

# 2022 Annual Audit Plan

Treasury Inspector General for  
Tax Administration

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## Message from the Deputy Inspector General for Audit

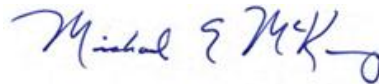
The Office of Audit Fiscal Year (FY) 2022 Annual Audit Plan communicates the Treasury Inspector General for Tax Administration's (TIGTA) audit priorities to the Internal Revenue Service (IRS), Congress, and other interested parties. Many of the activities described in the Annual Audit Plan address the fundamental goals related to the IRS's mission to administer its programs effectively and efficiently. The FY 2022 Annual Audit Plan includes 140 new and in-process audits.

This Annual Audit Plan is organized into sections which include the IRS's response to the pandemic as well as six main categories of operations at the IRS:

- ❖ **Response to the Coronavirus Pandemic**
- ❖ **Compliance and Enforcement**
- ❖ **Information Technology/Cybersecurity**
- ❖ **Operational Support**
- ❖ **Tax Exempt and Government Entities**
- ❖ **Tax Processing**
- ❖ **Taxpayer Service**

The Annual Audit Plan includes mandatory coverage specified in the IRS Restructuring and Reform Act of 1998<sup>1</sup> and other statutory authorities involving computer security, taxpayer rights, and privacy issues.

We are committed to delivering our mission of ensuring an effective and efficient tax administration system and preventing, detecting, and deterring waste, fraud, and abuse.



Michael E. McKenney  
Deputy Inspector General for Audit

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<sup>1</sup> Pub. L. No. 105-206, 112 Stat. 685.

## Fiscal Year 2022 List of Planned Audits



### Response to the Coronavirus Pandemic

#### **Controls Over COVID-19 Response Funding – Phase II (202110624)**

Evaluate IRS controls to ensure that the appropriated funds received for its COVID-19 response are adequately monitored and used only for their intended purpose.

#### **Implementation of §§ 2303 and 2304 of the Coronavirus Aid, Relief, and Economic Security Act (202130622)**

Assess the IRS's efforts to promote non-corporate business taxpayer compliance with § 2303 of the Coronavirus Aid, Relief, and Economic Security Act,<sup>2</sup> which modified the rules for net operating losses when filing tentative claims or amended returns, as well as when filing amended returns pursuant to § 2304, which modified the rules for excess business losses for taxpayers other than corporations.

#### **Economic Impact Payment Tax Filing Reconciliation for Individuals (202140621)**

Assess the processing of the Recovery Rebate Credit claims during the 2021 Filing Season, including ensuring that taxpayers are properly reconciling advanced Economic Impact Payments received during Calendar Year (CY) 2020.

#### **Review of COVID-19 Business Tax Relief Provisions on Original and Amended Tax Returns (202140623)**

Assess the IRS's processes and procedures to ensure the accuracy and validity of COVID-19 related employer tax credits on original and amended tax returns.

#### **Efforts to Prioritize Account Management Inventory and Reduce Consistent Over-aged Inventories (202140630)**

Assess the IRS's efforts to prioritize Accounts Management inventories and reduce consistent over-aged inventories.

#### **Assessment of the IRS's Efforts to Address the Backlog of Tax Processing Operations (202140632)**

Assess the IRS's actions to address the backlog of unworked returns and inventories.

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<sup>2</sup> Pub. L. No. 116-136, 131 Stat 281 (2020).

**Issuance of American Rescue Plan Act Stimulus Payments (202140725)**

Evaluate the accuracy of the IRS's issuance of American Rescue Plan Act (ARPA)<sup>3</sup> stimulus payments to individuals.

**Expansion of Premium Tax Credit Eligibility Rules Under the American Rescue Plan Act (202140726)**

Evaluate the IRS's implementation strategy of the extended eligibility rules for the Premium Tax Credit and ensure the accuracy of Tax Year 2020 recovery adjustments.

**Implementation of Child Tax Credit Advanced Periodic Payments (202140727)**

Assess processes and procedures to ensure that Child Tax Credit advanced periodic payments are accurate and made to only those taxpayers who meet qualification requirements.

**Implementation of the Expanded Child and Dependent Care Eligibility Requirements (202140728)**

Assess the IRS's implementation of the expanded Child and Dependent Care Credit eligibility requirements.

