



## Treasury Inspector General for Tax Administration Office of Audit

### IMPROVEMENTS ARE NEEDED TO ENSURE THAT EXTERNAL INTERCONNECTIONS ARE IDENTIFIED, AUTHORIZED, AND SECURED

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## Highlights

Highlights of Report Number: 2015-20-087 to the Internal Revenue Service Chief Technology Officer.

### IMPACT ON TAXPAYERS

The IRS shares Federal tax information and other IRS records with many Federal, State, and local agencies as well as private agencies and contractors through system interconnections. The IRS must ensure that these system interconnections are authorized by written agreements that specify the technical and security requirements for the interconnection before information is shared. Both of the interconnected systems must meet IRS protection requirements in order to ensure that taxpayer and other sensitive data are secure.

### WHY TIGTA DID THE AUDIT

This audit was initiated to determine whether controls are in place and operating effectively to protect IRS networks related to connections to external systems. If interconnections are not properly designed, security failures could compromise the connected systems and the sensitive data that they store, process, or transmit.

### WHAT TIGTA FOUND

Many interconnections in use at the IRS do not have proper authorization or security agreements. Although the IRS has established an office to provide oversight and guidance for the development of security agreements, that office is not responsible for managing or monitoring agreements for all external interconnections in use in the IRS environment. TIGTA believes the lack of a centralized inventory and an enterprise-level approach to ensure that all external interconnections are monitored has contributed to interconnections that are currently active but lack proper approvals and assurances that the interconnections meet current security requirements. TIGTA also identified that improvements are needed to ensure that existing agreements contain all required elements and are renewed timely.

### WHAT TIGTA RECOMMENDED

TIGTA recommended that the Chief Technology Officer: 1) identify all external interconnections and ensure that they are documented appropriately and maintained in a centralized inventory; 2) establish a repeatable process for conducting annual searches for external interconnections and for updating the centralized inventory accordingly; 3) ensure that policies and procedures are developed and implemented for monitoring the IRS's entire inventory of external interconnections and ensuring that all appropriate agreements are in place; and 4) establish an escalation process to resolve agreement renewal issues when contact efforts with the external partner have been exhausted with no resolution. TIGTA also recommended that the Associate Chief Information Officer, Cybersecurity: 5) ensure that agreements meet policies and are renewed timely and 6) reevaluate agreement processes and procedures to streamline and eliminate ineffective practices.

The IRS agreed with TIGTA's recommendations and planned appropriate corrective actions. The IRS agreed to: 1) identify and document external interconnections; 2) establish a repeatable process for identifying external interconnections; 3) ensure that policies and procedures are developed and implemented for updating the interconnections inventory; 4) establish an escalation process to resolve agreement renewal issues; 5) ensure that interconnection agreements meet policies and are renewed timely; and 6) streamline and eliminate ineffective practices related to interconnection agreements.

### 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/201520087fr.pdf>.