



Treasury Inspector General for Tax Administration Office of Audit

PROGRESS HAS BEEN MADE; HOWEVER, SIGNIFICANT WORK REMAINS TO ACHIEVE FULL IMPLEMENTATION OF HOMELAND SECURITY PRESIDENTIAL DIRECTIVE 12

Issued on September 12, 2014

Highlights

Highlights of Report Number: 2014-20-069 to the Internal Revenue Service Chief Technology Officer.

IMPACT ON TAXPAYERS

Issued in August 2004, the Homeland Security Presidential Directive 12 (HSPD-12), *Policy for a Common Identification Standard for Federal Employees and Contractors*, requires Federal agencies to issue identity credentials that meet the HSPD-12 standard and use them for gaining physical access to Federally controlled facilities and logical access to Federally controlled information systems. Without full implementation of HSPD-12 compliant authentication, IRS facilities, networks, and information systems are at an increased risk of unauthorized access.

WHY TIGTA DID THE AUDIT

This audit was initiated to determine the IRS's progress in implementing HSPD-12 requirements for accessing IRS facilities and information systems. The U.S. Department of the Treasury has set a goal for its bureaus to achieve 100-percent HSPD-12 compliance by Fiscal Year 2015. In Fiscal Year 2012, the Administration identified HSPD-12 as a Cross-Agency Priority initiative needed to improve the security of Federal data.

WHAT TIGTA FOUND

The majority of the IRS workforce has been issued HSPD-12 compliant Personal Identity Verification (PIV) cards. However, full implementation of PIV card electronic authentication for accessing IRS facilities is not scheduled until at least Fiscal Year 2018, and only if funding is available. In addition, significant challenges remain in the area of implementing PIV card electronic authentication for accessing IRS networks and information systems. These challenges include many legacy systems and technologies in use at the IRS that are incompatible with PIV cards, and limited HSPD-12 staffing and funding for resolving these conflicts.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Chief Technology Officer and Chief, Agency-Wide Shared Services, ensure that all IRS facilities are equipped with HSPD-12 compliant physical access control systems. Also, TIGTA recommended that the Chief Technology Officer ensure that specific requirements, staffing, and scheduling are identified and adequate funding requested to ensure full implementation of mandatory PIV card access to the IRS network and information systems; issue an IRS-wide memorandum to reiterate the requirement for full PIV card adoption; and ensure that HSPD-12 compliant requirements are integrated in the IRS's lifecycle management process to ensure that new and existing systems implement this requirement.

The IRS agreed with all of our recommendations and has planned appropriate corrective actions to address them. The IRS plans to continue to implement HSPD-12 compliant access control systems at IRS facilities, identify and oversee funding needed to support full implementation of HSPD-12, issue an IRS-wide memorandum reiterating the requirements for full adoption of PIV card access to the IRS network and information systems, and ensure that HSPD-12 requirements are integrated into the IRS's enterprise lifecycle development processes.

READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2014reports/201420069fr.pdf>