

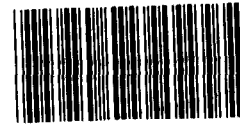
GAO

Fact Sheet for the Chairman,  
Committee on Governmental Affairs,  
U.S. Senate

September 1993

# TAX SYSTEMS MODERNIZATION

## Time Tables for Critical Planning Documents



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United States  
General Accounting Office  
Washington, D.C. 20548

Accounting and Information  
Management Division

B-255003

September 30, 1993

The Honorable John Glenn  
Chairman, Committee on  
Governmental Affairs  
United States Senate

Dear Mr. Chairman:

This letter responds to your August 30, 1993, request that we provide information on the critical planning and system development products that are necessary for the Internal Revenue Service (IRS) to successfully implement its Tax Systems Modernization (TSM) program. We were also asked to provide the estimated or actual completion dates for these products and the frequency with which they are updated.

Based on information provided by IRS, we have categorized the TSM planning and system development products into two broad categories--summary documents and technical supporting products. The summary documents set forth IRS's strategic goals and vision for tax administration in the next century, and describe the approach for achieving these goals. These are high-level documents and are generally used to guide and oversee the modernization efforts by senior IRS management and the Congress.

The technical supporting products supplement the summary documents and are used to manage the TSM program. These products are the detailed plans and tools used by IRS to direct and manage the various TSM projects and activities, and include an acquisition management plan, a security architecture, and an integrated project schedule.

Appendix I lists the critical planning and system development products by the broad categories discussed above. For each product, we are providing IRS's expected or actual completion date and a brief description. Appendix I also includes a list of other products that establish the framework or operating concepts upon which the critical products are based or provide current status information. We are also providing similar information on these key products. As agreed with your office,

GAO/AIMD-93-81FS IRS Systems Modernization

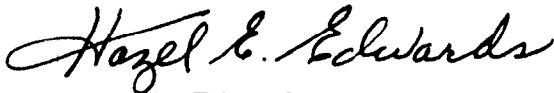
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we did not attempt to determine whether the time frames shown in appendix I are realistic or whether the completed products are adequate to meet IRS's needs. We plan to assess these and other IRS system development efforts in the future.

We provided a copy of the material contained in appendix I to IRS's Modernization Executive and the Chief Information Officer for their review. We have incorporated the changes suggested to us. However, as agreed with your office, we did not obtain official agency comments on this fact sheet. Unless you publicly announce its contents earlier, we will not distribute it until 30 days after the date of this letter. At that time, we will send copies to the Secretary of the Treasury, the Commissioner of Internal Revenue, the Director of the Office of Management and Budget, and other interested parties. Copies will also be made available to others upon request.

If you or your staff have any questions regarding this information, please call me at (202) 512-6418. Major contributors to this fact sheet are listed in appendix II.

Sincerely yours,



Hazel E. Edwards  
Director, General Government  
Information Systems

INTERNAL REVENUE SERVICE  
MAJOR TAX SYSTEMS MODERNIZATION PRODUCTS

**Summary Documents**

IRS Product	Estimated/Actual Completion Date and Update Cycle	Product Purpose	Remarks
Strategic Business Plan FY 1994 and Beyond	9/94 Annually	A multi-year plan which sets forth IRS's long-range goals, the strategies to reach those goals, and the associated milestones.	Latest version is dated 9/93.
Business Plan (BP)	9/93 One-time publication	The BP will describe IRS's vision for performing tax administration in the next century, the methodologies used to determine how to achieve the vision, the impacts and benefits of the new vision, and a high-level plan for transition.	This document is being prepared to satisfy a request from the House Appropriations Subcommittee on Treasury, Postal Service, and General Government. It essentially summarizes the Service Center Organization and District Organization studies.
Business Master Plan (BMP)	4/94 Annually	A 3-year plan which will integrate the high-level business, technology, and human resources support activities which must be accomplished to achieve IRS's strategic business objectives and implement the new business vision.	This will be the first version of this document and will focus on what operational capability will be delivered in fiscal year 1997.
Core Business Systems Owners (CBSO) Plans	To be determined Annually	The six CBSO plans will identify and prioritize the business process improvement projects necessary to support IRS's transition to a modernized environment and to improve IRS systems overall. These six plans will represent IRS's agenda for improving business processes and methodologies.	These will be the first versions of these documents.

