**IRS**

**Modernization Information**

**Technology Services**

Teaming for Results

# MITS – Mission, Values, Goals

## Mission:

*To deliver Information Technology services and solutions that drive effective tax administration to ensure public confidence*

## Core Values:
Service, Teamwork, Respect, Integrity, Partnership, Excellence

## Goals

| Improve Service to Our Customers | Deliver Modernized Systems and Infrastructure | Increase the Value of MITS Resources | Assure the Security and Resilience of IT Systems and Data |
|---|---|---|---|

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# MITS – Scope of Activities

- MITS has a very broad portfolio including a full range of IT functions:

– Computing Centers

– End User Support (help desk and field technicians)

– Applications Development and Maintenance

– Major Systems Modernization (Modernized and Non-Modernized Systems)

– Architecture and Engineering

– Security

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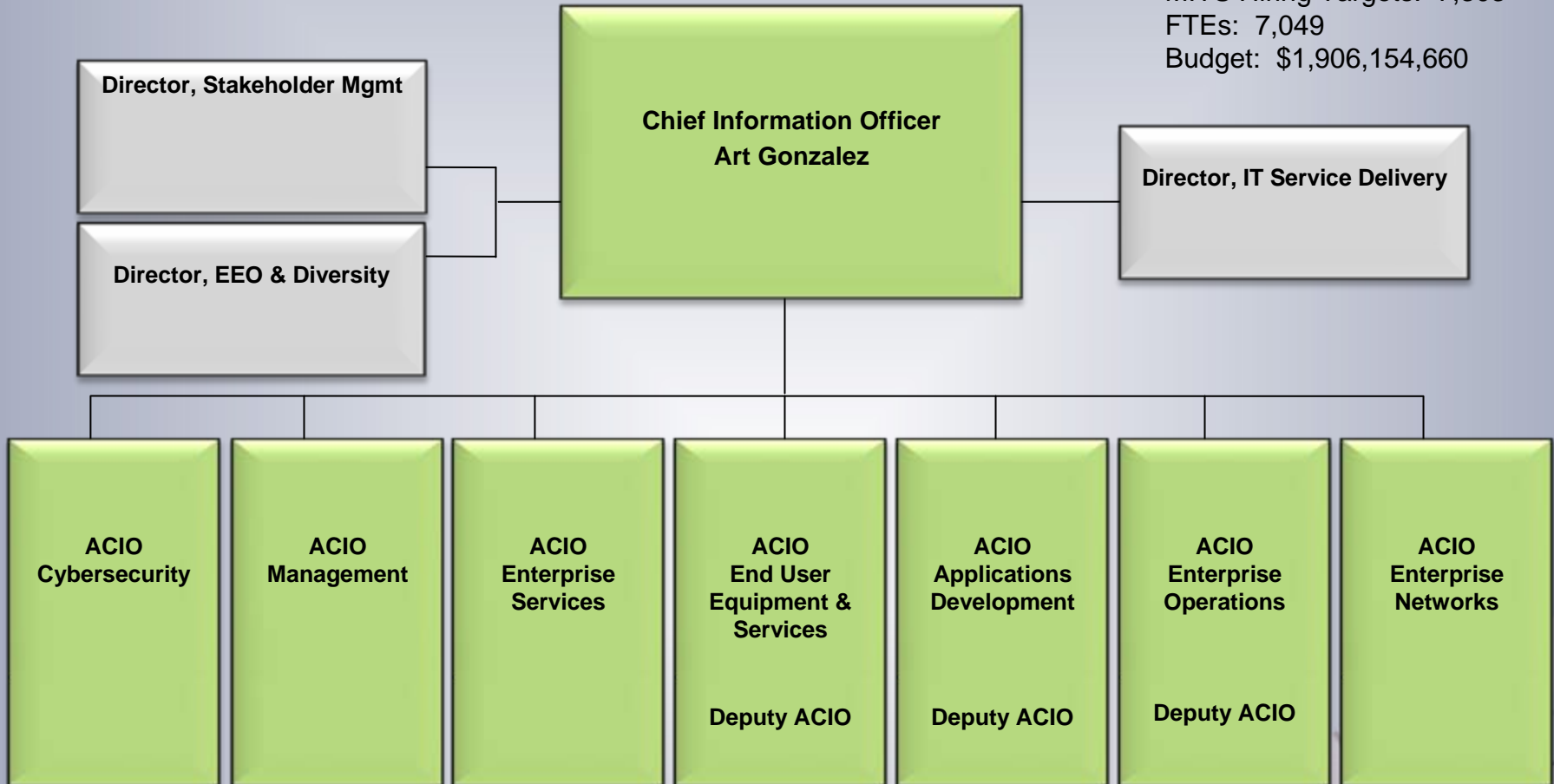# FY 2008 IT Spend by Service

