



*The Internal Revenue Service Has a
Process to Respond to Workplace Injuries,
but Some Improvements Could Be Made*

July 14, 2016

Reference Number: 2016-10-048

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

Phone Number / 202-622-6500

E-mail Address / TIGTACommunications@tigta.treas.gov

Website / <http://www.treasury.gov/tigta>



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HIGHLIGHTS

THE INTERNAL REVENUE SERVICE HAS A PROCESS TO RESPOND TO WORKPLACE INJURIES, BUT SOME IMPROVEMENTS COULD BE MADE

Highlights

Final Report issued on July 14, 2016

Highlights of Reference Number: 2016-10-048 to the Internal Revenue Service Chief, Agency-Wide Shared Services.

IMPACT ON TAXPAYERS

Each year, the IRS responds to more than 800 new workplace injury claims. Providing a safe workplace is an important part of ensuring efficient use of each employee's time. In addition, IRS resources are affected by paying workers' compensation claims.

WHY TIGTA DID THE AUDIT

The overall objective of this review was to determine whether the IRS has an effective process to respond to and prevent workplace injuries and improve workplace safety.

WHAT TIGTA FOUND

The IRS's process for responding to and preventing workplace injuries was generally effective, but improvements can be made. TIGTA found the majority of injuries reviewed were due to slips, trips, and falls, and it appeared that most employees had accidents in which there was little the IRS could have done to prevent the injury. Through data analysis of all Fiscal Years 2013 through 2015 injury claims, TIGTA did not identify any significant trends of injuries reoccurring at certain geographic locations, by job series, or by employees teleworking at their residence.

In addition, TIGTA physically observed locations at IRS facilities which represented more than 20 percent of injury claims that were made from Fiscal Years 2013 through 2015 and found that most injuries were caused by accidents that could not be prevented, and issues that contributed to preventable injuries had been remedied. Specifically, as part of a judgmental

sample of 349 claims, TIGTA physically observed locations where 253 injuries occurred. TIGTA determined that only 13 hazards had not been addressed and could potentially affect other employees.

However, TIGTA found that 123 (35 percent) of the 349 claims did not include any information about whether a safety investigation was

performed, as required, after employees were injured. Also, safety officers were not always notified when an injury had occurred. In these instances, it was not apparent what actions safety officers took to resolve hazards because that information was not documented on the IRS's workers' compensation database.

TIGTA also determined that for 369 (65 percent) of 564 IRS buildings, there was no documentation of a safety inspection in at least one year during Fiscal Years 2013 through 2015. Annual safety inspections are required by Federal law and are designed to review a variety of building features to ensure that they are in working order, including lighting, walkways, elevators, shipping and receiving areas, parking lots, and exit doors.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the IRS should:

- 1) address the two hazards identified during site visits;
- 2) determine whether guidance should be revised to reinforce the need for safety officers to perform and document safety investigations after an employee has been injured;
- 3) identify a way to notify safety officers when an employee has filed a workers' compensation claim; and
- 4) ensure that safety inspections are performed annually as required.

In their response, IRS management agreed with all four recommendations and plans to develop and implement the corrective actions detailed in their attached response.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

July 14, 2016

MEMORANDUM FOR CHIEF, AGENCY-WIDE SHARED SERVICES

A handwritten signature in blue ink that reads "Michael E. McKenney".

FROM: Michael E. McKenney
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – The Internal Revenue Service Has a Process to Respond to Workplace Injuries, but Some Improvements Could Be Made (Audit # 201510022)

This report presents the results of our review on the Internal Revenue Service's (IRS) process to respond to workplace injuries. The overall objective of this review was to determine whether the IRS has an effective process to respond to and prevent workplace injuries and improve workplace safety. This audit is included in our Fiscal Year 2016 Annual Audit Plan and addresses the major management challenge of Security for Taxpayer Data and IRS Employees.

Management's complete response to the draft report is included as Appendix V.

Copies of this report are also being sent to the IRS managers affected by the report recommendations. If you have any questions, please contact me or Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations).



