

# 2022 Inspections & Evaluations Program Plan

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Treasury Inspector General  
for Tax Administration

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## Message from the Deputy Inspector General for Inspections and Evaluations



The Office of Inspections and Evaluations (I&E) Fiscal Year 2022 Program Plan communicates the Treasury Inspector General for Tax Administration's (TIGTA) inspection and evaluation oversight priorities. TIGTA provides independent oversight of Department of the Treasury matters involving Internal Revenue Service (IRS) programs and operations and the IRS Office of Chief Counsel. Although TIGTA is placed organizationally within the Department of the Treasury and reports to the Secretary of the Treasury and to Congress, TIGTA functions independently from all other offices and bureaus within the Department.

TIGTA's I&E function identifies opportunities for improvement in IRS and TIGTA programs by performing inspections and evaluations that report timely, useful, and reliable information to decision makers and stakeholders. We engage in an ongoing process to assess emerging issues likely to affect tax administration. This involves discussions with IRS executives, Members of Congress and their staffs, and Department of the Treasury staff. Additionally, I&E coordinates its planned activities with TIGTA's Office of Audit and Office of Investigations. TIGTA's I&E function also performs unannounced site visits related to a variety of issues that are not detailed in this plan.

Throughout the year we may adjust this plan to ensure that we direct our resources to the areas with the highest risks and impacts. We are committed to conducting our critical work on behalf of the American people to improve the economy, efficiency, and effectiveness of the IRS, while preventing and detecting fraud, waste, and abuse.

Heather Hill

Deputy Inspector General for  
Inspections and Evaluations

## Carried Over Reviews

### **IRS Pandemic Response Capping Report** (IE-21-007)

This evaluation will summarize the results of TIGTA's oversight work related to IRS's pandemic response, including implementation of the CARES Act and IRS People First Initiative. The report will include information related to TIGTA's audit, investigation, and inspections and evaluations activities. This summary will consolidate TIGTA's findings and recommendations and inform stakeholders about significant and systemic issues of noncompliance and program inefficiencies that may warrant attention.

### **IRS Telework Program: Compliance with Telework Eligibility Requirements and Adherence to Telework Schedule** (IE-20-007)

In Fiscal Year 2019 over 37,000 employees participated in IRS's telework program. The objective of this evaluation is to determine whether IRS's processes provide reasonable assurance that employees met select qualification requirements for teleworking in Fiscal Year 2019 and routinely reported to an IRS office in accordance with Office of Personnel Management requirements.

### **IRS Use of Telework for Pandemic Response** (IE-20-010B-C)

The IRS Pandemic Incident Management Plan requires IRS functions and operations to be telework ready. In response to the Coronavirus Disease 2019 (COVID-19) pandemic, the IRS Commissioner instructed senior leadership to implement provisions to maximize telework flexibility for eligible employees service-wide. Starting March 30, 2020, the IRS required most employees to evacuate their post of duty and work from home. The objective of this evaluation is to determine if the IRS effectively used its telework program to reduce the impact of the COVID-19 pandemic on IRS operations.

### **Review of IRS's Physical Security Assessment Process** (IE-21-006)

IRS partnered with the Federal Protective Service to merge its Physical Security Risk Assessment process with the Federal Protective Service Facility Security Assessment process. The previous IRS process was made obsolete to reduce redundancies. The overall objective of this review is to determine if the transition to the Federal Protective Service Facility Security Assessment process adequately addresses IRS security concerns and whether any additional procedures should be considered in order to strengthen the security assessment process.

## New Starts

### **IRS Facility Security Inspections**

The IRS has more than 500 facilities with varying security requirements. TIGTA will conduct on-site physical security inspections of a limited number of IRS facilities to determine whether physical security controls are in place to detect and deter unauthorized entry and to determine compliance with security policies and procedures established in the Internal Revenue Manual and by the Interagency Security Committee.

### **Review of IRS Budget Activities**

In Fiscal Year 2020, the IRS assisted 64 million taxpayers through correspondence, its enterprise-wide telephone helpline or at Taxpayer Assistance Centers and processed more than 240 million Federal tax returns. The IRS also closed over 500,000 tax return examinations. Appropriations for the IRS have fallen each year (below the previous year's level) for most of the last 10 years. Because labor costs account for the majority of IRS's budget, the number of full-time equivalent positions has decreased more than 20 percent since FY 2010. As a result, a thorough understanding of the IRS's cost structure is more important than ever. This evaluation will summarize the IRS's budget activities and will include information related to enforcement, operations support, taxpayer services, and business systems modernization activity. In addition, it will inform stakeholders about the impact labor costs, including overtime and benefits, can have on the IRS in the future.

### **Review of IRS's Use of Expert Witnesses**

The IRS has many different professional specialists who are available to assist attorneys with case evidence, including economists, engineers, forensics experts, actuaries, and specialists in various industries. Depending on the issue in dispute and other factors, it may be appropriate to use one or more specialists as consultants or as expert witnesses prior to and at trial. The overall objective of this review is to assess the acquisition and procurement of expert witness contracts.

### **Taxpayer Assistance Center Appointment Service**

The IRS provides face-to-face assistance to taxpayers at approximately 350 Taxpayer Assistance Center locations throughout the United States. Generally, all Taxpayer Assistance Center services require an appointment. However, when staffing permits and when no same-day appointment is available, taxpayers without an appointment may receive service on a first come, first served basis. The overall objective is to determine whether taxpayers routinely receive timely service at IRS Taxpayer Assistance Centers.

## **Reviews Required by Statute**

### **Fiscal Year 2021 Review of Illegal Tax Protestors and Similar Designations**

The objective of this review is to determine whether the IRS complied with Restructuring and Reform Act of 1998 and internal IRS guidelines that prohibit IRS officers and employees from referring to taxpayers as illegal tax protestors or any similar designations.

### **Fiscal Year 2022 Review of Assessment Statute Extension Dates**

The overall objective for this review is to determine whether the IRS is properly notifying taxpayers and their authorized representatives of the right to refuse to extend the period of limitations, or to limit such extensions to particular issues or to a particular period of time, on each occasion when the taxpayer is requested to provide written consent to extend the period of limitations for the assessment of tax.