



## Treasury Inspector General for Tax Administration Office of Audit

**WHILE EFFORTS ARE ONGOING TO DEPLOY A SECURE MECHANISM TO VERIFY TAXPAYER IDENTITIES, THE PUBLIC STILL CANNOT ACCESS THEIR TAX ACCOUNT INFORMATION VIA THE INTERNET**

Issued on September 25, 2013

## Highlights

Highlights of Reference Number: 2013-20-127 to the Internal Revenue Service Chief Technology Officer.

### IMPACT ON TAXPAYERS

While the IRS Restructuring and Reform Act of 1998 (RRA 98) required the IRS to develop procedures to allow taxpayers filing returns electronically to review their accounts online by December 31, 2006, the IRS did not meet this requirement. Allowing taxpayers to securely access tax information online will modernize how the IRS interacts with taxpayers, allow for faster response to queries from the general public, and thereby greatly reduce taxpayer burden.

### WHY TIGTA DID THE AUDIT

This audit was initiated at the request of the IRS Oversight Board to evaluate the IRS's progress in providing taxpayers with secure online access to their tax account information.

### WHAT TIGTA FOUND

While several applications have been developed and implemented by the IRS, none of these applications meet the RRA 98 requirements. In addition, the IRS successfully implemented Release 1 of the eAuthentication application during Fiscal Year 2012. This release allowed a small number of taxpayers to securely verify their identities with the IRS and participate in the eTranscripts for Banks application. However, TIGTA also determined that required capacity testing was not adequately completed to ensure that the eAuthentication application can support the expected number of users at any given time and noted deficiencies with the reporting functionality in Release 1 of the eAuthentication application, which will be addressed in future releases. Finally, TIGTA noted that total cost information for the project is not readily obtainable for project management.

### WHAT TIGTA RECOMMENDED

TIGTA recommended that the IRS reprioritize its efforts to develop and implement applications that both serve the taxpayer and comply with RRA 98 requirements. TIGTA also recommended that the IRS perform complete capacity testing of the eAuthentication application prior to Release 2 and continue its efforts in upgrading the reporting functionality of the eAuthentication application. Finally, TIGTA recommended that the IRS coordinate to develop a formal system to provide reports of actual costs received and accepted by Contracting Officer Representatives.

In their response, IRS management agreed with three of our four recommendations. The IRS plans to prioritize release of applications that meet the requirements of RRA 98, complete performance and capacity testing as part of Release 2 of the eAuthentication application, and to increase reporting functionality in Release 2 of the eAuthentication application.

Although IRS management agreed with the intent and spirit of the fourth recommendation, they disagreed with our finding, which they consider an isolated example and therefore no further action is necessary. During the audit, we found that the existing procurement system cannot track sufficient detail to the project cost levels for contracts serving multiple projects, such as the eAuthentication project. As such, we believe that this is not an isolated occurrence and that it needs to be addressed to ensure actual project costs can be readily identified and tracked for management and decision making purposes.

### READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2013reports/201320127fr.pdf>