



## Treasury Inspector General for Tax Administration Office of Audit

### AFFORDABLE CARE ACT INFORMATION SHARING AND REPORTING PROJECT

Issued on August 20, 2015

## Highlights

Highlights of Report Number: 2015-23-062 to the Internal Revenue Service Chief Technology Officer.

### IMPACT ON TAXPAYERS

While the primary goal of the Affordable Care Act (ACA) is health care reform, the tax-related provisions in the law play a key role in achieving that goal. There are approximately 50 ACA provisions that affect the IRS and the administration of taxes. The ACA is intended to ensure coverage as well as simplify an applicant's search for health coverage by offering Premium Tax Credits based on family size and income.

### WHY TIGTA DID THE AUDIT

This audit was initiated because the ACA Information Sharing and Reporting (IS&R) Project is one of the core projects in ACA Release 5.0. The IS&R system handles data requests and sends responses by communicating with other IRS systems. ACA Release 5.0 was deployed in a controlled launch on January 5, 2015, with full deployment on January 12, 2015. The overall objective of this audit was to determine whether the IRS sufficiently identified and mitigated risks potentially affecting the ACA IS&R systems and has properly managed requirements testing.

### WHAT TIGTA FOUND

While ACA IS&R Release 5.0 was deployed in time for the 2015 Filing Season, lapses occurred in risk and requirements management.

TIGTA noted instances in which IS&R Project management did not timely begin initial monitoring efforts of risks and issues, update the risk management system, or resolve its risks and issues. For example, in seven instances, between six and 391 days elapsed from the estimated closure date to the actual date the risks and issues were closed, and in six instances, it took between 29 and 79 days from the date the risks were identified to the date the risks were initially discussed by management in status meetings.

TIGTA also determined that the IS&R Project did not adequately maintain a central repository of system requirements. Specifically, it took several attempts for

IS&R Project management to identify a complete inventory of system requirements. In addition, TIGTA determined that Section 508 requirements were not included in the requirements repository. Finally, TIGTA was unable to verify the traceability of system requirements because the testing team did not maintain a current requirements traceability matrix.

### WHAT TIGTA RECOMMENDED

TIGTA recommended that the Chief Technology Officer: ensure that the IS&R Project Risk Management Plan is updated to establish time frames to effectively identify and monitor risks and issues and clearly reflect its high-priority risk and issue elevation process, ensure that only in-scope requirements are included in requirements traceability documentation when release-level testing is conducted for future releases, ensure that written procedures to track and control functional and nonfunctional requirements throughout the development process at the IS&R Project and release levels are implemented for future releases, and standardize guidelines to ensure complete requirements traceability throughout the development life cycle.

The IRS agreed with our recommendations and plans to update the Project Risk Management Plan, implement changes to its high-priority and high-impact risk and issue elevation process, and include only in-scope requirements in requirements documentation. While the IRS also highlighted its established guidance on tracking and controlling requirements and requirements traceability, TIGTA believes the guidance in the current version of the Internal Revenue Manual needs to be more specific.

### 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/201523062fr.pdf>.