Treasury Inspector General for Tax Administration
Office of Audit

SIGNIFICANT ADDITIONAL REAL ESTATE COST SAVINGS CAN BE ACHIEVED BY IMPLEMENTING A TELEWORK WORKSTATION SHARING STRATEGY

Issued on August 27, 2012

Highlights

Highlights of Report Number: 2012-10-100 to the Internal Revenue Service Chief, Agency-Wide Shared Services, and the IRS Human Capital Officer.

IMPACT ON TAXPAYERS

On June 10, 2010, President Obama directed Government agencies to eliminate excess properties and achieve $3 billion in savings by the end of Fiscal Year (FY) 2012. Our review found that the IRS has achieved some cost savings in support of the President's goal. However, these efforts are impeded by the lack of an established policy and effective strategy on implementing workstation sharing by IRS employees who telework. A policy requiring employees who telework to share workstations would allow the IRS to further reduce its long-term office space needs and achieve additional cost savings.

WHY TIGTA DID THE AUDIT

This audit was initiated to assess the IRS's progress in achieving real estate cost savings to meet the President's FY 2012 Federal real estate cost savings goals.

WHAT TIGTA FOUND

From October 2010 through December 2011, the IRS completed 17 space consolidation and relocation projects, which the IRS reported will result in $2.8 million of realized rent savings in FY 2012. The IRS also plans to complete an additional 66 projects by September 2012 that could provide an additional $3.8 million in realized savings in FY 2012.

However, our review found that because the IRS has been unable to effectively capitalize on the space cost savings available from workstation sharing by employees who telework, it continues to incur rental costs for more workstations than required. Specifically, if employees who routinely telework on a full- or part-time basis shared their workstations, 10,244 workstations could potentially be eliminated. This could allow the IRS to reduce office space needs by almost one million square feet, resulting in potential rental savings of approximately $111.4 million over five years.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the IRS Human Capital Officer finalize an agreement with the National Treasury Employees Union that establishes a workstation sharing policy that can be implemented IRS-wide. The IRS should pursue a workstation sharing policy with other IRS business units similar to the agreement reached with its Information Technology organization until an agreement between the IRS and the National Treasury Employees Union is finalized. In addition, the Chief, Agency-Wide Shared Services, should develop an overall strategy that links workstation sharing with the IRS's planning for future space needs and reevaluate the potential impact of workstation sharing on all current real estate planning projects.

In their response, IRS management agreed with our recommendations. The implementation of a shared workstation program for telework employees has been successfully negotiated with the National Treasury Employees Union and will take effect on October 1, 2012. The IRS plans to revise interim and long-range portfolio strategies for future space needs at sites to include workstation sharing as appropriate and review real estate projects to determine if the applicable space requirements can be reduced if workstation sharing is implemented for frequent teleworkers.

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/201210100fr.pdf.