IRS High Risk Update: Business Systems Modernization and Financial Management

Overall/Scope: The Modernization of IRS core business systems and infrastructure while maintaining the effectiveness of existing systems and infrastructure. Toward this end, IRS will develop modernized business processes and the supporting IT systems and infrastructure to enable the IRS to execute its mission and meet IRS customer service and enforcement goals.

Short-Term: Establish a consistent pattern of meeting cost, schedule and scope commitments (within acceptable ranges of variance) in developing modernized IT business systems and supporting infrastructure, resulting in IT business solutions that produce taxpayer savings and IRS operational efficiencies in line with baseline business cases.

Focus Areas:
1. Delivery of Modernization: Deliver major modernization projects within defined cost, schedule and scope performance objectives, while ensuring intended business, technology, and operational benefits are realized.
2. Highest Priority Initiatives (HPIs) – Process for Continual Improvement: Implement a systemic approach to address process and program weaknesses, gaps, and deficiencies that results in effective, long-term solutions.
3. Improve Financial Management: Deliver IT solutions that will provide detailed data to support custodial financial reporting of revenue; also, deliver new functionality in existing custodial accounting system to streamline financial reporting and sustain future clean audit opinions.
4. Computer Security: Develop comprehensive security program to respond to material weaknesses identified in IRS computer security and to proactively position the Service to address computer security needs into the future.

Process:
1. IRS to provide major initiatives and goals for each of the four focus areas.
2. IRS to establish milestones for meeting the goals for identified initiatives.
3. IRS to indicate what metrics will be used to measure improved performance.
4. OMB/GAO/Treasury/IRS concurrence on goals, milestones, and metrics.
5. IRS to obtain IRS senior leadership and MITS leadership buy-in.
6. Existing governance bodies to provide oversight and track progress.
7. High Risk Report to be updated quarterly and reported out in quarterly briefings to OMB/GAO/Treasury.
8. Report to be re-evaluated yearly (June) to consider relativity of focus areas/initiatives and to make adjustments to report for maximum effectiveness.

Responsible Organizations: The IRS CIO and CFO are responsible for identifying the goals and initiatives cited in this Plan, but depend on the Deputy Commissioner for Operations Support to help secure resources to meet these goals and MITS ACIOs for

Applications Development, Enterprise Services, and Cybersecurity to implement the initiatives and measure their results.

Goals:

IRS's goals under this plan are to:

1. Improve performance in the delivery of IT systems under its Business Systems Modernization (BSM) program.
2. Enhance capabilities and readiness in key management process and program areas to enable improvements in performance.
3. Deliver initiatives that respond to material weaknesses in financial accounting.
4. Address material weaknesses identified in IRS computer security and proactively position the Service to address computer security needs into the future.