



**Treasury
Inspector
General for
Tax
Administration**

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**THE IRS'S ACCOUNTING FOR THE AMERICAN
RECOVERY AND REINVESTMENT ACT FUND
EXPENDITURES DURING THE PERIOD
OCTOBER 1, 2009, THROUGH MARCH 31, 2010**

Inspections and Evaluations

Highlights

Highlights of Report Number: 2011-IE-R007 to the Internal Revenue Service Deputy Commissioner for Operations Support.

WHY TIGTA DID THIS STUDY

This project inspected the Internal Revenue Service's (IRS's) compliance with the Office of Management and Budget's Implementing Guidance for the American Recovery and Reinvestment Act (Recovery Act) of 2009.

WHAT TIGTA RECOMMENDED

TIGTA made no recommendations following this inspection.

WHAT TIGTA FOUND

The IRS was in substantial compliance with the Office of Management and Budget's Implementing Guidance during the period October 1, 2009, through March 31, 2010. For the Recovery Act expenditures, the IRS executed adequate internal controls to ensure timely and accurate reporting; however, due to an oversight by the preparer, the IRS incorrectly reported amounts totaling approximately \$4 million on two of the 26 weekly reports. IRS officials corrected these errors on later reports.

During the period October 1, 2009, through March 31, 2010, the IRS initiated procurement actions purchasing goods and services totaling over \$22 million. The IRS spent almost \$19 million on the Health Insurance Tax Credit Administration and \$3.5 million in Recovery Act administrative costs. Further, the IRS appropriately obtained 100 percent of the more than \$185,000 available for discounts on Recovery Act related procurements.

The IRS submitted timely financial reports fulfilling the Office of Management and Budget's requirement to transmit weekly reports showing cumulative obligations and gross outlay activities. This process assisted in ensuring that the public has unprecedented transparency into the IRS's use of Recovery Act funds.

READ THE FULL REPORT

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

<http://www.treas.gov/tigta/iereports/2011reports/2011ier007fr.pdf>