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Abbreviations

AWSS	Agency-Wide Shared Services
EHS	Environment, Health, and Safety
FMSS	Facilities Management and Security Services
FY	Fiscal Year
GDI	Graphic Database Interface
IRS	Internal Revenue Service
SHIMS	Safety and Health Information Management System
TIGTA	Treasury Inspector for Tax Administration



The Internal Revenue Service Has a Process to Respond to Workplace Injuries, but Some Improvements Could Be Made

Background

Workers' compensation is a combination of medical and/or monetary benefits received when a person sustains a work-related injury or disease (specifically defined as either a traumatic injury or an occupational disease or a recurrence of either of these). The Workers' Compensation Program is based on the Federal Employees' Compensation Act.¹ That Act provides the remedy for workplace injury/death for Federal employees. The goal of the program is to ensure that all employees who sustain temporary or permanent disabilities from a work-related injury or disease receive appropriate workers' compensation benefits and opportunities to return to full or limited duty employment.

The Internal Revenue Service's (IRS) Workers' Compensation Center located in Richmond, Virginia, manages all workers' compensation claims. Its mission is to ensure that claimants receive all benefits to which they are entitled, while controlling program cost. In addition, the IRS's Workers' Compensation Center serves as a liaison between the claimant and the Department of Labor. The Department of Labor handles claim adjudication and makes all benefit payments through its Office of Workers' Compensation Programs.²

Within the IRS, the Environment, Health, and Safety (EHS)³ office is responsible for keeping employees safe and healthy while at work. The EHS office is organized under the Facilities Management and Security Services (FMSS) function and has staff located at Headquarters and in the field (safety officers). The EHS office's goals are to reduce the risks of injury and illness; comply with all applicable Federal, State, and local laws, regulations, and Executive Orders; and support IRS personnel to eliminate risks to human health and safety when and where possible. Further, the objectives of the EHS office are to:

Within the IRS, the Environment, Health, and Safety office is responsible for keeping employees safe and healthy while at work.

- Protect the safety and health of employees, contractors, and the public.
- Prevent negative impacts of IRS activities on the environment.
- Comply with EHS office statutes, regulations, standards, and other requirements.

¹ 5 U.S.C. § 8101 et seq. (West Supp. 2003).

² For this audit, the Treasury Inspector General for Tax Administration did not review the accuracy or appropriateness of Federal Employees' Compensation Act payments to IRS employees who claimed a work-related injury.

³ The EHS office is located within the IRS's Agency-Wide Shared Services, Facilities Management and Security Service function.



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- Prevent accidents, injuries, illnesses, and pollution of the environment due to business operations.
- Maintain an environmental management system to help the IRS achieve its EHS office goals and move towards sustainability.

As of March 2016, the IRS had 27 safety officers nationwide who conduct accident and injury investigations. They also coordinate safety inspections of IRS space, identify and control safety hazards, and promote a positive safety and health culture.

The IRS uses the Department of the Treasury's Safety and Health Information Management System (SHIMS) to report workers' compensation claims. The SHIMS contains information about the employee's injury, location, and if a safety investigation was performed. Employees who have been injured, their managers, and the IRS's safety officers can all input information into the SHIMS. Figure 1 shows the number of new claims filed in each fiscal year and the amount paid in medical, continuation of pay, and workers' compensation in those fiscal years.

Figure 1: New Workers' Compensation Claims and Payments Made During Fiscal Years (FY) 2013 Through 2015

	FY 2013	FY 2014	FY 2015
Number of New Claims	1,069	1,049	895
Total Payments for New Claims	\$1,819,000	\$1,635,000	\$1,333,000
Total Payments for Existing Claims	\$41,798,000	\$39,459,000	\$39,934,000
Total Payments for All Claims ⁴	\$43,617,000	\$41,094,000	\$41,267,000

Source: Treasury Inspector General for Tax Administration (TIGTA) analysis of the March 2016 SHIMS and data provided by IRS management. Note: Dollar amounts are rounded to the nearest thousand.

This review was performed at IRS locations in Fresno, California, and Austin, Dallas, and Farmer's Branch, Texas, in the EHS office during the period August 2015 through March 2016. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.

⁴ Amounts paid in Total Payments for New Claims, Total Payments for Existing Claims, and Total Payments for All Claims include medical costs, continuation of pay, and worker's compensation.



