



## Treasury Inspector General for Tax Administration Office of Audit

### INDEPENDENT ATTESTATION REVIEW OF THE INTERNAL REVENUE SERVICE'S FISCAL YEAR 2011 ANNUAL ACCOUNTING OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE

Issued on January 30, 2012

## Highlights

Highlights of Report Number: 2012-10-018 to the Internal Revenue Service Chief Financial Officer and Acting Chief, Criminal Investigation.

### IMPACT ON TAXPAYERS

The IRS reported that it expended \$66.5 million on Office of National Drug Control Policy (ONDCP)-related activities and completed 927 ONDCP-related investigations in Fiscal Year 2011. Based on our review, nothing came to our attention that caused us to believe that the assertions in the Detailed Accounting Submission and Performance Summary Report are not appropriately presented in all material respects in accordance with ONDCP-established criteria. Complete and reliable financial and performance information is critical to the IRS's ability to accurately report on the results of its operations to both internal and external stakeholders, including taxpayers.

### WHY TIGTA DID THE AUDIT

This review was conducted as required by the ONDCP and the ONDCP Circular: *Drug Control Accounting*, dated May 1, 2007. The National Drug Control Program agencies are required to submit to the Director of the ONDCP, not later than February 1 of each year, a detailed accounting of funds expended (the ONDCP Circular requires amounts obligated) during the previous fiscal year. Agencies also need to identify and document performance measure(s) that justify the results associated with these expenditures.

The Chief Financial Officer, or another accountable senior level executive, of each agency for which a Detailed Accounting Submission is required, shall provide a Performance Summary Report to the Director of the ONDCP. Further, the Circular requires that each report be provided to the agency's Inspector General for the purpose of expressing a conclusion about the reliability of each assertion made in the report prior to its submission.

### WHAT TIGTA FOUND

Based on our review, nothing came to our attention that caused us to believe that the assertions in the Detailed Accounting Submission and Performance Summary Report are not appropriately presented in all material respects in accordance with ONDCP-established criteria. The IRS reported that it expended \$66.5 million on ONDCP-related activities and completed 927 ONDCP-related investigations in Fiscal Year 2011. The IRS also reported it participated in 435 ONDCP-related cases that resulted in convictions, with an 88.1 percent conviction rate.

### WHAT TIGTA RECOMMENDED

TIGTA made no recommendations as a result of the work performed during this review. However, key IRS officials reviewed the report prior to its issuance and agreed with the facts and conclusions presented.

### READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2012reports/201210018fr.pdf>.