

**Processes Used to Ensure the Accuracy of
Information for Individual Taxpayers on
IRS.gov Need Improvement**

February 2005

Reference Number: 2005-40-026

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

INSPECTOR GENERAL
for TAX
ADMINISTRATION

February 3, 2005

MEMORANDUM FOR CHIEF INFORMATION OFFICER
COMMISSIONER, WAGE AND INVESTMENT DIVISION

Gordon C. Milbourn III

FROM: Gordon C. Milbourn III
Assistant Inspector General for Audit
(Small Business and Corporate Programs)

SUBJECT: Final Audit Report - Processes Used to Ensure the Accuracy of
Information for Individual Taxpayers on IRS.gov Need
Improvement (Audit # 200440023)

This report presents the results of our review of the information provided to Wage and Investment (W&I) Division taxpayers on the Internal Revenue Service (IRS) public Internet site, IRS.gov. The overall objective of this review was to determine whether the IRS has an effective process to ensure the information provided to W&I Division taxpayers on IRS.gov is accurate.

In summary, the IRS is committed to helping people understand their tax obligations and making it easier for them to participate in the tax system. One of the methods the IRS uses to accomplish this is through its award-winning public Internet web site, IRS.gov. There are over 13,000 pages of information on IRS.gov, including tax education, tax law guidance, and tax law application. IRS.gov is one of the most frequently visited Internet sites in the world. The IRS Commissioner recently stated, “. . . IRS.gov received more than 139 million visits¹ this year, making it one of the government’s busiest sites.” In the future, the IRS envisions the public will be able to conduct the vast majority of tax interactions electronically.

The IRS redesigned the web site in 2002 and decentralized responsibility for current and future content to its various operating divisions and functions. A large portion of the content on IRS.gov relates to individual taxpayers. The W&I Division serves these approximately 121 million individual taxpayers whose income comes from wages and

¹ A “visit” is a series of actions that begins when a visitor views his or her first page from the server and ends when the visitor leaves the site or remains idle for more than 30 minutes.

investments, such as interest, dividends, or capital gains. This review focused only on the W&I Division's IRS.gov content.

The Data Quality Act² required the Office of Management and Budget (OMB) to provide guidance to Federal Government agencies to ensure the quality, objectivity, utility, and integrity of information disseminated by Federal agencies, including information disseminated via the Internet. In response to the OMB guidelines, the IRS developed and issued its own high-level guidelines on September 30, 2002. The IRS also implemented a customized content management software application called the Content Management Application (CMA). This software application allows authorized users to directly manage Internet content by adding, modifying, and deleting content on IRS.gov.

In addition, the W&I Division was proactive in developing specific procedures that W&I Division employees are to follow for publishing content on IRS.gov. However, improvements are needed to the processes used to ensure W&I Division content on IRS.gov is current and accurate. Sufficient management controls are not in place to ensure only authorized individuals have access to IRS.gov content and all content is tracked and reviewed prior to posting on IRS.gov. In addition, key quality assurance procedures are not always followed to ensure the IRS responds to taxpayers that submit comments to the IRS on potential web site errors and employees follow procedures for reviewing content changes and documenting annual certifications.

To address these issues, we recommended the Chief Information Officer develop a process to ensure only authorized personnel have access to IRS.gov, enhance the content management software application (currently the CMA) to provide the ability to identify specific content accessed or revised by an individual user, and ensure the vendor reviewing feedback from IRS.gov appropriately forwards any comments regarding inaccurate content. We also recommended the Commissioner, W&I Division, revise procedures to include monitoring of IRS.gov content managed outside the CMA, develop a process to monitor comments received via IRS.gov regarding potential inaccuracies, and develop a process to ensure functional areas are consistently adhering to review, approval, and annual certification procedures.

Management's Response: IRS management agreed with our six recommendations and developed corrective actions. For example, the IRS will:

- Develop a new section of Internal Revenue Manual (IRM) 2.25, IRS Portal and Extranet Usage Standard. This IRM section will outline the requirements for ensuring content on the IRS.gov web site is accurate and include guidelines for monitoring users' access and permissions to content on IRS.gov.
- Explore upgrading the current CMA to a new version which will significantly enhance the process for assigning permissions and provide a more comprehensive auditing capability within the CMA.

² Section 515 of the Treasury and General Government Appropriations Act for Fiscal Year 2001, Pub. L. No. 106-554, 114 Stat. 2763A-154.

- Revise “Guidelines for Responding to IRS.gov Escalations” and IRM 11.55.1, W&I Division Internet Content Publishing Process Management Document, to provide specific guidance to the vendors for forwarding comments by users of IRS.gov and to W&I Division functions for monitoring and resolving those IRS.gov comments.
- Update IRM 11.55.1 to require each W&I Division function to maintain documentation to support the review and approval of content changes and the performance of the annual certification and to include newly implemented procedures for managing content outside the CMA tool.

Management’s complete response to the draft report is included as Appendix V.

Copies of this report are also being sent to the IRS managers affected by the report recommendations. Please contact me at (202) 622-6510 if you have questions or Michael R. Phillips, Assistant Inspector General for Audit (Wage and Investment Income Programs), at (202) 927-0597.