IRS Product	Estimated/Actual Completion Date and Update Cycle	Product Purpose	Remarks
Design Master Plan (DMP)	3/94 (public version)  Annually	The DMP is the overall, integrated plan for bringing about the information systems technology portion of TSM. The DMP provides a definition of the individual components or projects that will deliver all user functionality and information systems infrastructure specified by the Integrated Systems Architecture. In addition, the DMP provides a high-level integrated implementation plan to transition from the current systems environment to the target environment and it serves as the planning framework for the formulation of future information systems budgets.	The DMP is a critical supporting document to the BMP. The latest public version is dated March 1992.
Human Resources Master Plan (HRMP)	3/94  Annually	The HRMP will be a management plan for the implementation of the human systems architecture. The purposes of the HRMP are to (1) maximize human resource (HR) support, influence, and value in achieving IRS's business vision, (2) define the individual processes that will deliver all interim and future HR and resources management functionality and operational support, and (3) present the year-by-year transition from the current environment to the target environment envisioned in the TSM Concepts of Operation.	The HRMP is a critical supporting document to the BMP. This will be the first version of this document.
Strategic Data Plan (SDP)	To be determined	The SDP describes the organizational information needs of IRS at a high level. It defines how information is used in IRS and who uses it, the logical groupings of the information used, and what technology should be used to support the uses identified.	The latest version was March 1991. This document is only revised when major changes occur. As a result of the Service Center Organization and District Organization studies, the document is scheduled to be revised.

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**Technical Supporting Products**

IRS Product	Estimated/Actual Completion Date and Update Cycle	Product Purpose	Remarks
Program Management Plan (PMP)	10/93  Annually	The PMP sets forth the program management policy for the development of TSM information systems and recommends the development of supporting plans outlining the program implementation policy and procedures. It defines the organizational roles and responsibilities, the approach to managing development, the program management and program support activities for TSM, and an approach for establishing top level program milestones.	The PMP is a description of the management philosophy and approach the Chief Information Officer will use to execute and control the information systems development segment of TSM. This will be the first version of this document. (The first official version will be released on October 1, 1993.)
Integrated Project Schedule (IPS)	3/94  Monthly updates to begin second quarter of fiscal year 1994	IPS is the integrated schedule and resource system that will provide the information necessary to bridge the TSM goals and objectives with the actual program/project status. IPS is a tool that will capture identified tasks, deliverables, milestones, costs, and interrelationships of programs/projects.	IRS plans to use IPS to track only the activities contained in the DMP. A new system called the Integrated Transition Schedule (ITS) will track the information systems projects and the business and human resource activities. The items being tracked in the ITS are comparable to those contained in the BMP.

IRS Product	Estimated/Actual Completion Date and Update Cycle	Product Purpose	Remarks
Integrated Systems Architecture (ISA)	8/94  Annually	The ISA documents the technical architecture of the system being built for the TSM program. It translates the logical business and information architectures into a set of physical building blocks that can be used to support system-level and project-level analysis, planning, and development. It addresses the physical organization of the business operations and data and describes the technical infrastructure within which the business application software and data reside.	The first version was accepted from IRS's Integrated Support Contractor (ISC) in August 1993. The three major components that comprise the ISA--tax processing systems architecture, tax support processing systems architecture, and management systems architecture--had been previously issued as separate documents.
Security Architecture	To be determined	The Security Architecture defines the hardware, software, firmware, policies, procedures, and communications facilities required at each processing level--mainframe, file server, workstation--and each site to ensure that taxpayer privacy and confidentiality are protected.	A new version is currently undergoing IRS's approval process. The last version of this document was a November 1991 draft.
IRS Privacy Policy	To be determined	IRS's Privacy Policy will express IRS's commitment to protect its tax processing and administrative operations resources against violations of privacy, accidental or intentional misuse, disclosure, or destruction or denial of services. The policy will provide the foundation for building a secure infrastructure in support of TSM target objectives. In addition, it will contain a series of technical policy statements that characterize the basis for the policy and lead to the in-depth definition of system security requirements to satisfy that policy.	This will be the first version of this document and is awaiting the Commissioner's signature.
TSM Integration Plan	Fiscal year 1994  Annually	The TSM Integration Plan will define the activities for integrating the subsystems and segments of the Integrated Systems Architecture into the different IRS sites defined by the business vision.	This will be the first version of this document.