**Efforts to Assist Taxpayers With the Child Tax Credit Update Portal and Non-Portal Updates (202140731)**

Assess IRS Customer Service's efforts to assist taxpayers with the Child Tax Credit Update Portal and non-portal updates.

**Pandemic Hiring Practices (202210615)**

Determine whether expedited hiring practices during the COVID-19 pandemic may present potential security risks.

**American Rescue Plan Act Information Technology Funding (202220720)**

Evaluate the effectiveness of Information Technology organization planning to deliver additional systems functionality and services to taxpayers in accordance with the ARPA.

**COVID-19 Pandemic – Penalty and Interest Relief (202230610)**

Evaluate whether appropriate interest and penalty relief was granted to individual taxpayers affected by COVID-19 for Tax Year 2020.

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<sup>3</sup> Pub. L. No. 117-2, 135 Stat. 4.

### **Internal Revenue Code § 162(m) Excessive Employee Remuneration (202230709)**

Evaluate the effectiveness of the IRS's compliance efforts related to Internal Revenue Code (I.R.C.) § 162(m) – Excessive Employee Remuneration, including implementation of the revisions made in the Tax Cuts and Jobs Act (TCJA)<sup>4</sup> and the ARPA.

### **Reconciliation of the American Rescue Plan Act Recovery Rebate Credit During the 2022 Filing Season (202240702)**

Assess the processing of Recovery Rebate Credit claims during the 2022 Filing Season, including ensuring that taxpayers properly reconcile advanced payments received during CY 2021.

### **American Rescue Plan Act – Exclusion of Cancelled Student Loan Debt From Taxable Income (202240708)**

Evaluate the IRS's implementation of the ARPA exemption of cancelled student loan debt from taxable income.

### **Expansion of Earned Income Tax Credit and Child and Dependent Care Credit Eligibility Requirements (202240709)**

Assess the adequacy of processes and procedures to ensure that expanded eligibility requirements are met prior to tax credits being allowed.

### **American Rescue Plan Act Advanced Child Tax Credit Tax Filing Reconciliation for Individuals (202240712)**

Ensure that taxpayers are properly reconciling the Advanced Child Tax Credit payments received during CY 2021.



## **Compliance and Enforcement**

### **Tracking the Costs of the Private Debt Collection Program (201930027)**

Determine whether the IRS is effectively tracking and reporting all costs related to the Private Debt Collection program as required by I.R.C. § 6306.

### **Employment Tax Examinations (202030005)**

Assess the IRS's controls over the selection and examination of employment tax returns and determine the resolutions of employment tax examination efforts, including relief from employment tax obligations that may be provided under § 530 of the Revenue Act of 1978.<sup>5</sup>

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<sup>4</sup> Pub. L. 115-97. Officially known as, "An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for Fiscal Year 2018."

<sup>5</sup> Pub. L. 95-600, 92 Stat. 2763.

### **Implementation of Streamlined Audit Rules for Partnerships (202030006)**

Determine whether the IRS has adequately implemented the changes to the partnership audit rules as specified in § 1101 of the Bipartisan Budget Act of 2015.<sup>6</sup>

### **Efforts to Enforce Compliance With the Foreign Account Tax Compliance Act (202030010)**

Evaluate the IRS's efforts to use information collected under the Foreign Account Tax Compliance Act<sup>7</sup> to improve taxpayer compliance.

### **Partial Pay Installment Agreements (202030013)**

Review the effectiveness of the IRS's Partial Pay Installment Agreement program.

### **Low Income Housing Tax Credit Provisions (202030014)**

Assess the IRS's processes and procedures to ensure Housing Credit Agency, building owner, and taxpayer compliance with Low Income Housing Tax Credit provisions.

### **Implementation of Opportunity Zones (202040029)**

Assess the IRS's implementation of the Opportunity Zone provision of the TCJA.

### **Use of Lien Foreclosures (202130011)**

Determine whether the IRS is properly pursuing suits to foreclose on Federal tax liens.

### **Federal Employee Nonfilers (202130012)**

Determine whether the IRS is effectively addressing Federal employees who fail to file their tax returns.