**Processes Used to Ensure the Accuracy of Information
for Individual Taxpayers on IRS.gov Need Improvement**

Table of Contents

Background	Page 1
The Internal Revenue Service Has Developed Guidelines and a Process to Manage IRS.gov Content	Page 3
Improvements Are Needed to the Processes Used to Ensure Wage and Investment Division Content on IRS.gov Is Accurate.....	Page 4
<u>Recommendations 1 and 2:</u>	Page 10
<u>Recommendations 3 through 6:</u>	Page 11
Appendix I – Detailed Objective, Scope, and Methodology.....	Page 13
Appendix II – Major Contributors to This Report	Page 15
Appendix III – Report Distribution List	Page 16
Appendix IV – Wage and Investment Division Organization Chart Areas With IRS.gov Content	Page 17
Appendix V – Management’s Response to the Draft Report.....	Page 18

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

Background

The Internal Revenue Service (IRS) is committed to helping people understand their tax obligations and making it easier for them to participate in the tax system. One method the IRS uses to accomplish this is through its award-winning public Internet web site, IRS.gov. There are over 13,000 pages of information on IRS.gov, including tax education, tax law guidance, and tax law application.

The IRS has and is implementing more interactive applications. One such application allows taxpayers to enter information specific to their situations and determine eligibility for and the amount of tax credits. For example, using online applications, taxpayers can calculate withholding credits or determine eligibility for and the amount of the Earned Income Tax Credit. They can also determine if their refunds have been processed. For some taxpayers, IRS.gov provides links to sites where they can file their tax returns at no cost.

When taxpayers understand their tax obligations and are given tools that make it easier to meet them, they are more likely to file their taxes and be in compliance with the law. The IRS envisions the public will be able to conduct the vast majority of tax interactions electronically. The IRS plans to continue to improve electronic filing, payment, and communication services via the Internet.

The IRS contracts with a vendor that hosts IRS.gov on the Internet and staffs the IRS.gov Helpdesk for user assistance with the web site. The Helpdesk provides support via telephone, email, or web chat. It resolves most inquiries, but those that cannot be resolved, such as inaccurate information on IRS.gov, are forwarded to various IRS functions for resolution. During the 2004 Filing Season,¹ there were 90,811 contacts at the IRS.gov Helpdesk. Of these contacts, 48,959 (54 percent) were emails.

The IRS redesigned the web site in 2002 and decentralized responsibility for current and future content to the various operating divisions and functions. The IRS Electronic Tax Administration (ETA) Public Portal Office is responsible for overseeing web site development and enhancements on

¹ The period from January through mid-April when most individual income tax returns are filed.

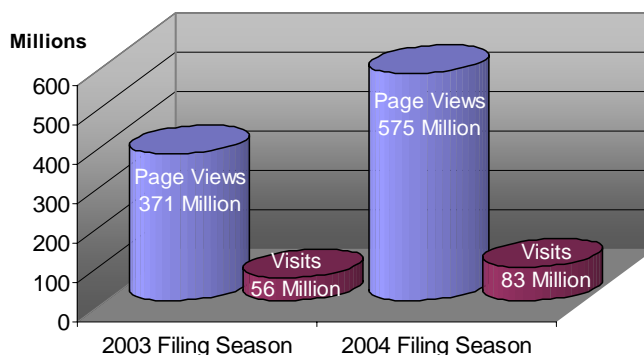
Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

IRS.gov. The Public Portal Office implemented an automated, decentralized content management system that allows the various IRS divisions and functions to manage their own content on the web site.

A large portion of the content on IRS.gov relates to individual taxpayers. The Wage and Investment (W&I) Division is responsible for individual taxpayers and serves approximately 121 million individual taxpayers whose income is from wages and investments, such as interest, dividends, or capital gains. This review focused only on the W&I Division's IRS.gov content. Appendix IV provides an organization chart of the W&I Division outlining the areas that own content on IRS.gov.

The IRS Internet site is one of the most frequently visited sites in the world. The IRS Commissioner recently stated, “. . . IRS.gov received more than 139 million visits² this year, making it one of the government's busiest sites.” Use is at its highest during the tax return filing season, with a sizeable percentage of individuals viewing or visiting W&I Division content. Figure 1 shows a dramatic increase in use from the 2003 to 2004 Filing Seasons.

Figure 1: Number of Page Views³ and Visits on IRS.gov – 2003 and 2004 Filing Seasons



Source: IRS statistics.

² A “visit” is a series of actions that begins when a visitor views his or her first page from the server and ends when the visitor leaves the site or remains idle for more than 30 minutes.

³ “Page views” is a measurement of the number of times that a webpage is viewed from a web server.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

This review was performed at the ETA office in the Modernization and Information Technology Services organization at the IRS National Headquarters in Washington, D.C.; the W&I Division Headquarters in Atlanta, Georgia; and W&I Division offices in Cincinnati, Ohio, during the period May through October 2004. In addition, we performed a walk-through in Peoria, Illinois, where the vendor processes inquiries submitted to the IRS.gov Helpdesk.

The audit was conducted in accordance with *Government Auditing Standards*. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.

The Internal Revenue Service Has Developed Guidelines and a Process to Manage IRS.gov Content

The Data Quality Act⁴ required the Office of Management and Budget (OMB) to provide guidance to Federal Government agencies to ensure the quality, objectivity, utility, and integrity of information disseminated by Federal agencies, including information disseminated via the Internet. To comply with this Act, the OMB issued Government-wide guidelines on February 22, 2002.

In response to the OMB guidelines, the IRS developed and issued its own high-level guidelines on September 30, 2002. The guidelines describe the categories of information disseminated by the IRS and the steps taken to comply with the Act. Specifically, the guidelines describe procedures the IRS should use to ensure the quality of its information products, including its utility, objectivity, and integrity. These guidelines apply to information disseminated to the public in any medium, including information posted on IRS.gov.

After the IRS issued its high-level agency guidelines, the W&I Division was proactive in developing its own processes with specific procedures for its employees to follow when publishing content on IRS.gov. These procedures detail steps, for example, for obtaining management approval for all new content before it is published on IRS.gov and for conducting annual reviews of

⁴ Section 515 of the Treasury and General Government Appropriations Act for Fiscal Year 2001, Pub. L. No. 106-554, 114 Stat. 2763A-154.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

all content to ensure it is accurate and current. The Public Portal Office also developed general guidelines outlining the process to be followed by the IRS to manage content on IRS.gov.

