Treasury Inspector General for Tax Administration
Office of Audit

THE DATA CENTER CONSOLIDATION INITIATIVE HAS MADE SIGNIFICANT PROGRESS, BUT PROGRAM MANAGEMENT SHOULD BE IMPROVED TO ENSURE THAT GOALS ARE ACHIEVED

Issued on June 10, 2013

Highlights

Highlights of Report Number: 2013-20-013 to the Internal Revenue Service Chief Technology Officer.

IMPACT ON TAXPAYERS

In February 2010, the Office of Management and Budget established the Federal Data Center Consolidation Initiative mandating that Federal agencies reduce costs and save energy by reducing the number of Federal data centers. Decreasing redundant or unnecessary data centers, as well as reducing operational costs and energy consumption, is a significant part of Federal efforts to reduce costs and make more efficient use of taxpayer funds.

WHY TIGTA DID THE AUDIT

In response to the Office of Management and Budget mandate, the IRS established a Data Center Consolidation Initiative (DCCI) Program Management Office (PMO) in 2010 and set a goal to reduce its data center space by 50 percent by the end of Fiscal Year 2015. TIGTA initiated this audit to determine whether the IRS's DCCI would effectively reduce data center space and increase energy efficiency.

WHAT TIGTA FOUND

While the IRS has exceeded its first two years' goals for reducing data center space and improving the energy efficiency of its data centers, management of the DCCI needs to be improved to ensure that the IRS meets its future DCCI goals. Two years of the IRS's five-year DCCI have elapsed without a clear plan for how the data center space reduction goals will be accomplished. The IRS's DCCI PMO has not formalized a project management plan that addresses challenges and details decisions, milestones, and time frames related to how the IRS will meet its data consolidation goals. In addition, the IRS has not identified the optimal footprint for its data centers. TIGTA observed significant empty space at the IRS's Enterprise Computing Center in Detroit, Michigan. TIGTA was informed by IRS management that the IRS's lease for this space will expire in April 2015 and that the systems at this location could be moved to other IRS data centers. During our audit, the IRS announced plans to close the Enterprise Computing Center in Detroit, estimating the IRS will save approximately $15 million annually.

Furthermore, the IRS's DCCI does not include all of its data centers that meet the standard Federal definition of a data center within its baseline inventory. The IRS has an additional 115,343 square feet of data center space in 61 buildings.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Chief Technology Officer provide, as appropriate, additional resources to the DCCI PMO, require the PMO to develop a project management plan that addresses challenges to accomplishing project goals and solutions, and ensure that the Enterprise Computing Center in Detroit is consolidated into the Martinsburg and Memphis Enterprise Computing Centers.

TIGTA also recommended that the Chief Technology Officer work with the Real Estate and Facilities Management organization to correct the inventory, update the inventory submitted to the Department of the Treasury, formalize plans to develop and apply a baseline footprint to the IRS's small data centers, and coordinate with the Chief, Agency-Wide Shared Services, to shut down computer room air conditioners no longer needed and adjust the set point temperature, as appropriate, on the remaining computer room air conditioners in accordance with industry best practices.

In their response to the report, IRS management agreed with seven of the report recommendations and partially agreed with one recommendation. The IRS has taken or plans to take appropriate corrective actions in response to all of the report recommendations.

READ THE FULL REPORT

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

http://www.treas.gov/tigta/auditreports/2013reports/201320013fr.pdf.