### **Taxpayer Digital Communications (202130015)**

Determine if the Taxpayer Digital Communications Program is meeting taxpayer and employee needs.

### **Impact of Knowledge Management Focus on Improving Taxpayer Compliance (202130026)**

Evaluate the IRS's Knowledge Management focus and its impact on improving taxpayer compliance.

### **Whistleblower Program (202130031)**

Determine the effectiveness of the IRS's enforcement of I.R.C. § 7623, which authorizes the IRS to pay monetary awards for whistleblower information leading to the detection of tax underpayments and collection of enforcement proceeds.

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<sup>6</sup> Pub. L. No. 114-74, § 101, 129 Stat. 625.

<sup>7</sup> Pub. L. No. 111-147, Subtitle A, 124 Stat. 71 (2010) (codified in scattered sections of 26 U.S.C.).

**Examination Resource Allocation (202130032)**

Review and assess the process used by the IRS's Examination Program to allocate resources.

**Compliance Efforts for the Tax Cuts and Jobs Act § 965 Repatriation Tax (202130423)**

Determine the effectiveness of the IRS's compliance programs around the TCJA § 965 repatriation tax.

**Corporate Taxpayer Compliance With Net Operating Loss Provisions (202130525)**

Review the Large Business and International (LB&I) Division's implementation of the TCJA provisions pertaining to net operating loss and efforts to ensure corporate taxpayers' compliance.

**Detection and Prevention of Business Identity Theft (Phase IV) (202140019)**

Assess the IRS's continued efforts to detect and prevent business identity theft.<sup>8</sup>

**Computation of the Tax Gap (202210010)**

Evaluate the IRS's process for estimating the Tax Gap.

**Oversight of Individual Retirement Account Required Minimum Distributions (202210025)**

Determine whether IRS processes provide reasonable assurance that taxpayers comply with existing laws for reporting and paying any taxes due when taking required minimum distributions.

**Automated Collection System Business Results and Level of Service (202230011)**

Evaluate the effectiveness of the IRS's actions to improve Automated Collection System call sites' business results and level of service.

**Examination and Collection Fraud Referrals (202230012)**

Evaluate the IRS's efforts to identify and develop the Small Business/Self-Employed (SB/SE) Division's Examination and Collection fraud referrals.

**Independent Reviews of Rejected Installment Agreements and Offers in Compromise (202230013)**

Determine whether the Independent Administrative Review unit within the SB/SE Division's Collection Advisory function is effectively reviewing rejected installment agreements and offers in compromise.

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<sup>8</sup> TIGTA, Report No. 2021-40-004, *Refinement and Expansion of Filters to Include Additional Business Returns Will Continue to Improve Business Identity Theft Detection Efforts* (Oct. 2020).



### **Fuel Tax Credit Noncompliance (202230015)**

Determine whether the IRS is adequately evaluating the legitimacy of fuel tax credits claimed by individual taxpayers and follow up on past recommendations.<sup>9</sup>

### **Innocent Spouse Program (202230017)**

Determine whether the Innocent Spouse Program is effectively working cases in accordance with I.R.C. § 6015.

### **Estimated Tax Payments (202230019)**

Evaluate the IRS's processes to review estimated tax payments and assess underpayment penalties when appropriate.

### **High-Income Taxpayers With No Reported Income Tax Liability (202230020)**

Determine whether the IRS is effectively addressing high-income taxpayers who report no income tax liability.

### **Fantasy Sports (202230021)**

Assess the IRS's efforts to promote reporting compliance among fantasy sports operators and taxpayers who use their services.

### **Geographical Examination Selection (202230022)**

Determine whether IRS decisions to open an examination case or survey a return are related to the taxpayer's distance from an IRS field office.

### **Large Business and International Division's Compliance Assurance Process Program (202230023)**

Determine whether results from the recalibrated Compliance Assurance Process program support the LB&I Division's efforts to improve taxpayer compliance and ensure the efficient and effective use of limited Government resources.

### **Qualified Plug-In Electric Drive Motor Vehicle Credit (202230025)**

Determine whether the IRS is adequately reviewing the Qualified Plug-In Electric Drive Motor Vehicle Credits claimed by taxpayers and follow up on past recommendations.<sup>10</sup>

### **Research and Development Credit Claims (202230026)**

Determine whether the IRS is adequately reviewing the amounts claimed as Research and Development credits on amended returns and claims.

