



## Treasury Inspector General for Tax Administration

### The Modernization and Information Technology Services Organization's Revised Post Implementation Review Procedure Can Be Improved.

Issued on October 26, 2006

## Highlights

Highlights of Report Number: 2007-20-001 to the  
Internal Revenue Service Chief Information Officer.

### IMPACT ON TAXPAYERS

Post Implementation Reviews assess the impact of a new information technology project by comparing and evaluating actual project results to estimates of cost, schedule, performance, and mission improvement outcomes. The Internal Revenue Service (IRS) is in the process of updating Post Implementation Review guidance used in conducting project assessments. However, additional enhancements to the Post Implementation Review guidance would help ensure taxpayer funds spent on the program are being used effectively and efficiently.

### WHY TIGTA DID THE AUDIT

This audit was initiated to determine the adequacy of the procedures for performing Post Implementation Reviews to assess benefits and capabilities of new information technology projects.

In June 2000, Post Implementation Review procedures were issued as part of the IRS' information technology project development procedures. In October 2004, these procedures were updated to change the responsible office to the Modernization and Information Technology Services organization Program Performance Management office and to add reviews of information technology project milestone completion activities. The Program Performance Management office stated it added the Post Reviews of milestone completion activities to the 2004 guidance as a way to further enhance post implementation controls in response to Government Accountability Office findings related to Post Implementation Reviews. The Program Performance Management office stated it would implement new Post Implementation Review procedures by September 2006.

### WHAT TIGTA FOUND

Our review of the June 2000 Post Implementation Review procedures, the October 2004 procedures, and

the May 2006 draft procedures showed these guidance documents generally incorporate the requirements issued by the Office of Management and Budget and the Government Accountability Office. The May 2006 draft procedures provide additional detail to clarify some Post Implementation Review processes in the procedures.

Although both the October 2004 and updated draft procedures provide adequate direction to perform a Post Implementation Review, the Program Performance Management office has not scheduled reviews for all projects that have exited milestones or deployed project releases. Further, it has not completed its process for capturing and managing documentation related to Post Implementation Reviews. Additionally, it has not identified reviewer qualifications or training needed to prepare participants to perform Post Implementation Reviews.

### WHAT TIGTA RECOMMENDED

The Chief Information Officer should direct the Program Performance Management office to develop a schedule to perform Post Implementation Reviews for deployed project releases; identify and obtain staffing resource commitments needed to effectively execute Post Implementation Reviews; eliminate the requirement to perform Post Reviews of milestone completion activities; implement a procedure to control Post Implementation Review results that ensures appropriate executives and decision makers have access to these documents; identify skills and abilities desired for Post Implementation Review team members and ensure team assignments consider these qualifications; and develop a training guide for Post Implementation Review team members to provide them with an understanding of the purpose, objectives, and processes of the Post Implementation Review.

In their response to the report, IRS officials agreed to the recommendations and will take appropriate corrective actions. However, due to other priorities, the IRS is uncertain when the remaining corrective actions will be completed.

The Office of Audit commented that established laws, regulations, policies, and procedures have required Post Implementation Reviews of new information technology projects since 1990. The Post Implementation Review process is an integral component of the Governance and Program Control process and should have been an ongoing activity to assess program accomplishments and performance. Postponing corrective actions will not assist the IRS in making informed decisions to continue, modify, or terminate information technology projects.

### READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2007reports/200720001fr.pdf>

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