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Results of Review

The Internal Revenue Service Addressed the Majority of Hazards at Locations Visited, but Safety Investigations Were Not Always Documented

We determined that the IRS's process for responding to and preventing workplace injuries was generally effective, but some improvements can be made. Through a combination of analysis of all injury claims that occurred during FYs 2013 through 2015 and physical observations of the sites of injury locations, we found injuries were generally related to accidents, such as slips, trips, and falls, that could not have been prevented. Specifically, through data analysis of all injury claims that occurred from FYs 2013 through 2015, we found most injuries occurred at campus⁵ locations which have a larger workforce than do other IRS offices. While the campuses had the largest concentration of employees resulting in the highest number of new claims, we did not identify any significant trends of injuries reoccurring at certain geographic locations, by job series, or for employees teleworking at their residence that would indicate workplace safety is lacking for specific types of IRS employees.

During this review, TIGTA took a judgmental sample⁶ of 349 claims of which we physically observed locations where 253 injuries⁷ occurred during FY 2013 through FY 2015.⁸ Those injuries accounted for more than 20 percent of claims filed and more than 40 percent of new claims paid from FYs 2013 through 2015. We found that most injuries were caused by accidents that could not have been prevented, and that the IRS had addressed the majority of conditions that caused preventable injuries. At these locations, we determined that 13 hazards had not been addressed and could potentially affect other employees. For example, some employees tripped on long headphone cords which could have been shortened, and other employees fell on uneven pavement in parking lots. We also determined that the majority of injuries were due to slips, trips, and falls, and it appeared that most employees had accidents in which there was little the IRS could have done to prevent the injury.

After we conducted the physical observations of injury locations, the IRS provided documentation that showed they addressed 11 of the 13 hazards previously identified by TIGTA. IRS

⁵ Campuses are the data processing arm of the IRS. The campuses process paper and electronic submissions, correct errors, and forward data to the Computing Centers for analysis and posting to taxpayer accounts.

⁶ A judgmental sample is a nonprobability sample, the results of which cannot be used to project to the population.

⁷ We made the decision not to review 96 of the 349 claims because our initial analysis of data in the SHIMS found there was no specific hazard to review. For example, employees injured themselves by standing up or reaching for an object and there was no indication a hazard caused the injury.

⁸ These injuries occurred at 18 IRS facilities in three cities.



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management also indicated they did not have the resources in their budget to correct the remaining two hazards, but they would take action as funds permitted. Figure 2 summarizes the workers' compensation claims.

Figure 2: Workers' Compensation Claims and Hazards Identified at Site Locations for FYs 2013 Through 2015

Results by Location	Fresno, CA	Austin, TX	Dallas, TX⁹	Total
Workers' Compensation Claims	219	87	43	349
Total Amount Paid ¹⁰	\$1,675,914	\$847,484	\$1,625,617	\$4,149,015
Unaddressed Hazards	8	3	2	13
Dollars Paid on Worker's Compensation Claims Associated With Unaddressed Hazards	\$76,203	\$67,282	\$211,876	\$355,361

Source: TIGTA analysis of the SHIMS and site visitations.

At the facilities we visited, we noted numerous positive actions taken by the IRS to mitigate and prevent workplace injuries. For example, some of the injuries that resulted in workers' compensation claims were reported as wrist and or finger trauma, which could have been caused by repetitive motion such as data input or filing. The majority of those issues had been addressed and employees were given ergonomic equipment such as wrist pads and adjustable workstations.¹¹ We also noted that the IRS posts instructional material about ergonomics and proper posture on its website, and if requested, safety officers will give employees an ergonomic assessment of their workstation. In addition, the IRS's EHS office posts a variety of useful information aimed at safety on its website, such as how to avoid slips, trips, and falls. The IRS also shared some of its best practices with us such as placing umbrella bags near entrances for rainy days, special pylons to warn employees about wet areas on the floor, and installing paper towel dispensers throughout walkways (in the event an employee tracks water or spills a beverage).

Safety investigations were not always documented at facilities visited after employees were injured

The IRS uses the SHIMS database to record specific information about workers' compensation claims and the type of injury that occurred. However, 123 (35 percent) of the 349 claims at the IRS facilities TIGTA visited did not include any information about whether a required safety investigation was performed after the employee was injured. In addition, some of the claims did

⁹ Data include claims filed in Dallas and Farmers Branch, Texas.

¹⁰ Amounts paid include medical costs, continuation of pay, and worker's compensation.

¹¹ Ergonomics is the science of work and a person's relationship to that work. The object is to make you comfortable and productive in your work environment.