**Total MITS Spend = $1.906 billion**
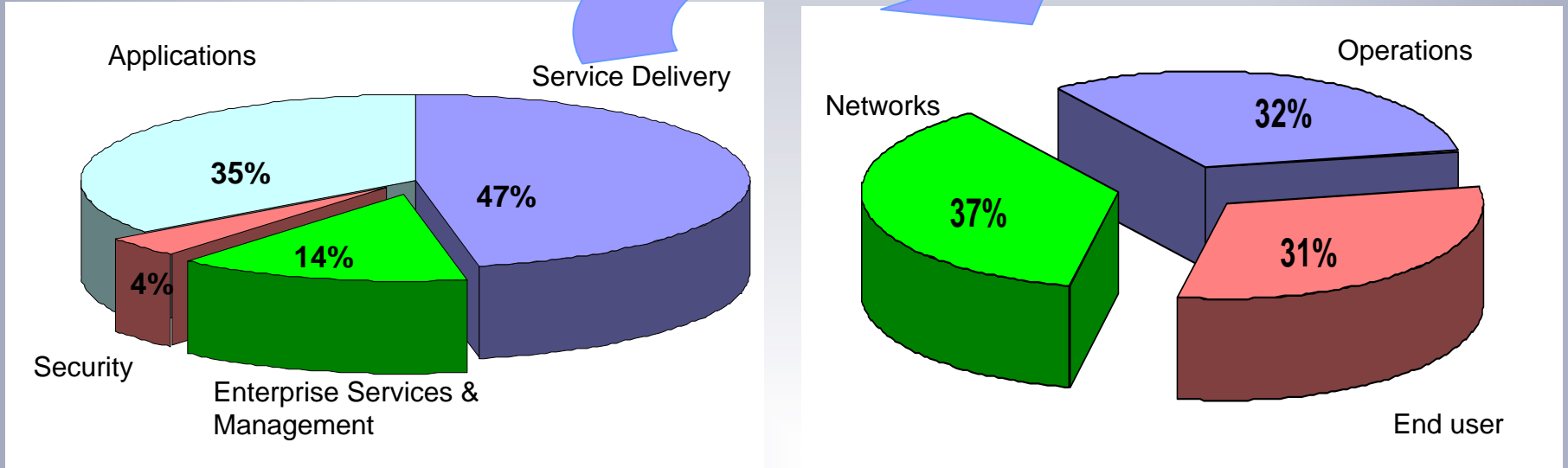


– 35% is aligned with Applications – the actual product required by the businesses to deliver tax administration

– 47% is aligned with Service Delivery– the actual technology delivery vehicles.

– 14% is aligned with Enterprise-wide services and support including architecture, engineering, planning and administration.

– 4% is aligned with Security

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# Key IRS/MITS Metrics

| METRIC | MAGNITUDE |
|---|---|
| Individual Master File Taxpayer Accounts | 235 million |
| Business Master File Taxpayer Accounts | 53.4 million |
| Tax Exempt and Government Entities (e.g. federal, state & local governments, federal agencies, charities, Indian tribes, pension plans) | 3 million entities > $8 trillion in assets managed |
| Tax Revenues Collected Per Year | $ 2.1 trillion |
| IRS Employees | 105,000 |
| Total IRS Locations | 755 |
| IRS Computing Centers | 3 |
| Main Frames | 18 |
| Servers | 5,200 |
| Desktop and Laptop Computers | >120,000 |
| Printers | >74,000 |
| Business Partners | > 10,000 |
| IRS Legacy Business Systems | > 450 |
| IRS Legacy Data Storage | > 100 terabytes |
| Taxpayer Inquiries per Week | 23 million |
| Tax Law Changes per Year | > 200 |
| FISMA Compliance | 20 general support systems (GSSs) |

