Report Reference 2000-20-019, dated December 22, 1999
Management's Response to Draft Report

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

COMMISSIONER

January 10, 2000

MEMORANDUM FOR TREASURY INSPECTOR GENERAL
                    FOR TAX ADMINISTRATION

FROM: Charles O. Rossotti
                    Commissioner of Internal Revenue

SUBJECT: Response to Draft Management Advisory Report: The Internal
                    Revenue Service Took Actions to Correct Concerns Raised in
                    Our Report on Computer Component Retirement Decisions for
                    the Year 2000 (IGAMIS# 199920105)

Thank you for the opportunity to review and comment on your Draft Management Advisory
Report concerning Year 2000 (Y2K) computer component retirements. I am particularly
pleased that your staff confirmed that the Internal Revenue Service (IRS) had completed the
actions that were designed to assure that components are properly retired. In addition to
the actions verified in your report, I am outlining other actions that the IRS has taken to
assure that components are retired timely and properly.

Over the past three years, the Century Date Change Project Office has devised a number of
tracking mechanisms to identify whether organizations were retiring components timely.
Those mechanisms include the following weekly reports, which serve as vehicles for
identifying and monitoring component retirements.

*   Application Program Registry (APR) Components Retirement Status Phases 1-7
*   Tier 2 Weekly Summary Retirement Report
*   Device Inventory Y2K Compliance Status
*   Telecom Devices to be Retired
*   Systems with APR Components Project Implementation and/or Retirement
    Overdue

The Century Date Change Project Office reports areas of non-compliance weekly to the
responsible executive, the Chief Information Officer, and the Commissioner of the
Internal Revenue Service in a memorandum titled, "Y2K Alert Memorandum." The
Century Date Change Project Office also conducts weekly progress meetings with IRS
management and Year 2000 coordinators to emphasize continually that the IRS must
complete its Y2K task, including the retirement of all computer components designated
to be retired.

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The IRS has also conducted Independent Audit and Readiness Verification (IARV) visits to computing centers, service centers and district offices to confirm Year 2000 compliance, including retirement of application components and Commercial Off The Shelf (COTS) products.

Thank you again for the opportunity to respond to your report. If you have any questions, please call Paul Cosgrave, Chief Information Officer, at (202) 622-6800, or have a member of your staff call David Junkins, Director, Office of Information Resources Management, at (202) 283-4060, or Barry Herrmann, Chief, Office of IS Program Oversight and Management Controls, at (202) 283-7698, as appropriate.

cc: Associate Inspector General for Audit (Information Systems Programs)
    Director for Legislative Affairs