

May 16, 2017

Control #: WI-01-0317-0001  
Affected IRM: 1.55.6  
Expiration Date: April 1, 2018

MEMORANDUM FOR WAGE AND INVESTMENT DIRECT REPORTS

FROM: Susan Powers   
Director, Operations Support

SUBJECT: Interim Guidance (IG) – Policy Update IRM 1.55.6, *Wage and Investment - W&I Government Accountability Office (GAO) and Treasury Inspector General for Tax Administration (TIGTA) Post-Audit Process*

This interim guidance memorandum is being issued to communicate the Office of Audit Coordination's new requirement for closing GAO and TIGTA audit planned corrective actions (PCAs) in the Joint Audit Management Enterprise System (JAMES) that are reported as implemented in management's final response to the audit. This new policy requires the responsible business owner to upload documentation into the JAMES to support implementation of the corrective action and to report the action as closed.

The new procedures outlined in the section of IRM 1.55.6, *Wage and Investment - W&I Government Accountability Office (GAO) and Treasury Inspector General for Tax Administration (TIGTA) Post-Audit Process* are in compliance with the policy developed by the Office of Audit Coordination. The policy became effective April 1, 2017, for all draft reports issued on or after April 1, 2017 and updates the responsibilities of the responsible business organization assigned audit corrective actions meeting the referenced criteria.

1. **Purpose:** Revisions were made to add the requirement to provide appropriate supporting documentation for each PCA reported as Implemented/Closed (Completed) at the time management's response to a GAO or TIGTA audit report is signed.

2. **Background/Source(s) of Authority:** IRM 1.55.6 is issued under the authority of the Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Internal Control and Treasury Directive 40-04, Treasury Internal (Management) Control Program, issued January 4, 2001.

3. **Effect on Other Documents:** This guidance updates IRM 1.55.6, *Wage and Investment - W&I Government Accountability Office (GAO) and Treasury Inspector General for Tax Administration (TIGTA) Post-Audit Process* dated October 14, 2016.

4. **Effective Date:** April 1, 2017

5. **Contact:** Please send questions or inquiries related to this guidance to Dick Prosser, Chief, Program Evaluation and Improvement, at 470-639-3461.

**Attachments:**

1. Interim Guidance Control #: WI-01-0317-0001
2. JAMES CLOSURE GUIDANCE, issued 3/3/2017 from the Office of Audit Coordination

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[IRS.gov \(http://www.irs.gov\)](http://www.irs.gov)

cc: IMD Coordinator, Wage and Investment Division

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The following change(s) are effective April 1, 2017 for IRM 1.55.6, Wage and Investment - W&I Government Accountability Office (GAO) and Treasury Inspector General for Tax Administration (TIGTA) Post-Audit Process, dated October 14, 2016.

1.55.6.14  
(10-14-2016)

**Uploading Support Documentation**

(1) In September, 2010, the Department of Treasury enhanced the **Joint Audit Management Enterprise System (JAMES)** to store documentation in support of a planned corrective action (PCA) status change.

**Note:** This includes material weaknesses, significant deficiencies and remediation plan actions.

(2) Effective January 2016, When the PCA Status is set to *Implemented*, *Cancelled*, or *Replaced*, a message box will appear on the JAMES screen stating – “At least one supporting document is required to be uploaded before the Status field can be changed.”

(3) A complete, executive-approved and dated, Form 13872 and any supporting documentation should be uploaded into the JAMES at the time the PCA Status is updated in the JAMES. See IRM 1.4.30, *Resource Guide for Managers, Monitoring Internal Control Planned Corrective Actions* for additional guidance.

(4) As of April 1, 2017, all PCAs reported as “Implemented” in management’s response to an audit report will require sufficient supporting documentation be provided. The supporting documentation must be uploaded into the JAMES in order to consider a PCA closed in the JAMES.

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(5) The Office of Audit Coordination (OAC) will assign an initial due date in the JAMES for planned corrective actions meeting the above criteria. For TIGTA actions the assigned due date will be 60 days following the issuance of the final report and for GAO actions the assigned due date will be 30 days from the issuance of the 60-day letter. All due dates will be set for the 15th day of the month immediately following the elapse timeframe.