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# MITS Organization

MITS Hiring Targets: 7,303
FTEs: 7,049
Budget: $1,906,154,660

**Director, Stakeholder Mgmt**

**Director, EEO & Diversity**

**Chief Information Officer
Art Gonzalez**

**Director, IT Service Delivery**

**ACIO
Cybersecurity**

**ACIO
Management**

**ACIO
Enterprise
Services**

**ACIO
End User
Equipment &
Services**

**Deputy ACIO**

**ACIO
Applications
Development**

**Deputy ACIO**

**ACIO
Enterprise
Operations**

**Deputy ACIO**

**ACIO
Enterprise
Networks**

oneMITS

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# Cybersecurity: Offerings

- Provide management and oversight over the IRS-wide IT security program in accordance with the requirements of FISMA.

- Responsible for:
  - IRS IT security policy and process guidance
  - Systems security certification
  - Systems security testing
  - Security training
  - FISMA compliance reviews
  - Disaster recovery coordination
  - Operation of the computer security incident response center (CSIRC)

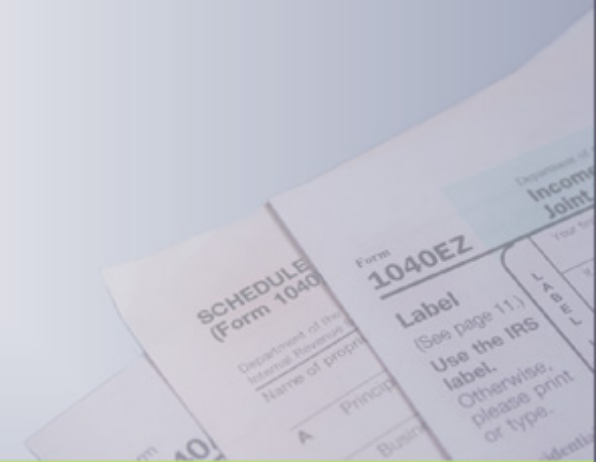# Cybersecurity: Key Initiatives

- **Certification and Accreditation** – Complete the FISMA compliant updates to the security certification and accreditation packages for all IRS applications and general support systems by the end of 2008

- **Material Weaknesses** – Develop a comprehensive and effective computer security material weakness corrective action plan by mid-January 2008

- **Identity Theft and Online Fraud** – Ramp up CSIRC capabilities and tools needed to more effectively identify and respond to phishing incidents, identity theft, and online fraud

- **IT Systems Disaster Recovery** – Enhance disaster recovery capabilities, focusing on most critical business processes

- **FISMA** – Implement steps to raise Treasury/IRS report card grade to a "C" or better

- **CSIRC** – Field tools to more effectively monitor security compliance and overall enterprise-wide security risk posture

- **GAO Financial Statement Audit** – Coordinate actions to ensure IT security is fixed at Detroit Computing Center

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# Cybersecurity: Challenges

- Eliminate repeat audit findings and resolve the security weaknesses identified in operational IT systems

- Maintain Federal Information Systems Management Act (FISMA) compliance and complete the extensive annual FISMA IT systems security controls testing requirements while supporting the operational demands of filing season

- Develop and refine strategies to address the increase in Phishing incidents, identity theft, fraud incidents, and victim notification requirements

- Make measurable progress in providing security auditing and disaster recovery capabilities for our most critical systems (material weaknesses)

- Balance "adequate" security with business application functionality enhancements

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# Management: Offerings

- Partner with MITS leadership to provide the policy, direction and administration of programs essential to MITS' business:

  - Human Capital

  - Strategic Planning

  - Performance Measurement

  - Budget and investment Control

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# Management: Key Initiatives

- **Leadership Succession Review**
  - ID and Develop candidates for management and leadership positions
- **Reduce Staffing Gap**
  - 2007 achieved 47% reduction
  - Continue to reduce gap in 2008
- **FY 2008-2009 Strategy & Program Plan**
  - Informs Commitments, High Priority Initiatives and Measures
- **Build on Basic Performance Measures**
  - 2007 Cost and Performance Transparency Measures
  - 2008 OMB IT Initiative Line of Business Measures and Targets
- **Effective Planning and Management of IT Investments through the CPIC Process**
  - Improve/Institutionalize Governance Process
  - OMB Approval of Investment Portfolio
- **Improve Financial Processes**