In addition to the development of guidelines, the IRS implemented a customized software application called the Content Management Application (CMA). This software application allows authorized users to directly manage Internet content by adding, modifying, or deleting content on IRS.gov. The majority of W&I Division IRS.gov content is managed using the CMA. The remaining W&I Division content involves large amounts of information that is processed outside the CMA for improved performance and convenience. Much of the information posted outside the CMA is also produced on paper. Therefore, it is managed using a process referred to as “bulk upload” and includes:

- Over 150 Tax Topics. There are 17 main categories for which there are topics providing answers to general tax questions including, for example, General Information, Employer Tax Information, IRS Help Available, and Itemized Deductions. Three to 31 topics are provided for each main category.
- Over 800 Frequently Asked Questions (FAQ). There are 17 categories of FAQs, which include a wide range of topics such as Estimated Taxes, Pension and Annuities, IRS Procedures, and Social Security Income.
- Over 890 Publications, Tax Forms, and Instructions. For example, there are more than 450 tax forms, including the U.S. Individual Income Tax Return (Form 1040) and all related schedules, along with instructions for completing the forms and schedules.

Improvements Are Needed to the Processes Used to Ensure Wage and Investment Division Content on IRS.gov Is Accurate

Though the W&I Division has developed and implemented procedures to ensure its IRS.gov content is accurate, sufficient management controls are not in place to ensure only authorized individuals have access to IRS.gov content and all content is tracked and reviewed prior to posting on

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

IRS.gov.⁵ In addition, key quality assurance procedures are not always followed.

The permission process does not ensure only authorized individuals have access to content

The process for assigning permissions and monitoring individuals that access IRS.gov content does not ensure only authorized individuals access and update IRS.gov content. From the May 14, 2004, permissions spreadsheet of 56 personnel authorized to edit, delete, or publish W&I Division content on IRS.gov:

- One individual improperly had access to W&I Division content.
- One individual's information was not updated to indicate a name change; the status of the individual's permissions could not be readily determined.
- Three individuals were misclassified as being responsible for W&I Division content.

The information for the individuals in the first two bullets was also incorrect within the CMA. The Public Portal Office maintains the permissions spreadsheet, which is manually compiled from information in the CMA permissions database. The Public Portal Office is also responsible for updating CMA access permissions.

Inadequate procedures and limitations in the current CMA software contributed to these problems. Although procedures were developed for adding individual users to the CMA, procedures were not developed for updating or deleting permissions. When alerted to this condition, IRS management immediately developed and issued interim guidelines.

In addition, the CMA functionality is limited and does not provide a complete audit trail or monitoring capabilities. It does not enable management to identify the specific content accessed by an individual. We provided management with a listing of the individuals with questionable permissions to

⁵ This report deals only with the accuracy of the W&I Division's IRS.gov content; any reference to IRS.gov content refers to W&I Division content only.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

determine if any content was accessed and/or revised inappropriately. Management stated that the current version of the CMA does not have the capability to search by individual user to see what changes each may have made to IRS.gov content. The current system does provide an audit trail of changes made to specific content items but only by a manual search for the specific item. Therefore, we were unable to identify any content changes made by the identified individuals/employees.

Management controls require that access to resources and records be limited to authorized individuals and that accountability for the use of the resources be assigned and maintained. Access controls should restrict users to only those system functions necessary for them to do their jobs.

The IRS stated that the CMA could have full audit trail and monitoring capabilities; however, it does not have the funding to add them to the current CMA.

The monitoring process does not include IRS.gov content managed outside the CMA

Changes to IRS.gov content recommended by subject matter experts and the IRS Office of Chief Counsel were not made before the content was posted on IRS.gov. Content items published outside the CMA are subject to an annual review to ensure the information is accurate. For example, the annual review requires subject matter experts to review each FAQ, and if the FAQ involves tax law, the Office of Chief Counsel must also review it. If necessary, the subject matter experts and the Office of Chief Counsel provide the W&I Division with the recommended revisions to the content. However, a review of a judgmental sample of 115 FAQs available to taxpayers on IRS.gov identified:

- Six (26 percent) of 23 FAQs reviewed and revised by the Office of Chief Counsel were not correctly updated on IRS.gov.
- Eleven (12 percent) of 92 FAQs reviewed and revised by subject matter experts were not correctly updated on IRS.gov.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

The nature of the errors would not likely result in a taxpayer filing an incorrect tax return but could add to the taxpayer's burden.

The W&I Division is responsible for making the revision(s) to this content. We alerted management to the above condition, and they are taking steps to address these issues to ensure content managed outside the CMA is accurate before being posted to IRS.gov.

These errors occurred because the W&I Division does not have a process to monitor content managed outside the CMA. The W&I Division stated that it did not have sufficient resources to develop a process to do so. If developed, this monitoring process would ensure the content is reviewed and suggested revisions are received and made prior to the updating of the content on IRS.gov.

Key quality assurance procedures are not effective

Although IRS management developed a number of procedures to ensure IRS.gov content is accurate, the procedures are not always consistently or effectively functioning as intended. For example:

- *Comments from taxpayers alerting the IRS of possible errors in IRS.gov content were not always provided to the responsible W&I Division function for action. Also, once the comments were received by the responsible function, action was not taken to address the concerns.* The vendor did not forward to the W&I Division for review 11 of 25 taxpayer emails we sampled. The emails contained comments detailing potential errors on IRS.gov and were submitted via IRS.gov for the period January through April 2004. As of August 2004, 3 of the 11 potential errors were still present on IRS.gov.