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not include the specific location where the injuries occurred. As a result, it was not always apparent what actions safety officers took to resolve hazards because that information was not documented on the SHIMS.

Federal law states that all accidents should be investigated and the report should contain documentation on the date, time, location, description of the accident, photographs, interviews of employees and witnesses, measurements, and other pertinent information.¹² The IRS uses the SHIMS to document the safety investigations; however, the Internal Revenue Manual¹³ does not clearly state what should be done when investigating a workers' compensation claim or how investigations should be documented after an employee is injured.¹⁴ As a result, the IRS may not always be aware of what caused employees to be injured or take the appropriate steps to correct the situation if applicable.

Safety officers at the IRS facilities TIGTA visited advised us they do not always conduct safety investigations due to a lack of resources and time constraints. We were also advised that some of the accidents were investigated, but not documented on the SHIMS as required. Safety officers also stated that the SHIMS does not provide an automatic notification to the safety officers when an employee has filed a workers' compensation claim which can result in claims not being investigated. The safety officers we interviewed explained that they must manually query each building in their inventory to determine if there are new claims because they are not always contacted directly by the injured employee or his or her manager. This process can be time-consuming and safety officers may not always identify new claims which could be problematic if a hazardous condition needs to be corrected. IRS management advised us they are aware of the limitations of the SHIMS and anticipate that a new Treasury database which is currently under development will address these issues.

¹² 29 C.F.R. Parts 1960.29(a) and (d) (2015).

¹³ The Internal Revenue Manual is the primary, official source of IRS "instructions to staff" related to the organization, administration, and operation of the IRS. It details the policies, delegations of authorities, procedures, instructions, and guidelines for daily operations for all divisions and functions of the IRS.

¹⁴ Internal Revenue Manual 1.14.5 (May 10, 2012).



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Recommendations

The Chief, Agency-Wide Shared Services (AWSS), should:

Recommendation 1: Ensure that the two remaining unaddressed hazards at the IRS facility TIGTA visited are addressed.

Management's Response: The IRS agreed with this recommendation. The Chief, AWSS, will correct the two unaddressed hazards at the Fresno Campus and ensure that those hazards are remediated, pending the availability of resources and funding.

Recommendation 2: Evaluate the findings from the IRS facilities TIGTA visited to determine whether a revision to the Internal Revenue Manual is needed to reinforce the requirement that safety officers perform and document safety investigations after an employee has been injured.

Management's Response: The IRS agreed with this recommendation. The Chief, AWSS, will determine if revisions to Internal Revenue Manual 1.14.5, *Occupational Safety and Health Program*, are required. If updates to Internal Revenue Manual 1.14.5 are required, the Chief, AWSS, will ensure that these updates are implemented.

Recommendation 3: Identify a way to notify safety officers when an employee has filed a workers' compensation claim through an e-mail alert or other electronic means.

Management's Response: The IRS agreed with this recommendation. The Chief, AWSS, will identify a process to notify safety officers when an employee has filed a workers' compensation claim. The Chief, AWSS, will collaborate with the Department of Treasury to ensure that the statement of work for the SHIMS replacement system includes a requirement for the automatic notification to safety officers and supervisors when reports of employee injuries are received.

Required Annual Safety Inspections for the Internal Revenue Service's Facilities Were Not Always Documented or Performed Timely

During our review, we determined that 369 (65 percent) of all 564 IRS buildings did not have documentation on the IRS's Graphic Database Interface (GDI)¹⁵ showing an annual safety inspection had occurred at least one year during FYs 2013 through 2015 as required by Federal law and IRS policies. IRS management stated they implemented a modified process prior to January 1, 2016 to track completed safety inspections. Figure 3 shows the results of our analysis.

¹⁵ The GDI automates the IRS real property portfolio management process including buildings, space, and services.



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Figure 3: Safety Inspections Not Documented for IRS Facilities and the Number of Employees Stationed at Those Facilities From FYs 2013 through 2015

Annual Safety Inspection Not Documented	Buildings	Employees
Missing 1 Safety Inspection	115	19,326
Missing 2 Safety Inspections	106	8,522
Missing 3 Safety Inspections	148	11,768
Total	369	39,616

Source: TIGTA analysis of safety inspections data provided by the IRS and the Treasury Integrated Management Information System.¹⁶

Federal law requires that all areas and operations of each workplace, including office operations, shall be inspected at least annually.¹⁷ In addition, FMSS function Territory managers are required to establish and manage occupational safety and health programs which meet IRS policies and Federal, State, and local regulations in their servicing areas. They are also required to ensure that safety inspections are conducted in all areas and operations under their authority.¹⁸

Hazards can be introduced over time as the workflow or work processes change, equipment or tools become worn, or maintenance is neglected. Therefore, it is important that the IRS regularly inspect the workplace for hazards to help identify problems so they can be addressed before an incident occurs.