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# Management: Challenges

- Increase recruitment and hiring to fully staff MITS and keep up with attrition of aging workforce

- Succession planning – Recruitment of the right employees with the right competencies and continuous build-up of skills and abilities to meet future MITS needs

- Evolve E-300 policy/procedure as IRS, Treasury & OMB processes mature
  - Right-sizing policies, procedures and reporting requirements according to investment characteristics (DME and/or O&M).

- Fund Infrastructure and Critical Unfunded Requirements
  - 2008 Critical Unfunded Requirements approximately $220M

- Possible major reduction in FY09 budget

- Extended Continuing Resolution

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# Enterprise Services: Offerings

- Provide essential cross-cutting IT functions and services

- Deliver the IRS Enterprise Architecture and integrate with Treasury EA

- Set enterprise technology and process/methodology standards

- Engineer project and program systems and solutions for majors and targeted non-majors

- Build and operate targeted infrastructure components such as
  - Modernized Development/Integration/Test Environment
  - Enterprise Application Integration Broker
  - Portal Program Mgmt Office

- Lead IT demand management and modernization programs for IRS IT portfolio investment decisions

- Establish and support tiered Governance and Program Control standards, processes for the IT portfolio

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# Enterprise Services: Key Initiatives

- Workforce recruiting, knowledge transfer, succession planning
  - Expand core engineering workforce, skills
  - Assume engineering leadership from contractor to IRS for targeted major releases
- Expand, fully institutionalize programs for increasing maturity and quality of IT service delivery
  - Tiered Governance and Program Control
  - Modernization Vision & Strategy
  - Demand Management
  - Business Rules and Requirements
  - Security and privacy components of Enterprise Life Cycle and Governance
  - Configuration, Change and Release Management
- Envision and build comprehensive customer relationship management model for improved IT service delivery
- Develop integrated Infrastructure strategy and governance
- Execute Enterprise Data Strategy and other common services
- Execute New Portal Strategy
- Support for HSPD 12

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# Enterprise Services: Challenges

- Applying fit-for-purpose, technical and process standards across an IT portfolio consisting of hundreds of systems and projects, spanning the spectrum of scale and complexity

- Sustaining momentum of multiple, ongoing, enterprise-wide change initiatives

- Balancing operations, filing season, project delivery with process improvements and change initiatives

- Demand for ES and MITS services exceeds supply in terms of budget, resources, and leadership bandwidth

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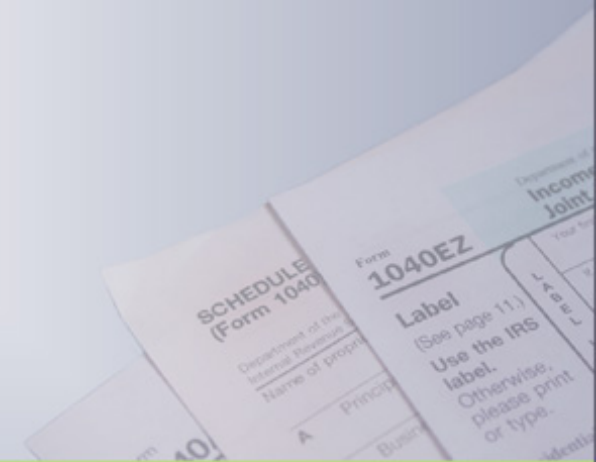
# End User Equipment & Services: Offerings

- Provide end user desktop products, services, and support for over 105,000 IRS employees at headquarters and field sites.