In addition, our auditors submitted three comments through IRS.gov to report inaccuracies relating to IRS.gov content. No changes had been made to address the inaccuracies 1 month after the comments had been submitted. We confirmed with the vendor that it forwarded 2 of the 3 comments to the W&I Division within 2 days of receipt of the comments. The third comment was not forwarded to the IRS until we raised the issue.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

This occurred because IRS management did not provide sufficient oversight of the vendor. In addition, procedures were not developed to ensure that, once comments were received in the W&I Division, the comments were timely addressed and, if appropriate, reported inaccuracies were corrected.

- *Procedures for reviewing and approving IRS.gov content changes are not consistently followed.* Reviews of changes made to W&I Division IRS.gov content were not always documented. The IRS was unable to provide documentation to support the required reviews for 11 of 17 IRS.gov content changes selected for review.

To ensure IRS.gov content is complete and accurate, guidelines require that a Staff Summary Report (Form 12956) be prepared. All affected functions, including the function that owns the content, must review any content changes. The various reviewers are required to document their reviews by initialing Form 12956 before any changes are posted to IRS.gov.

However, IRS management does not have an oversight process to ensure the reviews are completed and documented. In addition, functions were not always aware of the requirements, in part because guidelines were not specific concerning the appropriate use of Form 12956. For example, guidelines indicate that certain content changes do not need to go through the complete clearance process. However, the guidelines do not specify whether the Form 12956 is required in these instances.

- *Procedures for documenting annual certification are not consistently followed and should be improved.* A review of the documentation of the W&I Division's first annual certification identified that two of the five functions reviewed did not maintain documentation detailing the specific content reviewed. In addition, one function did not use the required checklist when reviewing content.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

Annual certification of content, which is associated with the Tax Return Filing Season Readiness Program,⁶ is to be maintained by each function and is required to be completed no later than mid-December each year. The process requires content owners to prepare a checklist acknowledging that all content is current and has been reviewed for accuracy. These checklists are required to be forwarded as support for each executive's overall certification memorandum.

The documentation inconsistencies can be attributed to not having formal procedures at the time the first annual certification was performed. Additionally, although formal procedures have since been published, they do not require that functions maintain a listing of the content actually subjected to certification.

Taxpayers who rely on inaccurate content on IRS.gov could be adversely affected

The IRS considers the web site as an extremely useful communication tool that provides an opportunity, for example, to answer taxpayers' questions and make IRS publications available electronically. It encourages its functions to use the web site to communicate information to taxpayers, such as tips that might help to decrease taxpayer errors or reduce confusion. According to an IRS Press Release, IRS.gov offers taxpayers a place to get the latest about tax happenings that may change how they file their returns.

The Internet has revolutionized the IRS' ability to serve taxpayers and their representatives. The IRS has used the Internet to meet taxpayer demands for quick access, user-friendly tools, and better service and will continue to use the Internet to reduce burden.

Inaccurate information posted on IRS.gov can cause taxpayer burden and could affect taxpayer compliance. If not addressed, these concerns will intensify as increasingly more taxpayers rely on information available on IRS.gov to

⁶ The Tax Return Filing Season Readiness Program is a coordinated effort by the IRS to ensure all aspects of IRS operations are prepared for the upcoming filing season.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

comply with their tax obligations. For example, during March 2004, there were over 22 million visits by the general public to IRS.gov, with almost 34 percent (7,583,306) of these visits to content managed by the W&I Division.

Recommendations:

The Chief Information Officer should:

1. Develop a process to ensure only authorized personnel have access to IRS.gov content.

Management's Response: IRS management issued interim guidelines to document the need to carefully monitor users' access and permissions and notify the ETA office of any necessary changes. In addition, the business units are required to annually review and certify their permissions and users' access history.

These guidelines will be formalized into a new section of Internal Revenue Manual (IRM) 2.25, IRS Portal and Extranet Usage Standard. This IRM will outline the requirements for ensuring content on the IRS.gov web site is accurate.

The IRS will also integrate the IRS.gov CMA access into an online process (called Online 5081), so each user annually certifies his or her need for CMA access, and will explore upgrading the current CMA to a new version which will significantly enhance the process for assigning permissions.

2. Enhance the IRS' content management software application (currently the CMA) to provide the ability to identify specific content accessed or revised by individual users.

Management's Response: The IRS will explore the feasibility of upgrading the CMA to a new version which incorporates a number of enhancements, including the ability to create multiple versions of content items.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

3. Ensure the vendor responsible for reviewing and forwarding comments detailing potential content inaccuracies on IRS.gov is forwarding the comments to the appropriate business unit for action.

Management's Response: IRS management has issued more specific guidance to the vendors to ensure inquiries are forwarded to the appropriate IRS employees for resolution. In addition, the IRS will revise "Guidelines for Responding to IRS.gov Escalations" to provide that escalations (forwarded comments) will no longer be closed due to lack of response from the IRS after two reminder notices. Instead, these escalations will be referred to the ETA office for follow-up.

The Commissioner, W&I Division, should:

4. Revise current guidelines to include procedures to monitor the content managed outside the CMA, much like those required for CMA content, to ensure the information is accurate when posted to IRS.gov.

Management's Response: IRS management implemented additional procedures for content outside the CMA tool that included new requirements, such as a 100 percent final review of content before it is uploaded to IRS.gov. The new procedures will be included in an update to IRM 11.55.1, W&I Division Internet Content Publishing Process Management Document.

5. Develop a process to monitor comments received via IRS.gov, and forwarded through the vendor to the W&I Division, to ensure potential inaccuracies are addressed.