To comply with the Federal requirement, the IRS developed safety inspections which are designed to review a variety of building features to ensure that they are in working order, including lighting, walkways, elevators, shipping and receiving areas, parking lots, exit and revolving doors, *etc.*¹⁹ However, if safety inspections are not performed when required and documented, IRS management may be unaware of hazards that could cause injuries. We estimate that 39,616 employees stationed at those 369 buildings could potentially be affected by a lack of safety inspections.

Although IRS management agreed with our findings and results, they indicated several factors may have affected why safety inspections were not documented on the GDI. For example, some inspections may not have been included on the GDI because they are transitioning from a fiscal year to a calendar year basis;²⁰ some facilities may not have required inspections because they were not operational or were becoming operational in the last several months of FY 2015; or

¹⁶ The Treasury Integrated Management Information System is an official automated personnel and payroll system for storing and tracking all employee personnel and payroll data. It is outsourced to the U.S. Department of Agriculture's National Finance Center and managed by the Department of the Treasury.

¹⁷ 29 C.F.R.1960.25 (c) (2015).

¹⁸ Internal Revenue Manual 1.14.5.6 (May 10, 2012).

¹⁹ The IRS has developed 14 separate checklists for safety inspections.

²⁰ Federal Government fiscal year ends September 30 while calendar year ends December 31.



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some locations were closed or unoccupied, while others are inaccessible (Criminal Investigation storage areas) or not required to be inspected (day care centers). Further, IRS management stated some inspections were completed, but not added to the GDI. Finally, IRS management advised us that some sites may not have had safety inspections completed for varying reasons including: lack of safety officer or inspector at the site, inability by a safety officer to travel, lack of a safety officer available due to attrition, or transition of safety officers. Because the IRS does not have a dedicated staff to perform safety inspections at all of its facilities, the FMSS function in cooperation with the National Treasury Employees Union solicits volunteers from other business units.

Recommendation

Recommendation 4: The Chief, AWSS, should ensure that all applicable safety inspections are performed annually as required. This should include tracking when inspections are required, ensuring that inspections are reviewed for hazards, and documenting dates on the GDI.

Management's Response: The IRS agreed with this recommendation. The Chief, AWSS, will ensure that safety inspections are performed as required pending the availability of resources and funding. Information including tracking when inspections are required, ensuring that inspections are reviewed for hazards, and documenting dates will be entered into the GDI system.



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Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to determine whether the IRS has an effective process to respond to and prevent workplace injuries and improve workplace safety. To accomplish the objective, we:

- I. Identified the applicable guidance related to the Workers' Compensation Program.
 - A. Researched applicable Federal laws related to workers' compensation.
 - B. Researched applicable Internal Revenue Manual sections related to injury response, safety inspections, and response to employee-identified concerns.
- II. Analyzed data on the SHIMS to determine whether trends exist in workplace injury data. We queried the SHIMS for each of the 3,013 new claims for FYs 2013 through 2015, pulled specific information (for example, dollars paid in medical, continuation of pay, and workers' compensation), and input to a separate spreadsheet. We validated the data captured from the SHIMS by taking a statistical sample of cases to validate whether the information was accurately pulled from the SHIMS. We found the data to be sufficiently reliable for our purposes. We determined:
 - A. If employees experienced similar injuries or illnesses.
 - B. If injuries or illnesses reoccurred at certain locations.
 - C. If the number of claims and dollars paid over the prior three years (FYs 2013 through 2015) increased or decreased.
- III. Determined whether the EHS office is reducing risks to human health and safety.
 - A. Determined whether workers' compensation claims filed through the SHIMS were investigated and the cause (if applicable) was remediated.
 1. Selected a judgmental sample¹ of 253 claims from the IRS facilities with the highest frequency and dollar cost of new claims for FYs 2013 through 2015. We chose a judgmental sample to test the locations with the greatest number of claims and/or highest dollar amount of claims. The population of workers' compensation claims was 3,013 for the three-year period (FYs 2013 to 2015).
 2. For the SHIMS claims selected, conducted site visits to review whether the IRS resolved the safety issue that caused the injury and if an investigation of the workers' compensation claim was completed.

