



Treasury Inspector General for Tax Administration Office of Audit

THE INTEGRATED ENTERPRISE PORTAL IS OPERATING AS DESIGNED; HOWEVER, INCREASED CONTRACT OVERSIGHT IS NECESSARY

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Highlights

Highlights of Report Number: 2015-20-033 to the Internal Revenue Service Chief Technology Officer and the Chief, Agency-Wide Shared Services.

IMPACT ON TAXPAYERS

The IRS relies on its Integrated Enterprise Portal to ensure the success and security of electronic filing. Additionally, the Integrated Enterprise Portal serves as a preferred channel for interactions with the IRS, is currently the primary information source for taxpayers and tax professionals, and plays a central role in advancing taxpayer issue resolution, providing timely guidance and outreach, and improving service interactions for all taxpayers.

WHY TIGTA DID THE AUDIT

The overall audit objective was to assess the effectiveness of the IRS's Integrated Enterprise Portal. This review is part of our Fiscal Year 2015 Annual Audit Plan and addresses the major management challenge of Providing Quality Taxpayer Service Operations. In August 2012, the IRS began a consolidation of its three separate user portals into one shared portal. The IRS's overall goal of this consolidation is to provide modernized user experiences, information, and functionality while lowering total costs.

WHAT TIGTA FOUND

The IRS used an Integrated Enterprise Portal capacity planning process to manage current and future capacity and performance aspects of the information technology infrastructure. However, the IRS did not always review, verify, and maintain appropriate invoice documentation prior to releasing payment for contractor services. TIGTA's review of the three contractor invoices for January, February, and March 2014 showed 161 instances in which hours were billed for work performed by contractor employees outside the invoice period of performance. In addition, TIGTA found multiple contractor employees who billed more than 240 hours in a month that potentially resulted in \$405,679 in additional labor costs.

After TIGTA provided its results to the IRS, the IRS obtained additional detailed billing information from the contractor and conducted an analysis that determined there were only two instances of contractor employees billing over 240 hours. TIGTA was not provided the additional information and was unable to verify the analysis. Finally, business requirements were not sufficiently gathered and documented for the Integrated Enterprise Portal.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Chief Technology Officer ensure coordination between personnel responsible for invoice reviews, ensure that procedures are followed to verify charges invoiced prior to payment, and ensure business requirements are gathered to develop system requirements. In addition, TIGTA recommended that the Chief Technology Officer and the Chief, Agency-Wide Shared Services, work with the contractor to resolve the potential billing errors identified and obtain a credit on future invoices, if warranted.

The IRS agreed with the report's recommendations. The IRS plans to follow established procedures and processes to review and reconcile invoices and verify all charges invoiced prior to payment. It also plans to continue using Enterprise Life Cycle procedures as the main tool for ensuring that requirements are captured and traced appropriately for future systems development and modernization projects.

Although the IRS provided additional information after TIGTA completed its review, TIGTA believes the IRS did not take the appropriate actions to ensure established processes and procedures were followed to verify questionable invoice items or to adequately gather and develop system requirements.

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/201520033fr.pdf>

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