Management's Response: IRS management will revise IRM 11.55.1 to provide specific guidance to the W&I Division functions for monitoring and resolving IRS.gov comments. In addition, the revised guidelines will require oversight tracking of responses.

6. Develop a process to ensure functional areas are consistently adhering to procedures regarding the review and approval of changes to content as well as the performance of the annual certification, including the retention of documentation to verify work performed.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

Management's Response: IRS management will issue guidance in IRM 11.55.1 to require each W&I Division function to maintain documentation to support the review and approval of content changes and the performance of the annual certification.

Quarterly conference calls will be conducted with the field to reemphasize adherence to procedures and to address any concerns. Quarterly reviews to ensure adherence to procedures will also be conducted.

Detailed Objective, Scope, and Methodology

The overall objective of this audit was to determine whether the Internal Revenue Service (IRS) has an effective process to ensure the information provided to Wage and Investment (W&I) Division taxpayers on the IRS public Internet site is accurate. To accomplish this objective, we:

- I. Determined whether the IRS has an effective content management process to ensure W&I Division information available to taxpayers on IRS.gov is current and accurate.
 - A. Determined whether only authorized W&I Division personnel are able to change or add content on IRS.gov by determining whether the IRS has effective procedures for adding, changing, or deleting authorizations that allow personnel to change content on IRS.gov. We reviewed the W&I Division IRS.gov permissions listing as of May 17, 2004, to determine whether all 56 people listed were employed by the W&I Division.
 - B. Determined whether proper approvals were obtained for content posted on IRS.gov.
 1. Interviewed responsible officials in the W&I Division Earned Income Tax Credit; Field Assistance; Stakeholder Partnerships, Education, and Communication; and Submission Processing functions to determine the process followed to ensure all content is properly approved. We selected these functions due to the significance of the IRS.gov content they manage.
 2. Selected and reviewed a judgmental sample of 17 Content Publishing Requests. This included the 2 Content Publishing Requests prepared by the Field Assistance function for Fiscal Year 2004 and a judgmental sample of 5 Content Publishing Requests each from the Earned Income Tax Credit; Stakeholder Partnerships, Education, and Communication; and Submission Processing functions from all 113 Content Publishing Requests prepared by the W&I Division in Fiscal Year 2004. We determined whether proper approvals were obtained prior to posting on IRS.gov via the sign-off documentation, Staffing Summary Sheet (Form 12956). We used a judgmental sample because we did not plan to project the results.
- II. Determined whether the IRS has an effective oversight process to ensure W&I Division information on IRS.gov is accurate.
 - A. Determined whether content is reviewed at least annually.
 1. Reviewed content posted outside the Content Management Application¹ to determine whether it was timely updated. Specifically, we analyzed a judgmental sample of Frequently Asked Questions (FAQ) (92 reviewed by subject matter experts and

¹ The Content Management Application is a software application that allows authorized users to directly manage Internet content by adding, modifying, or deleting content on IRS.gov.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

23 reviewed by the Office of Chief Counsel) from the over 840 FAQs to determine whether the FAQs on IRS.gov were correctly updated to reflect reviewer comments. We used a judgmental sample because we did not plan to project the results.

- B. Determined whether the W&I Division Annual Certification gives assurance that IRS.gov content has been reviewed for accuracy.
 - 1. Interviewed responsible officials in the W&I Division Accounts Management; Earned Income Tax Credit; Field Assistance; Stakeholder Partnerships, Education, and Communication; and Submission Processing functions to determine the process followed to meet annual certification goals (e.g., ensuring accountability for all content and that all requests to add, update, and delete content were completed timely).
 - 2. Reviewed and analyzed all documentation submitted from the content owners and other content providers to determine whether all content was reviewed for accuracy.
- C. Determined whether the process the IRS uses to solicit input from the public regarding content on IRS.gov is effective.
 - 1. Reviewed emails received by the IRS.gov Helpdesk and judgmentally selected a sample of 25 emails from a universe of 44,347 emails submitted during the period January through May 2004, to determine the action taken in response to the emails. We used a judgmental sample because we did not plan to project the results.
 - 2. Sent three emails to the IRS.gov Helpdesk reporting possible errors related to information on IRS.gov to determine whether the errors were corrected.

Major Contributors to This Report

Michael R. Phillips, Assistant Inspector General for Audit (Wage and Investment Income Programs)