(6) If sufficient supporting documentation is not uploaded into the JAMES on or before the OAC's assigned due date, a formal request to extend a PCA due date in the JAMES must be submitted using Form 13872, *Planned Corrective Action (PCA) Status Update for TIGTA/GAO/MW/SD/TAS/REM Reports*. See IRM 1.55.6.10.5, *Extending Planned Corrective Actions* for guidance.

(7) Support documents containing sensitive information must be redacted before uploading.

(8) Examples of support documentation include: the Form 13872; final reports; formal data analysis; official meeting notes that document decisions made in support of PCA implementation; records of planning meetings; published forms and publications; course materials; updated IRMs; and certain e-mails.

(9) Due to the significance of the GAO/TIGTA audit program, coordinators should ensure the information entered into the JAMES is accurate, grammatically correct, executive approved, and entered timely.

(10) Documents cannot be edited or deleted by the business unit coordinator or the business division headquarters coordinator once uploaded into the JAMES.

**Note:** Currently only the OAC desk officer can remove any erroneously uploaded document from the JAMES.

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## JAMES CLOSURE GUIDANCE

**Effective Date 04/01/2017**

**PCA (Planned Corrective Action) IMPLEMENTED / CLOSED (Completed)**  
at the time an IRS Management Response for a Draft Audit Report Is Signed

### JAMES ASSIGNED STATUS = OPEN

*NOTE: In the event that appropriate supporting documentation cannot be timely provided, the PCA's status will remain as Open and the business unit must submit a request for Due Date extension on Form 13872 following current PCA reporting guidance.*

**JAMES ASSIGNED DUE DATE = Date all documentation supporting PCA closure must be uploaded by business unit responsible for the corrective action into JAMES**

*NOTE: In the event that appropriate supporting documentation cannot be timely provided, the PCA's status will remain as Open and the business unit must submit a request for Due Date extension on Form 13872 following current PCA reporting guidance.*

### JAMES ASSIGNED DUE DATE FORMULATION

<u>For TIGTA reports</u>	<u>For GAO reports</u>	<u>CAUTION</u>
<p><b>Assigned Due Date</b> will be the 15th day of the month immediately following the elapse of 60 days from the final report issue date.</p> <p><i><b>For example,</b> a final audit report issued on May 25th will have a 60 day elapsed date of July 25 and the PCA will be assigned a Due Date of August 15th.</i></p>	<p><b>Assigned Due Date</b> will be the 15th day of the month immediately following the elapse of 30 days from the 60 day letter issue date.</p> <p><i><b>For example,</b> a final audit report issued on May 25th will have a 60 day time period in which to submit a formal management response to Congressional oversight committees. The 60 day letter should be dated July 24th and will have a 30 day elapsed date of August 23rd. The PCA will be assigned a Due Date of September 15th</i></p>	<p>In the event that there is <i>any question</i> as to whether a corrective action has been implemented and supporting documentation is available at the time the Management Response is prepared, you should err on the conservative side and report the corrective action as Open and provide an expected Due Date.</p>

### CLOSURE REQUIREMENTS

**Step 1** – Upload a completed, signed, and dated Form 13872 (*Planned Corrective Action (PCA) Status Update for TIGTA/GAO/MW/SD/TAS/REM Reports*) into JAMES following current reporting guidance.

**Step 2** – Upload appropriate supporting documentation for PCA closure into JAMES following guidance outlined below.

### DOCUMENTATION GUIDANCE

In general, sufficient supporting documentation should persuade a knowledgeable person that the corrective actions have been successfully implemented.

Evaluate the supporting documentation by its relevance, validity and reliability.

- Relevance is the extent to which the supporting documentation has a logical relationship with the corrective action.

- Validity is the extent to which the supporting documentation is verifiable.
- Reliability is the extent to which the supporting documentation can be depended on for consistency.

**The following are examples of supporting documentation:**

- Written policy, guidance, and procedures with intended audience and effective date
- Signed and dated letters written on official letterhead
- Meeting minutes: attendees (and titles), date, time and location
- Meeting invitation distribution email and/or Outlook calendar event
- Evaluations or Studies and their completion date(s)
- Copy of Presentations and their delivery date(s)
- Desk Guides: audience and effective date(s)
- ELMS course number, title, description, audience, and availability date
- Revised policy: IRM update or signed Interim Guidance Memorandum, with the effective date