



**Treasury
Inspector
General for
Tax
Administration**

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**A FOLLOW-UP EVALUATION OF THE
WORKERS' COMPENSATION PROGRAM
IN THE INTERNAL REVENUE SERVICE**

WHAT TIGTA FOUND

The IRS had 2,610 active workers' compensation claims as of August 2010. New claims for workers' compensation as well as the total cost to the IRS of workers' compensation claims have generally declined over the past five years. Total workers' compensation costs have decreased from \$46.7 million in Fiscal Year 2006 to \$44.8 million in Fiscal Year 2010, although there was a slight increase from 2009 to 2010 due to increased medical costs.

TIGTA found that the IRS's programs for returning injured employees to work have been largely successful and that the IRS has implemented corrective actions to all prior recommendations. The IRS has been generally successful in meeting the goals set for the SHARE and POWER initiatives, with the exception of the goals for timely filing of claims.

First-line managers primarily control the management of workers' compensation claims and actions, including the timely filing of the initial claims. It is the IRS's responsibility to provide training and assistance to its managers when performing duties related to workers' compensation. Video training materials have been developed to address the managers' responsibilities for a workers' compensation claim. However, these videos are not universally distributed. In addition, while the IRS plans to put the video training material on an intranet website, it has not established a date of completion.

READ THE FULL REPORT

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

<http://www.treas.gov/tigta/iereports/2011reports/2011ier006fr.pdf>

Inspections and Evaluations

Highlights

Highlights of Report Number: 2011-IE-R006 to the Internal Revenue Service Human Capital Officer.

WHY TIGTA DID THIS STUDY

In 2003 and 2008, TIGTA reviewed the Internal Revenue Service's (IRS) Workers' Compensation Program and made recommendations to improve internal controls. This review was conducted to determine whether the IRS implemented corrective actions related to those recommendations. Additionally, we assessed the IRS's compliance with the Safety, Health, and Return to Employment (SHARE) initiative, and the Protecting Our Workers and Ensuring Reemployment (POWER) initiative.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the IRS consider making workers' compensation awareness part of the annual mandatory briefings for managers.

IRS management agreed that additional training in the workers' compensation area could be beneficial for managers; however, the curriculum for mandatory briefings is currently full. Therefore, management plans to consider the use of alternative media for workers' compensation training.

TIGTA agreed with the alternative solution proposed by the IRS.