Augusta R. Cook, Director

Russell Martin, Audit Manager

Edith Lemire, Lead Auditor

Lena Dietles, Senior Auditor

Robert Howes, Senior Auditor

Grace Terranova, Senior Auditor

Jerry Douglas, Auditor

Sylvia Sloan-Copeland, Auditor

**Processes Used to Ensure the Accuracy of Information
for Individual Taxpayers on IRS.gov Need Improvement**

Appendix III

Report Distribution List

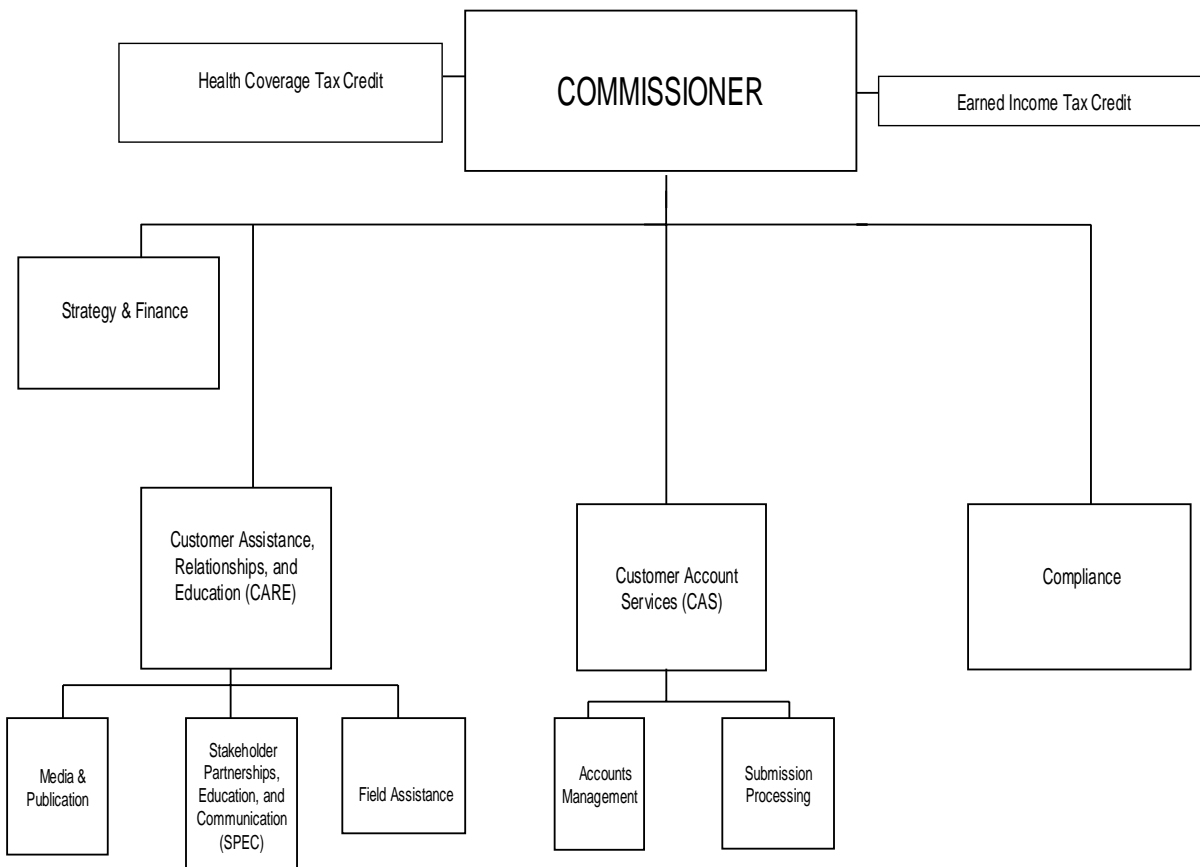
Commissioner C
Office of the Commissioner – Attn: Chief of Staff C
Deputy Commissioner for Operations Support OS
Deputy Commissioner for Services and Enforcement SE
Deputy Commissioner, Wage and Investment Division SE:W
Associate Chief Information Officer, Information Technology Services OS:CIO:I
Director, Customer Account Services SE:W:CAS
Director, Customer Assistance, Relationships, and Education SE:W:CAR
Director, Earned Income Tax Credit SE:W:EITC
Director, Strategy and Finance SE:W:S
Chief, Performance Improvement SE:W:S:PI
Director, Electronic Tax Administration OS:CIO:I:ET
Director, Stakeholder Partnerships, Education, and Communication SE:W:CAR:SPEC
Director, Submission Processing SE:W:CAS:SP
Director, Internet Development Services OS:CIO:I:ET:D
Chief Counsel CC
National Taxpayer Advocate TA
Director, Office of Legislative Affairs CL:LA
Director, Office of Program Evaluation and Risk Analysis RAS:O
Office of Management Controls OS:CFO:AR:M
Audit Liaisons:
 Chief Information Officer OS:CIO
 Senior Operations Advisor, Wage and Investment Division SE:W:S

**Processes Used to Ensure the Accuracy of Information
for Individual Taxpayers on IRS.gov Need Improvement**

Appendix IV

**Wage and Investment Division Organization Chart
Areas With IRS.gov Content**

Each of the following Wage and Investment (W&I) Division functions is responsible for information on IRS.gov, either as an owner of the content or, in the case of the Strategy and Finance function, for the overall management of W&I Division content on IRS.gov.



Source: Internal Revenue Service internal web site.

Processes Used to Ensure the Accuracy of Information
for Individual Taxpayers on IRS.gov Need Improvement

Appendix V

Management's Response to the Draft Report



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308

RECEIVED
JAN 26 2005

JAN 25 2005

MEMORANDUM FOR GORDON C. MILBOURN III
ASSISTANT INSPECTOR GENERAL FOR AUDIT
(SMALL BUSINESS AND CORPORATE PROGRAMS)

FROM: Henry O. Lamar, Jr. *Henry O. Lamar, Jr.*
Commissioner, Wage and Investment Division

SUBJECT: Draft Audit Report – Processes Used to Ensure the
Accuracy of Information for Individual Taxpayers on
IRS.gov Need Improvement (Audit # 200440023)

I appreciate your recognition of the significant progress we have made to attract taxpayers to our award-winning public internet website, www.irs.gov. Your report also acknowledges Internal Revenue Service's (IRS') commitment to help people understand their tax obligations and make it easier for them to participate in the tax system through the IRS.gov website. For example, taxpayers can determine their eligibility for the Earned Income Tax Credit or calculate their withholding credits using applications on IRS.gov.

The internet website was cited as the "Most Reliable Government Website" and has received numerous awards as a result of its performance and accessible data. In 2004, IRS.gov received the Keynote Performance Award, which recognized excellence in the website's performance.