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<sup>9</sup> TIGTA, Report No. 2014-30-067, *Additional Actions Are Needed to Ensure That Improper Fuel Tax Credit Claims Are Disallowed* (Sept. 2014).

<sup>10</sup> TIGTA, Report No. 2019-30-072, *Millions of Dollars in Potentially Erroneous Qualified Plug-In Electric Drive Motor Vehicle Credits Continue to Be Claimed Using Ineligible Vehicles* (Sept. 2019).

### **Large Business and International Division Individual Return Case Selection (202230029)**

Review the selection process, use of resources, and examination productivity for individual returns examined by the LB&I Division.

### **Criminal Investigation Fraud Referral Program (202230031)**

Evaluate the reasons for the decline of the Criminal Investigation fraud referral program and identify actions to strengthen it.

### **Proper Reporting of the Unemployment Compensation Exclusion (202230032)**

Determine whether the IRS is identifying and working the most productive cases for which taxpayers potentially underreported their unemployment compensation.

### **Trends in Compliance Activities Through Fiscal Year 2020 (202230033)**

Provide various statistical information regarding Collection and Examination function activities as they relate to the IRS's efforts to bring taxpayers into compliance with their tax obligations.

### **Ghost Employer Initiative (202230036)**

Review the SB/SE Division's implementation of the Office of Fraud Enforcement and its efforts through the Ghost Employer Employment Tax Initiative to ensure corporate taxpayers' compliance with employment tax reporting and payment requirements through collaboration with other enforcement functions.

### **Using John Doe Summons Data to Ensure Cryptocurrency Tax Compliance (202230037)**

Determine whether the IRS has an effective program to identify unreported virtual currency income using John Doe Summons information and other means of analysis [Form 1099-K, *Payment Card and Third Party Network Transactions*, Schedule D (Form 1040<sup>11</sup>), *Capital Gains and Losses*, etc.].

### **U.S. Residency Certification Program (202240003)**

Assess the U.S. Residency Certification program to ensure that taxpayers comply with filing requirements and receipt of fees before issuing a Form 6166, *Certification of U.S. Tax Residency*.

### **Taxpayers Who Exceed Deduction and Credit Statutory Time Limits (202240004)**

Determine whether IRS processes effectively identify and prevent income deductions and tax credit claims that exceed the statutory time limit.

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<sup>11</sup> *U.S. Individual Income Tax Return.*

## **Processes to Ensure That Aliens File the Correct Tax Form Based on Their Residency Status (202240005)**

Evaluate the processes and procedures to ensure that aliens file the correct U.S. individual income tax form based on their residency status.

## **Withholding Reported on Form 945 – Follow-Up (202240014)**

Determine if the IRS has controls in place to ensure that withholding reported on information returns is accurately reflected on Form 945, *Annual Return of Withheld Federal Income Tax*.<sup>12</sup>

## **Processing of Employer Identification Number Applications and Maintenance of Business Accounts (202240015)**

Evaluate the effectiveness of the IRS's controls for processing Employer Identification Number (EIN) applications and ensure that it accurately consolidates accounts with multiple EINs.

## **Affordable Care Act: Selection and Resolution of Noncompliant Employers Subject to the Employer Shared Responsibility Payment – Follow-Up (202240313)**

Evaluate the IRS's identification and selection of non-filers, and the notification, selection, and resolution processes to ensure Applicable Large Employer compliance with the Employer Shared Responsibility Provision.<sup>13</sup>

## **Audits Required by Statute**

### **Administration of the Individual Taxpayer Identification Number Program (202140022)**

Assess the IRS's continued efforts to ensure that only individuals with a tax need are assigned an Individual Taxpayer Identification Number.

### **Fiscal Year 2022 Review of Liens (202230001)**

Determine whether liens issued by the IRS comply with legal guidelines set forth in the I.R.C. and Treasury Regulations.

### **Fiscal Year 2022 Review of Seizures (202230002)**

Determine whether seizures were conducted in accordance with I.R.C. §§ 6330-6344 and IRS procedures.

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<sup>12</sup> TIGTA, Report No. 2019-40-028, *Billions of Dollars in Non-Payroll Tax Withholding Discrepancies Are Not Being Addressed* (May 2019).

