, IRS officials agreed with the recommendation. The Chief Technology Officer and the Wage and Investment Division organization plan to partner together to improve coordination intended to ensure that all major new projects needing portal services will receive analysis that is similar to existing procedures. The end result should be a process that identifies investment opportunities which are channeled through an engineering and estimation process to ensure that any portal needs are identified, considered, and properly addressed.

READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2009reports/200920079fr.pdf>

Email Address: inquiries@tigta.treas.gov
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