These accomplishments are the result of progress we made to make IRS.gov reliable and accessible. As you stated in your report, the IRS developed and issued high-level guidelines for information disseminated to the public in 2002. The IRS also implemented the Content Management Application (CMA) to allow authorized users in the operating divisions and functions the ability to directly manage their own Internet content. The Wage and Investment (W&I) Division went further by developing our own more specific processes and procedures for publishing W&I content on IRS.gov. We are pleased your report acknowledges our accomplishments.

Our website is one of the most heavily used in government. During the 2004 filing season, there were over 3.5 billion hits and over 574 million page

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

2

views. Approximately 368 million forms, publications, instructions, and other documents were downloaded. The website handled 23 million "Where is my refund," and 11 million "Remember Your Advanced Child Tax Credit" inquiries.

We strive to ensure the enormous volume of our website content is current and accurate. There are over 13,000 pages of tax information on IRS.gov. To ensure the W&I content is accurate, reliable, and current, we conduct an annual certification of all W&I content prior to the filing season, and follow-up with an independent review of a statistical sample of the content to ensure the reliability of the certification. However, we agree that our processes can be improved.

We have already begun actions to implement procedures to improve our controls over managing access to the CMA, managing content outside of the CMA, our review processes, and our process to ensure we receive and address e-mail inquiries from taxpayers on IRS.gov content. Functions will conduct periodic reviews to ensure adherence to procedures. To further improve our controls over access to the CMA, we plan to integrate CMA access into the Online 5081 process to ensure and document user certification, and evaluate the feasibility of upgrading the current CMA.

Finally, I would like to re-emphasize your acknowledgement that the nature of the errors identified during your review would not likely result in a taxpayer filing an incorrect tax return, but could add to the taxpayer's burden. By developing and implementing the attached corrective actions, we hope to further ensure the accuracy of our content and further reduce any associated taxpayer burden.

Our response to your specific recommendations is set out in the attachment. If you have any questions, please call me at (404) 338-7060 or members of your staff may contact Mary E. Davis, Director, Strategy and Finance, at (404) 338-8865.

Attachment

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

Attachment

RECOMMENDATION 1

The Chief Information Officer should develop a process to ensure only authorized personnel have access to IRS.gov content.

CORRECTIVE ACTION

- (a) The Director, Electronic Tax Administration (ETA) Division, issued interim guidelines to various business units and functional unit points of contact (POCs). These guidelines formally documented the need for the business units to carefully monitor their users' access and permissions, and notify ETA of any necessary changes. In addition, the business units are required to annually review and certify their permissions and users' access history.

However, to enhance current management controls and quality assurance procedures, the Director, ETA will:

- (b) Formalize the interim guidelines into a new section of Internal Revenue Manual (IRM) 2.25, IRS Portal and Extranet Usage Standard. This IRM will outline the business units requirements for ensuring that content on the IRS.gov website is accurate.
- (c) Integrate IRS.gov Content Management Application (CMA) access into the Online 5081 process so that each user annually certifies their need for CMA access.
- (d) Explore upgrading the current CMA to Vignette Content Management Suite Version 7. This version will significantly enhance the permissioning model, and will expand the Director, ETA Division authority to structure the process for assigning permissions. Upgrades to the CMA will be implemented utilizing a phased approach.

IMPLEMENTATION DATES

- (a) Completed
(b) June 15, 2005
(c) June 15, 2005
(d) July 15, 2007

RESPONSIBLE OFFICIAL

Director, Electronic Tax Administration, Modernization and Information Technology Services

CORRECTIVE ACTION MONITORING PLAN

The corrective actions will be monitored as part of the project management plan, which requires status updates and progress reports be provided to management on a periodic basis.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

2

RECOMMENDATION 2

The Chief Information Officer should enhance the IRS' content management software application (currently the CMA) to provide the ability to identify specific content accessed or revised by individual users.

CORRECTIVE ACTION

The current CMA incorporates a workflow process whereby all content being created and edited has the opportunity to be reviewed and monitored at two different stages prior to being published live on IRS.gov. However, to provide a more comprehensive auditing capability within the CMA, as previously noted the Director, ETA Division will explore the feasibility of upgrading the CMA from its current version to Vignette Content Management Suite Version 7. Version 7 incorporates a number of enhancements, including the ability to create multiple versions of content items.

As part of this analysis, the Director, ETA Division will work with its internal stakeholders to define the business requirements for the upgrade. Once defined, the Director, Web Services Division, in conjunction with Mission Assurance and the ETA Division, will implement the business requirements. The Director, Web Services Division will also provide Contracting Officer's Technical Representative support to implement modifications to the CMA, and update certification documentation as appropriate.

IMPLEMENTATION DATE

July 15, 2006

RESPONSIBLE OFFICIALS

Director, Electronic Tax Administration, Modernization and Information
Technology Services

Director, Web Services, Modernization and Information Technology Services

CORRECTIVE ACTION MONITORING PLAN

The corrective actions will be monitored as part of the project management plan, which requires status updates and progress reports be provided to management on a periodic basis. Corrective actions will also be monitored on a monthly basis as part of the JAMES reporting system.

RECOMMENDATION 3

The Chief Information Officer should ensure the vendor responsible for reviewing and forwarding comments detailing potential content inaccuracies on IRS.gov is forwarding the comments to the appropriate business unit for action.

CORRECTIVE ACTION 3

The Director, ETA Division has issued more specific guidance and procedures to the vendor responsible for reviewing and forwarding comments detailing potential content inaccuracies. The guidance clarifies procedures for handling IRS.gov inquiries from web users to ensure those inquiries are forwarded to the appropriate IRS.gov POCs or subject matter experts for resolution.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

3

In addition, the Director, ETA Division will revise the procedural document "Guidelines for Responding to IRS.gov Escalations." It will provide specific steps for IRS.gov POCs to use in addressing escalations. The document will also specify that the process for closing escalations has changed. Escalations will no longer be closed due to lack of response from the POCs after two reminder notices from the Help desk. Instead, these escalations will be referred to ETA for follow-up with IRS.gov POCs, Content Area Administrators, and when necessary, the Content Area's IRS Management. The revised document will be issued to the Content Area Administrators and the IRS.gov POCs by March 2005.