<sup>13</sup> TIGTA, Report No. 2020-43-028, *Improvements Are Needed to Ensure That Employer Shared Responsibility Payments Are Properly Assessed* (June 2020).

**Fiscal Year 2022 Review of Levies (202230003)**

Determine whether the IRS complied with Restructuring and Reform Act of 1998 requirements to notify taxpayers and/or their authorized representatives of the right to a Collection Due Process hearing prior to issuing levies and to suspend levy action during the time frames required pursuant to I.R.C. § 6330.

**Fiscal Year 2022 Review of Disclosure of Collection Activity With Respect to Joint Returns (202230004)**

Determine whether the IRS is complying with provisions of the I.R.C. § 6103 (e)(8) as related to the disclosure of collection activities to joint filers.

**Fiscal Year 2022 Review of Fair Tax Collection Practices Act Violations for Fiscal Year 2021 (202230005)**

Determine whether the IRS is complying with the provisions of I.R.C. § 6304 to identify, investigate, and report on potential violations of the Fair Tax Collection Practices Act by IRS employees and potential violations of the Fair Debt Collection Practices Act [15 United States Code (U.S.C.) §§ 1601 note, 1692-1692p (2010)] by private collection agency employees, including any related administrative or civil actions resulting from those violations.

**Fiscal Year 2023 Biannual Independent Assessment of Private Collection Agency Performance (202230006)**

Independently evaluate the performance of private collection agencies.

**Fiscal Year 2022 Review of Internal Revenue Service Compliance With Restrictions on the Use of Enforcement Statistics (202230007)**

Determine whether the IRS is complying with restrictions on the use of enforcement statistics to evaluate employees.

**Fiscal Year 2022 Review of Restrictions on Directly Contacting Taxpayers (202230008)**

Determine whether the IRS is in compliance with legal guidelines addressing the direct contact of taxpayers and their representatives as set forth in I.R.C. §§ 7521(b)(2) and (c).

**Compliance With Improper Payment Reporting Requirements for Fiscal Year 2021 (202240001)**

Determine whether the IRS complied with annual improper payment reporting requirements for FY 2021.



### **Database Security (202120003)**

Determine whether databases are protected against unauthorized access.

### **Security of Cloud Services (202120004)**

Evaluate the effectiveness of controls to protect taxpayer data on cloud computing services.

### **Network Segmentation Implementation (202120014)**

Evaluate the effectiveness of Information Technology organization efforts to limit the internal network risk exposure by segmenting key information technology systems.

### **Customer Account Data Engine 2 Program's Individual Tax Processing Engine Project's Velocity and Timeline Estimation Methodology (202120016)**

Determine whether the methodology to estimate the Individual Tax Processing Engine Project's velocity and delivery dates is reasonable.

### **Implementation of Next-Generation Infrastructure (202120019)**

Determine the progress of the Next-Generation Infrastructure program.

### **Enterprise Vulnerability Scanning and Remediation (202120020)**

Determine whether the IRS effectively identifies and addresses vulnerabilities on network assets.

### **Supply Chain Risk Management (202120021)**

Evaluate efforts to identify, assess, and mitigate information technology supply chain risks.

### **Development of the Advanced Child Tax Credit Portal (202120722)**

Assess the IRS requirements review process and the development of the online informational portal for the Advanced Child Tax Credit.

### **Enterprise Strategy and Implementation of Zero-Trust Architecture (202220004)**

Assess the enterprise strategy and approach to implement zero-trust architectures to restrict network accesses to trusted users, assets, and resources, and determine whether select zero-trust solutions in place have effectively automated provisioning the network infrastructure and are efficiently managing network resources.

### **Advanced Threat Analysis Operations (202220005)**

Determine whether the cyber threat hunting program is effectively monitoring, detecting, and addressing indicators of attack or compromise within the network.

### **Controls to Prevent, Respond, and Recover From Malware Incidents (202220006)**

Determine whether the IRS has effective controls to prevent, respond to, and recover from malware incidents, including those involving ransomware.

### **Next Generation Enterprise Security Audit Trails (202220007)**

Determine whether the Next Generation Enterprise Security Audit Trails system is effectively providing the IRS with a common platform to achieve near real-time situational awareness of cybersecurity events.