- Operations include:
  - Enterprise Service Desk
    - Phone, web, and frontline support employees
  - Asset Management and Inventory Controls
  - Hardware / Software
    - End user hardware purchases, integration, deployment, and support
  - Voice and Data Support
  - Filing Season Support
  - Customer Relationship & Project Support
  - Desktop Security

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# End User Equipment & Services: Key Initiatives

- Seat Management Business Process Re-engineering

- End-to-End Business Systems Monitoring and Enterprise Systems Management Tools Centralization and Consolidation

- Infrastructure
  - Printer Consolidation
  - Thin Client
  - Workstation Refreshment

- Enterprise Disk Encryption Phase II

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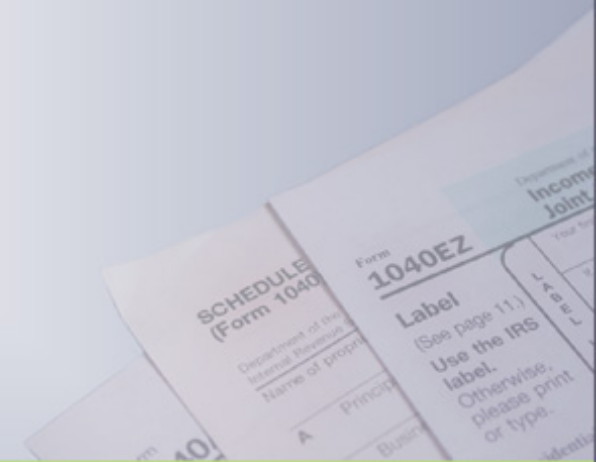
# End User Equipment & Services: Challenges

- Seat Management Business Process Re-engineering
  - Close gaps in cost and performance as compared to industry benchmarks and align with OMB's IT Infrastructure line of business.
  - Maintain alignment and synchronization with the MITS ITSM initiative to ensure a One MITS solution
  - Implement organizational change while managing the workforce transition and minimizing impact to service levels.

- End-to-End Business Systems Monitoring and Enterprise Systems Management Tools Centralization and Consolidation
  - Devoting the required resources to implement End to End business systems monitoring.

- Enterprise Disk Encryption (EDE) Phase II
  - Deployment of EDE during critical business cycles (ex. Tax Filing season)

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# Applications Development: Offerings

- Deliver integrated software solutions to achieve the vision and objectives of the Service by designing, developing, testing, deploying and maintaining a portfolio of more than 450 systems in both the legacy and modernized environments.
- Enable the processing of tax returns and other transactions
    - > 220 million Individual Taxpayer Accounts
    - > 43.4 million Business Taxpayer Accounts
    - > 3 million Tax Exempt and Government Entities managing over $8 trillion in assets
    - > $2.1 trillion in tax revenues collected, classified, and posted annually
    - > 23 million taxpayer inquiries per week researched
- Manage/maintain repositories containing > 68 million lines of source code
- Conduct Program Management Activities
    - Health Assessments of projects to reduce the likelihood of development delay and unmitigated risks
    - Development and updates of E-300s and E-53s
    - 32 Major
    - 250 Non-Major
    - Program Governance

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# Applications Development: Key Initiatives

- **Knowledge Retention and Workforce Development**
  - Provide positive control over business and technical data held by suppliers and employees
    - Succession Planning, Continues Learning, Strategic HR Planning

- **IT Simplification / Modernization**
  - Result in a sustainable environment that effectively delivers business solutions
    - Delivery Filing Season
    - Business Systems Modernization projects (CADE, AMS, MeF)
    - Retirement & Consolidation of Systems
    - Common Services & Reuse
    - Software Engineering Model

- **Operational Effectiveness**
  - Enable AD to deliver required capabilities and operate as an effective program and systems integrator in an organizationally solvent manner
    - Program Management & Governance
    - Workforce Agility
    - Transparency

- **Secure IT Systems**
  - Will increase the security of IRS IT systems, AD operations and drive increased IRS compliance w/ FISMA standards
    - Audit Trails
    - IT Security Management
    - Business Continuity

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# Applications Development: Challenges