¹ A judgmental sample is a nonprobability sample, the results of which cannot be used to project to the population.



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- B. Determined whether required annual safety inspections of all 564 IRS buildings, as of December 23, 2015, were performed for the three-year period (FYs 2013 to 2015).
- C. Discussed potential exceptions with IRS management regarding 1) unmitigated hazardous conditions that contributed to workers compensation claims and 2) untimely safety inspections.

Internal controls methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: the policies and procedures guiding the workplace safety related to workers' compensation claims. We evaluated these controls by interviewing IRS management, reviewing policies and procedures, judgmentally sampling workers' compensation claims filed during FYs 2013 through 2015 to determine whether hazards were mitigated, and determining whether safety inspections were conducted.



The Internal Revenue Service Has a Process to Respond to Workplace Injuries, but Some Improvements Could Be Made

Appendix II

Major Contributors to This Report

Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations)

Jonathan T. Meyer, Director

Janice M. Pryor, Audit Manager

Joseph P. Smith, Lead Auditor

Ahmed M. Tobaa, Senior Auditor



The Internal Revenue Service Has a Process to Respond to Workplace Injuries, but Some Improvements Could Be Made

Appendix III

Report Distribution List

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Office of the Commissioner – Attn: Chief of Staff
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Assistant Deputy Commissioner for Operations Support
Director, Facilities Management and Security Services
Director, Office of Audit Coordination



The Internal Revenue Service Has a Process to Respond to Workplace Injuries, but Some Improvements Could Be Made

Appendix IV

Outcome Measure

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. This benefit will be incorporated into our Semiannual Report to Congress.

Type and Value of Outcome Measure:

- Protection of Resources – Potential; 369 facilities were potentially at risk for having unidentified hazards and/or unsafe conditions because safety inspections were not performed annually during FYs 2013 through 2015. Approximately 39,616 IRS employees were potentially affected in those 369 facilities (see page 6).

Methodology Used to Measure the Reported Benefit:

To identify the most current list of facilities in the IRS's inventory, we accessed the GDI as of December 23, 2015, which included 564 IRS facilities. To determine which buildings had not received annual safety inspections, we compared the buildings listed on the GDI to the list of building safety inspections conducted during FYs 2013, 2014, and 2015 received from IRS management. We determined that 369 facilities were missing one or more safety inspections during FYs 2013 through 2015.

We queried the 369 facilities on the Treasury Integrated Management Information System¹ and determined that 39,616 IRS employees were stationed at those 369 facilities as of December 23, 2015.

¹ The Treasury Integrated Management Information System is an official automated personnel and payroll system for storing and tracking all employee personnel and payroll data. It is outsourced to the U.S. Department of Agriculture's National Finance Center and managed by the Department of the Treasury.



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Appendix V

Management's Response to the Draft Report




CHIEF
AGENCY-WIDE
SHARED SERVICES

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

June 22, 2016

MEMORANDUM FOR MICHAEL E. MCKENNEY
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Kevin Q. McIver 
Chief, Agency-Wide Shared Services

SUBJECT: The Internal Revenue Service Has a Process to Respond to Workplace Injuries, but Some Improvements Could Be Made (TIGTA Audit # 201510022)

Thank you for the opportunity to respond to the subject draft audit report. We are committed to improving processes to respond to and prevent workplace injuries as well as improving workplace safety.

We agree with all four recommendations and will develop and implement the corrective actions detailed in our attached response.

Furthermore, we have implemented several key initiatives meant to ensure timely and comprehensive completion of annual IRS workplace safety inspections as delineated below:

- Adjusted the safety inspection process to reflect calendar year requirements by the Department of Labor.
- Established processes for Safety Officers to review facility inventories with their Computer Aided Facilities Management (CAFM) program manager by December 31 of each year to ensure accuracy of Graphic Database Interface (GDI) data, and to create 100% of all required safety inspections in the GDI system by January 31 of each year.
- Monitoring completion rates for safety inspections and input of completed inspections into GDI and, and providing quarterly reports to territory Safety Officers and their management.
- Providing remedial training on the safety inspection process, GDI safety inspection input and completion rate for all territory Safety Officers.