### **Insider Threat Capabilities (202220008)**

Evaluate the effectiveness of the insider threat capabilities and follow up on prior audit recommendations.<sup>14</sup>

### **Enterprise Case Management Solution Security (202220009)**

Evaluate whether the security controls over the Enterprise Case Management system are adequately protecting its data against unauthorized access.

### **Oversight of Information Technology Managed Service Contracts (202220011)**

Assess efforts to provide effective oversight of information technology managed service contracts.

### **Oversight of Shadow Information Technology (202220012)**

Assess efforts to manage hardware, software, and associated staff that reside outside of the Information Technology organization.

### **Computer Incident Management (202220013)**

Determine whether the Information Technology organization is effectively and efficiently managing computer incidents.

### **Taxpayer Digital Communication Platform (202220014)**

Assess the security and access controls of the Taxpayer Digital Communications platform.

### **Recovery of Mission-Essential Functions (202220015)**

Assess the effectiveness of storage replication and recovery processes for mission-essential functions after a service outage or disaster.

### **Enterprise Case Management Migration and Decommissioning Efforts (202220016)**

Determine whether the Enterprise Case Management program has effectively increased migration efforts and evaluate the decommissioning of legacy systems components.

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<sup>14</sup> TIGTA, Report No. 2020-20-043, *Substantial Progress Has Been Made in Implementing the Insider Threat Capability, but Improvements Are Needed* (Aug. 2020).

### **Information Technology Plan of Action and Milestone Process (202220017)**

Review the effectiveness of the Information Technology Plan of Action and Milestones process.

### **Business Entitlement Access Request System (202220019)**

Determine whether access controls in the Business Entitlement Access Request System are effective, including those for privileged accounts.

### **Mainframe Configuration Compliance (202220021)**

Determine the effectiveness of mainframe configuration compliance monitoring.

### **Cybersecurity Related to Telework (202220022)**

Review cybersecurity related to IRS telework during the COVID-19 pandemic.

### **Implementation of the Income Verification Express Service Online Form Submission System (202220518)**

Determine whether the IRS is timely developing the online system for submission of Form 4506-T, *Request for Transcript of Tax Return*, and whether development costs were met by user fee collection in accordance with the Taxpayer First Act.<sup>15</sup>

### **Authentication and Suitability of Income Verification Express Service Participants – Follow-Up (202240510)**

Assess controls to validate transcript requests received from Income Verification Express Services (IVES) participants and to implement Taxpayer First Act provisions related to the IVES Program.<sup>16</sup>

## **Audits Required by Statute**

### **Fiscal Year 2022 Evaluation of the Federal Information Security Modernization Act of 2014 (202220001)**

Assess the effectiveness of the IRS information security program on a maturity model spectrum based on the Federal Information Security Modernization Act of 2014<sup>17</sup> metrics.

### **Annual Assessment of the Internal Revenue Service’s Information Technology for Fiscal Year 2022 (202220002)**

Assess the adequacy and security of the IRS’s information technology.

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<sup>15</sup> Pub. L. No. 116-25.

<sup>16</sup> TIGTA, Report No. 2021-45-017, *Additional Security Processes Are Needed to Prevent Unauthorized Release of Tax Information Through the Income Verification Express Service Program* (Feb. 2021).

<sup>17</sup> Pub. L. No. 113-283. This bill amends chapter 35 of title 44 of the U.S.C. to provide for reform to Federal information security.

## **Implementation of Policy and Procedures Related to Safeguarding Personally Identifiable Information (202220003)**

Assess compliance with legal requirements when establishing policies and procedures related to safeguarding the privacy and protection of Personally Identifiable Information.



### **Operational Support**

#### **Oversight of Government Travel Cards (202010004)**

Evaluate the IRS's oversight of employees' use of Government travel cards for domestic travel.

#### **Federal Contractors With Delinquent Federal Tax Debt (202010006)**

Identify awardees registered on the System for Award Management that were awarded contracts or grants by a Federal agency while owing delinquent Federal taxes and determine the status of the IRS's efforts to develop a Governmentwide tax status application.

#### **IRS Employee Misconduct (202010024)**

Determine whether the IRS has sufficient policies and procedures to address employee misconduct.

