Treasury Inspector General for Tax Administration

Inspections and Evaluations

Highlights

Highlights of Report Number: 2013-IE-R007 to the Internal Revenue Service Chief Financial Officer.

WHY TIGTA DID THIS STUDY

This project was initiated to assess the costs and frequency of Internal Revenue Service executives' temporary duty travel. Additionally, TIGTA determined whether the IRS considered alternatives to reduce travel expenses incurred by IRS executives.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Chief Financial Officer require an analysis that compares the costs and benefits of a long-term taxable travel situation to that of a temporary or permanent change of station and demonstrates that the more favorable alternative was selected. The analysis should be in writing and prepared before placing the employee on long-term travel or authorizing a temporary or permanent change of station.

In their response to the report, IRS officials stated the Chief Financial Officer plans to develop and implement guidance to require a business case in each circumstance that would place an employee in a long-term taxable travel situation. The business case will be used to evaluate and document the costs and benefits of placing the employee in long-term taxable travel status or temporarily or permanently changing the employee's official station.

Additionally, in June 2013, the IRS issued interim guidance that requires an approved post of duty for each executive that is based on the geographic location where most of the work activities are performed. In cases where the work activities can be performed in virtually any geographical location, the post of duty will be considered neutral.

Issued on July 22, 2013

ANALYSIS OF EXECUTIVE TRAVEL WITHIN THE INTERNAL REVENUE SERVICE

WHAT TIGTA FOUND

In Fiscal Years 2011 and 2012, there were 351 and 373 executives in the IRS, respectively. In Fiscal Year 2011, the IRS spent approximately $4.8 million for executive travel. In Fiscal Year 2012, spending for executive travel decreased to about $4.7 million. We analyzed travel information from the GovTrip and the Integrated Financial System for IRS executives to determine whether executive travel appeared to be excessive based on travel expenses claimed and the number of days traveled.

Overall, executive travel does not appear to be excessive. However, we noted that a small number of executives had extremely high travel expenses compared to the rest of the executives and that several executives frequently traveled to the Washington, D.C., area to conduct day-to-day operations. Moreover, 12 executives (seven in Fiscal Year 2011 and five in Fiscal Year 2012) were in travel status for over 200 days. In April 2013, the IRS instituted a new interim travel policy that generally restricts executives from being in travel status more than 75 nights in any fiscal year.

The cost and frequency of travel for some executives indicate that they may not live in the best location to economically accomplish their roles and responsibilities. While the Federal Travel Regulation does not set any total monetary or duration limits on temporary duty travel, the IRS should consider a temporary or permanent change of station as an alternative to long-term temporary duty travel. However, the IRS does not have a policy that requires decision makers to document whether a temporary or permanent change of station was considered as an alternative to long-term temporary duty travel.

READ THE FULL REPORT

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

http://www.treasury.gov/tigta/iereports/2013reports/2013ier007fr.pdf