



Treasury Inspector General for Tax Administration Office of Audit

ADDITIONAL ACTIONS AND DATA ARE NEEDED TO FURTHER ANALYZE THE SIZE AND SKILLS OF THE ACQUISITION WORKFORCE

Issued on July 26, 2011

Highlights

Highlights of Report Number: 2011-10-072 to the Internal Revenue Service Deputy Commissioner for Operations Support and the Deputy Commissioner for Services and Enforcement.

IMPACT ON TAXPAYERS

Successfully acquiring goods and services and executing and monitoring procurements to help the Internal Revenue Service (IRS) meet its mission requires a highly skilled acquisition workforce. However, the IRS cannot easily identify its acquisition workforce and ensure it has a sufficient workforce with the skills needed to accomplish its mission. If the IRS does not take action to improve acquisition workforce planning, it may not have sufficient, qualified acquisition resources where needed, an issue that TIGTA has previously reported. Consequently, the IRS is at risk of wasting scarce resources by paying more for procurements than necessary and/or not receiving adequate goods and services to meet its mission.

WHY TIGTA DID THE AUDIT

This audit is included in our Fiscal Year 2011 Annual Audit Plan and addresses the major management challenge of Human Capital. The overall objective of this review was to assess the IRS's efforts to determine the size, skills, and competencies of its acquisition workforce.

WHAT TIGTA FOUND

As of February 11, 2011, the Office of Procurement was responsible for administering 891 procurements valued at approximately \$31.5 billion over the life of the procurements. However, like other Government agencies, the IRS has struggled to accomplish the basic tasks in acquisition workforce planning, including: 1) identifying its acquisition workforce, 2) determining the number of acquisition workforce personnel it needs to accomplish its mission, and 3) determining the skills its employees have compared to the skills they need.

In addition, TIGTA's prior audits have raised concerns over the adequacy of the acquisition workforce. For example, TIGTA previously reported that contracting officer's technical representatives were not performing the day-to-day contract oversight or the actual physical receipt and acceptance of contract deliverables for the procurements to which they were assigned. In addition, 22 contracting officer's technical representatives assigned to 40 procurements with \$31.8 million in labor hour expenses did not have sufficient documentation to support the approval of the billed labor expenses.

If the IRS does not take action to improve its acquisition workforce planning, it: 1) may not be able to easily identify its acquisition workforce to know whether it has enough people with the right skills to perform acquisition duties, 2) may be understaffed to handle the anticipated acquisition workload, and 3) may not have all the prerequisite skills to oversee procurements. This could lead to a lack of contractor oversight, which may result in cost overruns or the IRS not receiving the goods or services it pays for.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the IRS develop and document an IRS-wide approach to ensure it can identify, track, and monitor the adequacy of its acquisition workforce.

IRS officials agreed with the recommendation. The Office of Procurement plans to meet with the Department of the Treasury's Senior Procurement Executive to determine its plans to assess and analyze the acquisition workforce at the Department of the Treasury level and to determine whether the definition of the acquisition workforce can be refined at the bureau level. The Office of Procurement also plans to form a working group to: 1) assess the feasibility of implementing an IRS-wide approach to ensure the adequacy of the acquisition workforce is effectively monitored and 2) draft a policy and develop a plan for regular monitoring.

READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2011reports/201110072fr.pdf>