#### **Controls Over Employees' Use of Various Leave Options (202110021)**

Determine whether controls are sufficient to ensure that leave taken by IRS employees is authorized, appropriate, and properly approved.

#### **Security Countermeasures (202210009)**

Determine whether the IRS's process for implementing countermeasures recommended in facility security risk assessments ensures that security vulnerabilities are addressed.<sup>18</sup>

#### **Post-Appointment Arrest Program (202210011)**

Determine whether the IRS's post appointment arrest program is effective at determining the continued suitability of employees who have been arrested or charged with a criminal offense while employed with the IRS.

#### **Controls Over the Awarding of Contracts to Designated Recipients (202210016)**

Determine whether IRS contracting officers are complying with the requirements of the small business program.

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<sup>18</sup> TIGTA, Report No. 2015-10-077, *To Avoid Duplication, the Internal Revenue Service Should Make Use of Federal Protective Service Risk Assessments* (Sept. 2015).



## **Implementation of the Enterprise Risk Management Program – Phase II (202210017)**

Determine whether the IRS is effectively incorporating Enterprise Risk Management into its functional level decision-making processes including those related to resource allocation.

## **Controls Over Special Pay Incentives and Expenses (202210019)**

Determine the effectiveness of the IRS's processes over documenting recruitment, retention, and relocation incentives.

## **Taxpayer First Act Capstone (202210512)**

Determine the status of the IRS's implementation of the Taxpayer First Act provisions.

## **Implementation of the Taxpayer First Act and Organizational Redesign Strategy (202210522)**

Determine whether the organizational redesign is timely and aligns with existing and future organizational needs and priorities.

## **Implementation of the Training Strategy Mandated by the Taxpayer First Act (202210523)**

Assess the IRS's efforts to implement the training strategy required by the Taxpayer First Act.

## **Audits Required by Statute**

### **Implementation of the Digital Accountability and Transparency Act of 2014 – Phase IV (202010008)**

Assess: (1) the completeness, accuracy, timeliness, and quality of the IRS's FY 2020 third quarter financial and award data submitted for publication on USASpending.gov; and (2) the IRS's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget and the Department of the Treasury, as required by the Digital Accountability and Transparency Act of 2014.<sup>19</sup>

### **Government Charge Card Abuse Prevention Act of 2012 Semiannual Mandatory Review [202210003 (October 1, 2021, through March 31, 2022) and 202210004 (April 1, 2022, through September 30, 2022)]**

Assess the IRS's continued compliance with the Government Charge Card Abuse Prevention Act of 2012 requirements.

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<sup>19</sup> Pub. L. No. 113-101, 128 Stat. 1146 (2014).

## **Attestation Review of the Internal Revenue Service’s Fiscal Year 2021 Annual Accounting of Drug Control Funds (202210005)**

Perform an attestation review of the reliability of assertions made in the IRS’s FY 2021 Office of National Drug Control Policy Detailed Accounting Submission.



### **Tax Exempt and Government Entities**

#### **Tax-Exempt Compliance for Organizations That Filed the Streamlined Application for Recognition of Exemption Under § 501 (c)(3) (202110017)**

Assess the efficiency of the streamlined application process for recognition of tax-exempt status under I.R.C. § 501(c)(3), including: (1) whether the application provides the IRS with sufficient information to approve or deny the organization for tax exempt status; and (2) the use of resources and processing times in making determinations.

#### **Federal, State, and Local Governments’ Employment Tax Compliance (202110022)**

Determine whether the IRS ensures Federal, State, and local governments’ employment tax compliance.

#### **Employee Plans Examination Workload (202110023)**

Determine whether the Employee Plans Examination function is taking adequate corrective actions to address weaknesses identified during quality reviews.

#### **Enforcement Program for Tax-Exempt Organizations That Participate in Illegal Activities (202110025)**

Assess the IRS’s ability to identify tax-exempt organizations potentially involved in illegal or non-exempt activities and the processes in place when potential illegal or non-exempt activities are identified.

#### **Exempt Organizations Customer Service Operations (202210020)**

Assess customer service operations for taxpayer inquiries related to exempt organizations.

