



Treasury Inspector General for Tax Administration Office of Audit

THE MODERNIZATION AND INFORMATION TECHNOLOGY SERVICES ORGANIZATION IS EFFECTIVELY PLANNING FOR THE IMPLEMENTATION OF THE AFFORDABLE CARE ACT

Issued on September 19, 2011

Highlights

Highlights of Report Number: 2011-20-105 to the
Internal Revenue Service Chief Technology Officer

IMPACT ON TAXPAYERS

On March 23, 2010, the Patient Protection and Affordable Care Act was signed into law and later amended on March 30, 2010, by the Health Care and Education Reconciliation Act (hereafter referred to together as the Affordable Care Act). The Internal Revenue Service's Modernization and Information Technology Services organization is effectively planning the information technology work needed to implement the Affordable Care Act. The information technology work needed to implement the Affordable Care Act provisions will assist in providing taxpayers with the subsidies and tax credits needed to cover the cost of their health care coverage as well as provide the capability to administer multiple tax provisions designed to raise revenue to offset the cost of health care reform.

WHY TIGTA DID THE AUDIT

This audit was initiated to evaluate the Modernization and Information Technology Services organization's planning efforts to implement the Affordable Care Act.

WHAT TIGTA FOUND

The Modernization and Information Technology Services organization planned an effective approach to address the information technology work needed to implement the Affordable Care Act provisions. For example, it determined the Affordable Care Act's impact on its organization, created a new organization called the Associate Chief Information Officer Affordable Care Act – Program Management Office, and obtained staffing and funding. A Program Governance Board Charter was approved and a governance plan was prepared. However, the governance plan did not include escalation procedures for unresolved issues or critical decisions.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Chief Technology Officer ensure that the Modernization and Information Technology Services organization's Affordable Care Act – Program Management Office governance plan is updated to include escalation procedures to timely address unresolved issues and critical decisions.

In their response to the report, IRS management agreed with the recommendation. The IRS plans to include the escalation procedures in the Affordable Care Act – Program Management Office governance plan.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2011reports/201120105fr.pdf>.