



## Treasury Inspector General for Tax Administration Office of Audit

### THE ENTERPRISE SYSTEMS MANAGEMENT PROGRAM IS MAKING PROGRESS TO IMPROVE SERVICE DELIVERY AND MONITORING, BUT RISKS REMAIN

Issued on September 12, 2008

## Highlights

Highlights of Report Number: 2008-20-161 to the Internal Revenue Service Chief Information Officer.

### IMPACT ON TAXPAYERS

The Internal Revenue Service (IRS) began an Enterprise Systems Management (ESM) initiative to improve the effectiveness and efficiency of managing computer systems operations and the availability of business systems services on an enterprise-wide basis. By improving management practices and controls, this initiative could make better use of taxpayer dollars by reducing the frequency and duration of computer system outages, improve service availability for customers, and reduce IRS costs associated with owning and managing software tools. The initiative is making progress toward accomplishing its goals. However, the ESM initiative incurred schedule slippage and \$491,952 in additional costs.

### WHY TIGTA DID THE AUDIT

This audit was initiated to assess the efficiency and effectiveness of the ESM organization implementation and strategy. The overall strategic direction for the ESM organization is to be an enterprise-level organization with centralized control over ESM software tools and processes. To accomplish this strategy, the following three ESM projects were established: End-to-End Business Systems Monitoring Project; Tools Centralization and Consolidation Project; and Organization and Operations Design Project.

### WHAT TIGTA FOUND

TIGTA found that funding for contractor support was not always provided in a timely manner. Funding for contractor support lapsed in July 2007 and a subsequent contract was not awarded until August 29, 2007. Management commented that it took approximately 2 months to get the new

contractors familiar with the work previously completed, resulting in \$491,952 in additional costs.

Project governance also needed improvement. It was not clear which organization was responsible for overseeing the ESM projects. In addition, significant ESM project decisions and events were not always documented. For example, the End-to-End Business Systems Monitoring Project did not have any written documentation showing the four specific applications recommended for future work or to support who approved the applications and when they were approved because the decisions were verbal. During the audit, management implemented corrective actions to address the documentation issue.

The Tools Centralization and Consolidation Project is collecting data on software tools within the Modernization and Information Technology Services organization and entering the data into a database called the Tool Repository. As of April 15, 2008, the Tool Repository listed 240 tools. The numbers of licenses owned and/or used were incomplete for 112 (47 percent) of the tools. The number of licenses owned and/or used is not readily available or easily accessible because the IRS does not have a database or software license tracking tool to assist in identifying and tracking software used on its servers. Without the ability to track software licenses and distribution, the IRS risks paying for additional licenses when unused licenses were available for distribution or paying for licenses that are not needed.

### WHAT TIGTA RECOMMENDED

The Chief Information Officer should ensure that 1) the ESM projects receive timely and sufficient funding or revise the projects' tasks, 2) the ESM projects are governed by the Infrastructure Executive Steering Committee, 3) software tools are acquired to track licenses of software used agency-wide on servers to track and better evaluate software usage and related costs, and 4) all tools meeting ESM software tool criteria are approved by the ESM organization through the IRS Web Request Tracking System.

In their response to the report, IRS officials agreed with the recommendations and have taken or plan to take appropriate corrective actions.

### 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/200820161fr.pdf>