- Deliver FY08 Filing Season

- Delivery of CADE Release 3.2

- Loss of skills and business knowledge due to retirements

- Ability to recruit personnel with the required skills

- Demand for AD products and services exceeds our resource availability

- Modernizing while maintaining the existing processing environment

- Complexity of the operational environment

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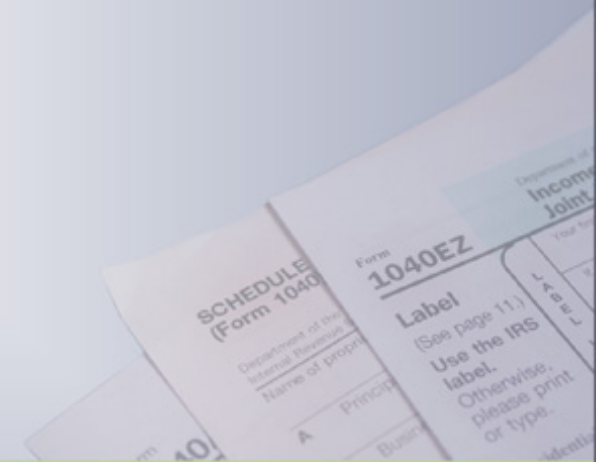
# Enterprise Operations: Offerings

- Provide efficient, cost effective, secure, and highly reliable computing services (server and mainframe) for all IRS business entities and taxpayers.

- Responsible For:

  - Service Delivery for Mainframe and Server operations supporting 450 applications

  - Three Computing Centers (Martinsburg, Memphis, and Detroit)

  - 18 Mainframe LPARS across 3 computing centers (IBM and Unisys)

  - 3,000 Servers across computing center, campus and field locations (Unix, Wintel, and Linux)

# Enterprise Operations: Key Initiatives

- **Tape Encryption**
  - Implement mainframe encryption capabilities

- **Server Consolidation/Virtualization**
  - Secure funding and procurement vehicle
  - Begin build-out of virtualized environments in campus and computing center locations

- **TRIPLEX**
  - Implement a Uniform Operating Environment with standard processes and tools

- **Secure and Control Mainframes and Servers**
  - Realign MITS servers into EOPS
  - Implement Standard Patch Management
  - Secure and Consolidate Detroit Mainframe
  - Work with Business Units to secure and control all servers (computing centers, secure computer rooms, etc.)

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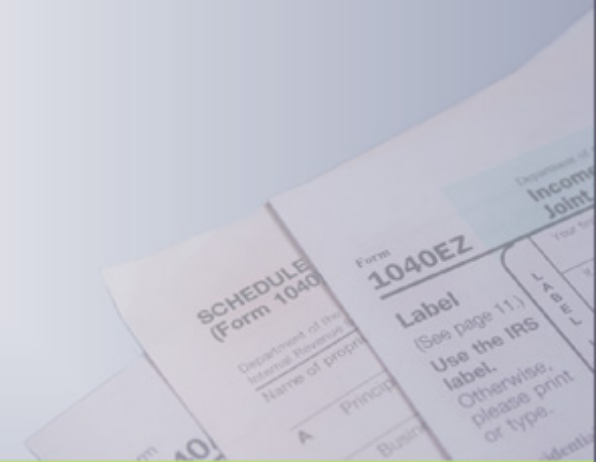
# Enterprise Operations: Challenges

- Delivery of the 2008 Filing Season
  - Ensuring all hardware/software is ready (including new mainframes and tape drives with late 2007 delivery schedules)

- Securing IT Assets

  - Addressing all FISMA issues

  - Correcting security vulnerabilities

- Sustaining an Aging Infrastructure

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# Enterprise Networks: Offerings

- TNet Center of Excellence – Serving Treasury and all its Bureaus to provide Wide Area Network services

- Call Center – Support for toll-free operations, including usage, services, ACD/IVR acquisitions and maintenance and the Joint Operations Center support

- Enterprise Voice Services – Provides local, long distance circuitry, VoIP systems installation, maintenance, video conference and VMS.  Provides wireless services –cell phones,  pagers, satellite lease, calling cards,  and Enterprise Remote  Network Access.

- Engineering & Capacity Management – Planning and design specific to architecture, technical direction, engineering design, standards and capacity management

- Firewall operations – Operate firewalls for the enterprise

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# Enterprise Networks: Key Initiatives

- TCS to TNET Technical Transition

- Network Security

- Center Of Excellence

- IPv6

- Knowledge Retention and Workforce Development

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# Enterprise Networks: Challenges

- Loss of skills and business knowledge due to retirements

- Ability to recruit and retain personnel with required skills

- Coordinating and collaborating across organizations to leverage existing resources and power of TNET

- Implementing a fully converged voice/data network under funding and resource competition

- Function as a HPO, monitor integration metrics, and improve project management

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