#### **Exempt Organizations Function’s Oversight of Tax-Exempt Organizations That Receive Written Advisories When Examined (202210021)**

Determine whether the Exempt Organizations function effectively monitors tax-exempt organizations’ compliance with written advisories.

#### **Sponsoring Organizations’ Tax Compliance (202210027)**

Evaluate the IRS’s efforts to ensure sponsoring organizations’ compliance with qualification and reporting requirements.

## **Quality Review Processes for § 501(c)(3) Applications for Tax-exempt Status (202210029)**

Evaluate the Exempt Organizations function's oversight controls and procedures when issuing proposed adverse I.R.C. § 501(c)(3) tax-exempt status determination letters.



## **Tax Processing**

### **2021 Filing Season Individual Tax Return Processing (202140003)**

Evaluate whether the IRS timely and accurately processed individual paper and electronically filed tax returns during the 2021 Filing Season.

### **Modernize Paper Tax Return Processing – Follow-Up (202140010)**

Assess the IRS's efforts to modernize paper tax return processing.<sup>20</sup>

### **Continued Consolidation of the Tax Processing Centers (202140017)**

Evaluate the IRS's efforts to close the Fresno Tax Processing Center and the IRS's continued planned closure of the Austin Tax Processing Center.

### **2022 Filing Season Individual Tax Return Processing [202240006 (Interim) and 202240007 (Final)]**

Evaluate whether the IRS timely and accurately processed individual paper and electronically filed tax returns during the 2022 Filing Season.

### **Evaluation of Business Tax Offsets (202240016)**

Assess IRS processes to identify and offset refunds associated with business accounts with debt owed.

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<sup>20</sup> TIGTA, Report No. 2009-40-130, *Repeated Efforts to Modernize Paper Tax Return Processing Have Been Unsuccessful; However, Actions Can Be Taken to Increase Electronic Filing and Reduce Processing Costs* (Sept. 2009); TIGTA, Report No. 2014-40-084, *A Service-Wide Strategy Is Needed to Increase Business Tax Return Electronic Filing* (Sept. 2014).



## Taxpayer Service

### **Assistance to Taxpayers With Limited English Proficiency and Disabilities (202140012)**

Assess the IRS's strategy to assist taxpayers with limited English proficiency and disabilities.

### **Transition to Electronic Records (202210013)**

Assess the IRS's progress in transitioning to electronic records, in accordance with Office of Management and Budget Memorandum M-19-21, *Transition to Electronic Records*.

### **Office of Appeals Implementation of Taxpayer First Act Provisions (202210506)**

Evaluate actions taken by the Office of Appeals to implement Taxpayer First Act provisions.

### **Implementation of the Taxpayer Experience Strategy (202210524)**

Determine if implementation of the taxpayer experience strategy is timely and aligns with existing and future organizational needs and priorities.

### **Expanding Digital Services and Enhancing Service Capabilities (202220010)**

Evaluate efforts to expand digital services and enhance service capabilities.

### **Authentication of Third-Party Authorization Requests – Follow-Up (202240011)**

Evaluate the IRS's online authentication process for third-party authorization requests.<sup>21</sup>

### **Processes for Resolving Problems With Taxpayer Payments (202240017)**

Evaluate the effectiveness of the IRS's processes to accurately resolve problems with taxpayer payments.

### **Identification and Resolution of Accounts Maintenance Research Transcripts (202240018)**

Evaluate the IRS's identification and resolution processes for the Accounts Maintenance Research Transcripts.

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<sup>21</sup> TIGTA, Report No. 2020-40-067, *Improvements Are Needed to Address Continued Deficiencies in Ensuring the Accuracy of the Centralized Authorization File* (Sept. 2020).

## Audits Required by Statute

### **Fiscal Year 2022 Review of Collection Due Process (202210001)**

Determine whether the Office of Appeals complied with 26 U.S.C. §§ 6320(b) and (c) and 6330(b) and (c) when taxpayers exercised their right to appeal the filing of a Notice of Federal Tax Lien or a Notice of Intent to Levy.

### **Fiscal Year 2022 Review of the Compliance With the Freedom of Information Act (202210002)**

Determine whether the IRS improperly withheld information requested by taxpayers in writing, based on 5 U.S.C. § 552(b)(7) or I.R.C. § 6103, or by replying that responsive records were not available or did not exist.