IMPLEMENTATION DATE

March 15, 2005

RESPONSIBLE OFFICIAL

Director, Electronic Tax Administration, Modernization and Information Technology Services

CORRECTIVE ACTION MONITORING PLAN

The corrective actions will be monitored as part of the project management plan, which requires status updates and progress reports be provided to management on a periodic basis.

RECOMMENDATION 4

The Commissioner, Wage and Investment Division, should revise current guidelines to include procedures to monitor the content managed outside the CMA, much like those required for CMA content, to ensure the information is accurate when posted to IRS.gov.

CORRECTIVE ACTION

We implemented or plan to implement the following actions:

The Director Customer Accounts Services:

(a) Implemented the following additional procedures for content outside the CMA tool (i.e., Frequently Asked Questions and Tax Topics):

- Developed and implemented procedures for the review process.
- Required a 100 percent final review of content before it is uploaded to IRS.gov.
- Established specific review procedures for Quality Assurance staging platform reviews.
- Required additional periodic reviews for linkage problems.
- Implemented a back-up process of content on a shared drive to protect the programs from loss of data due to system interruptions and to allow emergency updates.
- Required back-up personnel in each W&I function for program maintenance/continuity.

(b) Will implement an Extensible Markup Language software tracking/reporting process of the content reviews.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

4

The Director, Strategy and Finance:

(c) Will revise IRM 11.55.1, W&I Internet Content Publishing Process (ICPP) Management Document, to incorporate the additional procedures identified in (a) above.

IMPLEMENTATION DATE

- (a) Completed
- (b) July 15, 2005
- (c) April 15, 2005

RESPONSIBLE OFFICIAL

- (a) and (b) Director, Customer Accounts Services, Wage and Investment Division
- (c) Director, Strategy and Finance, Wage and Investment Division

CORRECTIVE ACTION MONITORING PLAN

- (a) and (b) W&I will use the annual certification of IRS.gov content and ongoing reviews required by IRM 11.55.1, W&I ICPP Management Document, to monitor the effectiveness of these additional procedures.
- (c) W&I will use established managerial controls to monitor and ensure the corrective action is implemented. These corrective actions will also be monitored on a monthly basis as part of the JAMES reporting system.

RECOMMENDATION 5

The Commissioner, Wage and Investment Division, should develop a process to monitor comments received via IRS.gov and forwarded through the vendor to the W&I Division, to ensure potential inaccuracies are addressed.

CORRECTIVE ACTION

The Director, Strategy and Finance, will revise IRM 11.55.1, W&I ICPP Management Document, to provide specific guidance to the W&I functions for monitoring the receipt of IRS.gov Help Desk e-mails and resolving the comments. In addition, the revised guidelines will require the IRS.gov Help Desk emails POCs to forward their responses to a W&I global organizational mailbox for oversight tracking by Strategy and Finance.

IMPLEMENTATION DATE

April 15, 2005

RESPONSIBLE OFFICIAL

Director, Strategy and Finance, Wage and Investment Division

CORRECTIVE ACTION MONITORING PLAN

The Director, Strategy and Finance, will use established managerial controls to monitor and ensure the corrective actions are implemented. The corrective actions also will be monitored on a monthly basis as part of the JAMES reporting system.

Processes Used to Ensure the Accuracy of Information for Individual Taxpayers on IRS.gov Need Improvement

5

RECOMMENDATION 6

The Commissioner, Wage and Investment Division, should develop a process to ensure functional areas are consistently adhering to procedures regarding the review and approval of changes to content as well as the performance of the annual certification, including the retention of documentation to verify work performed.

CORRECTIVE ACTION

- (a) The Director Strategy and Finance will issue guidance in IRM 11.55.1, W&I ICPP Management Document, to require each W&I function to maintain documentation to support the review and approval of content changes and the performance of the annual certification.
- (b) The Director, Field Assistance will issue guidance to the field by February 2005, emphasizing the need to adhere to IRM procedures regarding the review and approval of changes to content on IRS.gov, as well retaining documentation to verify the annual certification work performed. Quarterly conference calls will be conducted with the field to reemphasize adherence to procedures and to address any concerns. Quarterly reviews to ensure adherence to these procedures will also be conducted.
- (c) The Director, Stakeholder Partnerships, Education & Communication (SPEC), assigned an analyst to monitor the IRS.gov content owned by SPEC and to coordinate actions needed by SPEC content owners. SPEC will ensure content publishing requests (CPRs) with Staff Summary Sheets are collected for all content changes as required by IRM 11.55 and documents required for the certification process (CPRs and checklists) are being appropriately maintained. SPEC's Communications and Marketing Chief will conduct quarterly reviews of the process and supporting documentation to ensure that procedures are followed.

IMPLEMENTATION DATE

- (a) April 15, 2005
- (b) April 15, 2005
- (c) March 15, 2005

RESPONSIBLE OFFICIAL

- (a) Director, Strategy and Finance, Wage and Investment Division
- (b) Director, Field Assistance, Wage and Investment Division
- (c) Director, Stakeholder Partnerships, Education and Communication, Wage and Investment Division

CORRECTIVE ACTION MONITORING PLAN

The Director, Strategy and Finance, will use established managerial controls to monitor and ensure the corrective actions are implemented. The corrective actions also will be monitored on a monthly basis as part of the JAMES reporting system.