



Treasury Inspector General for Tax Administration Office of Audit

TO AVOID DUPLICATION, THE INTERNAL REVENUE SERVICE SHOULD MAKE USE OF FEDERAL PROTECTIVE SERVICE RISK ASSESSMENTS

Issued on September 15, 2015

Highlights

Highlights of Report Number: 2015-10-077 to the Internal Revenue Service Chief, Agency-Wide Shared Services.

IMPACT ON TAXPAYERS

Due to the nature of the IRS's mission, the organization remains at risk for violence directed at IRS employees and facilities. Effective security measures are key to ensure that IRS employees and facilities are protected from potential threats. At the same time, the IRS has limited resources available and thus must protect employees, property, and taxpayers who visit IRS facilities in the most efficient way possible.

WHY TIGTA DID THE AUDIT

This audit was initiated because there appeared to be duplication between the IRS risk assessment program and the Federal Protective Service's (FPS) mandate. The FPS has the responsibility to conduct risk assessments at the more than 600 IRS facilities throughout the country. The overall objectives of this review were to determine what services the IRS receives for security fees paid to the FPS for risk assessments and to determine whether there is duplication in risk assessment services performed by IRS personnel.

WHAT TIGTA FOUND

While the IRS is required to pay the FPS for risk assessments, it does not fully benefit from the information provided in FPS risk assessments. Specifically, the IRS does not use FPS risk assessments or evaluate recommendations that FPS inspectors made to improve the security at IRS facilities. As a result, IRS risk assessments sometimes do not address security concerns identified by the FPS. The IRS also does not use FPS risk assessments as part of a recently instituted revalidation process. This new process, which is limited to revalidating the security of a facility based on prior IRS risk assessments, did not take into account findings included in the most recent FPS risk assessments. By using FPS assessments, the IRS could reduce

duplication and improve security for IRS employees, facilities, and visiting taxpayers.

In addition, the IRS does not consider when a facility last received a risk assessment from the FPS when scheduling its own risk assessments. As a result, the IRS conducted 57 risk assessments at facilities that had already received an FPS risk assessment within the last two years.

Finally, the IRS paid almost \$100 million in basic security fees to the FPS for Fiscal Years 2010 through 2014, which included charges for FPS-prepared risk assessments; however, the IRS has also incurred additional costs to perform its own risk assessments of the same facilities. Further, IRS management does not track the cost of its program.

WHAT TIGTA RECOMMENDED

TIGTA made three recommendations to the Director, Facilities Management and Security Services, to address identified weaknesses. For example, TIGTA recommended that the IRS develop a process to retain and review FPS risk assessments and evaluate whether the IRS can rely on FPS risk assessments of some IRS facilities and eliminate the duplicate IRS risk assessment for those facilities.

In their response, IRS management agreed with TIGTA's recommendations. The IRS plans to engage with the FPS to implement a process to obtain Facility Security Assessments for IRS facilities; evaluate whether the IRS can rely on FPS risk assessments at some IRS facilities and eliminate duplicate IRS risk assessments as appropriate; and correct the errors and revise the risk assessment process to include the periodic review of information in the risk assessment repository and Security Information Management System.

READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2015reports/201510077r.pdf>