IRS Product	Estimated/Actual Completion Date and Update Cycle	Product Purpose	Remarks
Configuration Management Procedures (CM)	3/93 Fiscal year 1994	The CM Procedures are used in conjunction with the September 1992 User's Handbook for CM. They provide the Project Manager and the designated Project Configuration Manager with the guidelines necessary to plan and develop a CM program at the project level. They also provide instructions for performing project-level CM consistent with IRS's policy. It is also intended that the instructions provided in the CM Procedures be tailored by the Project Configuration Manager to meet project-specific CM requirements.	This is the first version. The ISC contractor is working with IRS to document, enhance, and validate the overall detailed CM approach. The ISC indicated that CM is a top priority for 1994.
TSM Requirements Document	To be determined Annually	The TSM Requirements document will identify the high-level requirements for TSM. It will bring together in a single location the requirements which have been documented in several products, including the Service Center and District Organization Studies. It will also specify the TSM high-level performance and physical characteristics, external and internal interfaces, and system capacity, human resource, training, security, and reliability/maintainability requirements as they pertain to information systems.	This will be the first version and is undergoing the review process.
TSM Concepts of Operations	To be determined Annually	Defines how IRS will receive and process information and interact with its customers in the modernized environment.	The latest version is dated 1988. Because of the recommendations in Service Center Organization and District Organization studies, the Concepts of Operations is scheduled to be revised.
TSM Acquisition Management Plan	Fiscal year 1994 Update cycle to be determined	Defines the strategy for meeting the acquisition needs of TSM. It defines the schedule and rationale for all TSM acquisitions.	The latest version is April 1992.

**INTERNAL REVENUE SERVICE**  
**MAJOR TAX SYSTEMS MODERNIZATION PRODUCTS**

**Other Documents and Completed Products**

IRS Product	Estimated/Actual Completion Date and Update Cycle	Product Purpose	Remarks
Spending Plan (carryover funds fiscal years 1990-1993)	Quarterly	These plans detail the use of funding designated as no-year funds for TSM. Spending plans are reviewed and updated quarterly on expenditures of all TSM funds, including no-year funds.	
Systems Architect Office's Implementation Plan	9/93	This document will provide an overview of the implementation of the Systems Architect Office and it will describe the staffing, scope of responsibility, design goals used in constructing the office, experience/knowledge resident on staff, benefits, and staff credentials.	This documentation is being prepared as a one-time effort in response to a request from the House Appropriations Subcommittee on Treasury, Postal Service, and General Government.
Quarterly Performance Tracking System (QPTS)	8/93 Quarterly	The primary tool for tracking the progress of each TSM project. It tracks items such as costs, benefits, and schedule.	IRS senior managers and the Office of Management and Budget use the QPTS report to understand changes in a project's scope or direction, and to determine funding levels. A QPTS report is released approximately 45 days after the end of each quarter of the fiscal year.
Service Center Organization Study (SCOS)	4/93	SCOS was one of three efforts to define the future business vision of IRS which concentrated on the organizational structure and the work currently being performed by Service Centers, Computing Centers, Automated Collection sites, and Taxpayer Services and Central Inventory Distribution telephone-related activities.	

IRS Product	Estimated/Actual Completion Date and Update Cycle	Product Purpose	Remarks
District Organization Study (DOS)	4/93	DOS is another of IRS's efforts to define the business vision. It focuses on traditional district-based, front-line functions such as Collection, Criminal Investigation, Employee Plans and Exempt Organizations, Examination, and International.	
National/ Regional Organization Study (NROS)	Initial study has been completed but will not be published.	The third effort in defining the business vision focuses on the policy setting roles, support, and management structures of the national office and regional offices.	Used by IRS's Executive Committee as input in their efforts to eliminate management levels, restructure, and downsize national and regional offices.

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