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We have reviewed and concur with TIGTA's calculations of measurable benefits and believe that implementation of the attached corrective actions will address these benefits.

We appreciate the continued support and assistance provided by your office. If you have any questions, please contact me at (202) 317-7500, or a member of your staff may contact Steve Artise, Acting Director, Facilities Management and Security Services, at (470) 639-3550. For matters concerning audit procedural follow-up, please contact Shirley Yearwood, Agency-Wide Shared Services, Resource & Operations Management, at (470) 719-6517.

Attachment



The Internal Revenue Service Has a Process to Respond to Workplace Injuries, but Some Improvements Could Be Made

Attachment

RECOMMENDATION 1:

Ensure that the two remaining unaddressed hazards at the IRS facility TIGTA visited are addressed.

CORRECTIVE ACTION:

We agree with this recommendation. The Chief, Agency-Wide Shared Services (AWSS) will correct the two unaddressed hazards at the Fresno Campus and ensure those hazards are remediated, pending the availability of resources and funding.

IMPLEMENTATION DATE:

September 29, 2017

RESPONSIBLE OFFICIAL:

Chief, Agency-Wide Shared Services (AWSS)

CORRECTIVE ACTION MONITORING PLAN:

AWSS will enter accepted corrective actions into the Joint Audit Management Enterprise System (JAMES). These corrective actions are monitored on a monthly basis until completion.

RECOMMENDATION 2:

Evaluate the findings from the IRS facilities TIGTA visited to determine whether a revision to the Internal Revenue Manual is needed to reinforce the requirement that safety officers perform and document safety investigations after an employee has been injured.

CORRECTIVE ACTION:

We agree with this recommendation. The Chief, AWSS will determine if revisions to Internal Revenue Manual (IRM) 1.14.5, *Occupational Safety and Health Program* are required. If updates to IRM 1.14.5 are required, the Chief, AWSS will ensure these updates are implemented.



The Internal Revenue Service Has a Process to Respond to Workplace Injuries, but Some Improvements Could Be Made

IMPLEMENTATION DATE:

December 29, 2017

RESPONSIBLE OFFICIAL:

Chief, Agency-Wide Shared Services (AWSS)

CORRECTIVE ACTION MONITORING PLAN:

AWSS will enter accepted corrective actions into JAMES. These corrective actions are monitored on a monthly basis until completion.

RECOMMENDATION 3:

Identify a way to notify safety officers when an employee has filed a workers' compensation claim through an e-mail alert or other electronic means.

CORRECTIVE ACTION:

We agree with this recommendation. The Chief, AWSS will identify a process to notify safety officers when an employee has filed a workers' compensation claim. The Chief, AWSS will collaborate with the Department of Treasury to ensure that the statement of work (SOW) for the Safety and Health Information Management System (SHIMS) replacement system includes a requirement for the automatic notification to Safety Officers and supervisors when reports of employee injuries are received.

IMPLEMENTATION DATE:

June 30, 2017

RESPONSIBLE OFFICIAL:

Chief, Agency-Wide Shared Services (AWSS)

CORRECTIVE ACTION MONITORING PLAN:

AWSS will enter accepted corrective actions into JAMES. These corrective actions are monitored on a monthly basis until completion.



The Internal Revenue Service Has a Process to Respond to Workplace Injuries, but Some Improvements Could Be Made

RECOMMENDATION 4:

The Chief, Agency-Wide Shared Services, should ensure that all applicable safety inspections are performed annually as required. This should include tracking when inspections are required, ensuring inspections are reviewed for hazards, and documenting dates on the GDI.

CORRECTIVE ACTION:

We agree with this recommendation. The Chief, AWSS will ensure safety inspections are performed as required pending the availability of resources and funding. Information including tracking when inspections are required, ensuring inspections are reviewed for hazards, and documenting dates will be entered into the Graphic Database Interface (GDI) system.

IMPLEMENTATION DATE:

June 30, 2017

RESPONSIBLE OFFICIAL:

Chief, Agency-Wide Shared Services (AWSS)

CORRECTIVE ACTION MONITORING PLAN:

AWSS will enter accepted corrective actions into the Joint Audit Management Enterprise System (JAMES). These corrective actions are monitored on a monthly basis until completion.