



Treasury Inspector General for Tax Administration Office of Audit

FUTURE IMPROVEMENTS COULD FURTHER INCREASE THE BENEFITS OF THE TUITION ASSISTANCE PROGRAM

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Highlights

Highlights of Report Number: 2012-10-043 to the Internal Revenue Service Human Capital Officer.

IMPACT ON TAXPAYERS

The IRS, like many Federal agencies, uses tuition assistance as a long-term recruitment and retention tool and as a means to improve employee and organizational performance. The IRS established some monitoring tools to measure the impact of the Tuition Assistance Program (hereafter referred to as the Program) and determined the Program benefitted both individual employees and the IRS. However, the IRS did not clearly define Program goals, and guidelines did not always work or were not sufficient. As a result, the IRS did not always ensure that taxpayer funds were used wisely.

WHY TIGTA DID THE AUDIT

This audit addresses the major management challenge of Human Capital. The overall objective was to determine if the IRS Human Capital Office was evaluating whether Program goals were being met and selected guidelines were being followed.

WHAT TIGTA FOUND

The IRS evaluated the impact of the Program and concluded that participants (as compared to the general IRS population) showed lower attrition, more promotions, higher performance ratings, and higher employee engagement scores. However, the IRS never clearly defined the goals of the Program and, consequently, never clearly defined measures that would assist the IRS in assessing whether the Program was meeting its goals.

The IRS generally approved courses only when participants were eligible to participate and when the courses requested were within the established guidelines. However, controls did not always work or were not sufficient. As a result, TIGTA determined that Program officials did not always: 1) reject requests for non-qualifying courses, 2) ensure vendors met a minimum standard of quality, 3) ensure that courses were successfully completed, and 4) enforce continuing service agreements to ensure that employees who leave

Government service shortly after receiving training pay back the training funds.

In November 2011, the IRS made a decision to eliminate Program funding for Fiscal Year 2012 due to budgetary reductions. However, the IRS left open the possibility of bringing the Program back in future fiscal years. The elimination of Program funding provides the IRS with an opportunity to consider strengthening accountability over Program funds in the event it decides to resume operations of this or a similar program in the future. Improvements would provide the IRS with better insight into whether its future program is achieving the results it desires and would assure the IRS and the public that money being used to invest in employee development is a good use of taxpayer funds.

WHAT TIGTA RECOMMENDED

TIGTA recommended that, in the event the IRS decides to fund a future tuition assistance program, the IRS establish goals and cost-effective measures, ensure courses relate to a participant's existing job duties or career goals, ensure courses be taken only from vendors meeting a minimum standard of quality, ensure courses are successfully completed, and enforce continuing service agreements.

The IRS agreed with the recommendation and plans to document process improvements, achievements results, lessons learned resulting from an August 2011 meeting with the National Treasury Employees Union, and the recommendation from this report on the Human Capital Office Knowledge Management website.

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/201210043fr.pdf>.

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