



Treasury Inspector General for Tax Administration

CONTROLS AND PERFORMANCE MEASURES FOR THE RECORDS MANAGEMENT PROGRAM NEED TO BE IMPROVED

Issued on March 20, 2008

Highlights

Highlights of Report Number: 2008-10-073 to the Internal Revenue Service Chief, Agency-Wide Shared Services.

IMPACT ON TAXPAYERS

The Internal Revenue Service (IRS) has a responsibility to control and manage a variety of sensitive records, including taxpayer information. However, the IRS Records Management Program Office did not have adequate controls in place to fulfill this responsibility. As a result, TIGTA could not determine if IRS records management practices were in full compliance with existing laws and regulations. In addition, the Records Management Program did not have adequate measures in place to determine whether the Program was meeting its intended goals. This increases the risk that taxpayer service and tax enforcement functions could be hindered or delayed if records are not available to conduct business.

WHY TIGTA DID THE AUDIT

The Department of the Treasury Office of the Assistant Secretary for Management and Chief Financial Officer considered records management as one of the top three business risks that the IRS faced in Fiscal Year 2007. In addition, previous reviews conducted by TIGTA have identified concerns with IRS records management. The overall objective of this review was to determine whether the Records Management Program provides oversight necessary to ensure that IRS records are legally and properly handled throughout their life cycle.

WHAT TIGTA FOUND

While the Records Management Program Office has established some controls and procedures for carrying out its records management duties, there should be additional oversight of the Program. Neither TIGTA nor the IRS could determine if the IRS records management practices were in full compliance with existing laws and regulations. This puts the IRS at risk of not having records available to conduct business or of retaining records beyond their retention dates.

The Records Management Program Office has taken some actions to improve records management within the IRS. However, it did not include the following controls to ensure effective records management: not all Area Records Managers have been reviewed, Area Records Managers do not routinely conduct reviews of the Information Resource Coordinators, and not all Information Resource Coordinators have been trained in records management. In addition, the Records Management Program Office has not developed performance measures that provide information on whether the Program is achieving its major goals to furnish accurate and complete information and to store records at the lowest possible cost.

WHAT TIGTA RECOMMENDED

The Director, Real Estate and Facilities Management Division, should 1) determine if having the Records Management Program administered by employees working on records issues part time, but without being directly responsible to the Records Officer, is the most appropriate way to manage the Program, 2) revise guidance to include clearer statements of responsibility for those involved in the Program, 3) establish appropriate training requirements for all individuals involved in records management, and 4) ensure that performance measures for the Program address both the efficiency and effectiveness of the Program and are consistent with major Program goals.

In their response to the report, IRS officials stated that they agreed with three of the four recommendations and have taken or plan to take appropriate corrective actions. IRS officials neither agreed nor disagreed with our recommendation to determine if having the Program administered by employees working on records issues part time without being directly responsible to the Records Officer was the most appropriate way to run the Program. Division management stated the recent realignment of the field organization is sufficient to properly administer the Program. However, TIGTA believes this realignment still has shortcomings. The revised staffing does not place the Records Officer as the direct supervisor over the Area Records Managers, and the Area Records Managers will continue to be supervised by other managers with other responsibilities and possibly competing priorities. TIGTA believes the Real Estate and Facilities Management Division should reassess whether the realignment is providing the level of oversight needed and make changes as necessary in the future.

READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2008reports/200810073fr.pdf>

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