



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

11.53.4

APRIL 10, 2023

EFFECTIVE DATE

(04-10-2023)

PURPOSE

- (1) This transmits revised IRM 11.53.4, Small Business/Self-Employed (SB/SE), Operations Support, Business Development Office, Oversight Liaison.

MATERIAL CHANGES

- (1) Content in this IRM was updated and rearranged as follows:

IRM subsection	Description
11.53.4	This IRM revision is a major rewrite of this IRM, which had not been updated since 2015.
11.53.4	IRM was renamed "Small Business/Self-Employed (SB/SE), Operations Support, Business Development Office, Oversight Liaison"
11.53.4	Updated all references to the 60 Day Letter Process. The 180-Day Letter process was formerly referred to as the 60 Day Letter process. The Good Accounting Obligation in Government Act (P.L 115-414; January 3,2019) amended 31 USC §720(b) to increase the timeframe to 180 days.
11.53.4	Removed the requirement for the SB/SE audit liaison to update the SB/SE GAO/TIGTA/ Legislative Database throughout this IRM.
11.53.4	Job and organizational titles were updated throughout: <ul style="list-style-type: none"> • GAO/TIGTA liaison was updated to SB/SE audit liaison. • Office of Internal Control (OIC) was updated to Enterprise Audit Management (EAM).
11.53.4	Hyperlinks were updated and broken links removed.
11.53.4	Redundant information was removed throughout this IRM and content was restructured for clarity.
11.53.4	Editorial changes made throughout.

IRM subsection	Description
11.53.4.1	Content was rearranged to conform to the internal control format mandated Servicewide by IRM 1.11.2.2.5, Address Management and Internal Controls.
11.53.4.2	Modified and relocated section and subsections for The SB/SE GAO/TIGTA Program to 11.53.4.4 and added section for Business Development Office, Oversight Liaison Mission.
11.53.4.3	New IRM section and subsections to add details for the Internal Controls and Risk Office.
11.53.4.4	Title of section modified to SB/SE TIGTA and GAO Audit Program Overview.
11.53.4.4.1	Title of section modified to SB/SE Audit Liaison Roles and Responsibilities. Added reference to IRM 1.29.1.2.
11.53.4.4.2	New IRM section for SB/SE Functional Coordinators. Information from prior TIGTA/GAO Responsibilities was relocated to this section.
11.53.4.5.1	Modified and relocated section and subsections for Treasury Inspector General for Tax Administration (TIGTA). Moved detail from TIGTA Audit Program and TIGTA Audit Plan into this section and deleted separate sections.
11.53.4.5.1.1	Added note that Agreement to Facts is not a required part of the TIGTA process.
11.53.4.5.1.2	References to Legislative Affairs (LA) were updated to EAM throughout this section.
11.53.4.5.1.3	References to LA were updated to EAM throughout this section. Added reference to IRM 1.29.1.2.5. Removed detail on contents of engagement letter.
11.53.4.5.1.3.2	Procedure changed from notifying LA of a change in lead designation to notifying EAM.
11.53.4.5.1.4	Added reference to IRM 1.29.1.2.6. Note was added to specify what should be included in subject line of correspondence and that an executive can appoint a designee to participate in the conference.
11.53.4.5.1.5	Added detail to this IRM section as it previously just stated this is the same as the GAO audit phase.

IRM subsection	Description
11.53.4.5.1.6	Title updated to remove Closing Conference Phase. Caution added to remind employees to ensure that EAM and the Chief, Oversight Liaison receive a copy of the briefing document. Added detail on what the request for a meeting and meeting should include. Added reference to IRM 1.29.1.2.14.
11.53.4.5.1.7	Added reference to IRM 1.29.1.2.15. Removed procedure to validate responsible officials and review work papers during this phase.
11.53.4.5.1.7.1	References to LA were updated to EAM throughout this section. IRM section was modified to include both lead and non lead activity with separate section for non lead removed. Added that coordination of this meeting should occur within five work days. Removed the procedure to invite SB/SE Division Counsel and Disclosure and Information Technology to meeting. Removed LA from the example on backward planning in the response writing and clearance process.
11.53.4.5.1.8	Added reference to IRM 1.29.1.2.16. Modified procedures for providing the functional coordinator with the draft report and a document comparing changes.
11.53.4.5.1.8.1	References to LA were updated with EAM throughout this section. Added requirement to review for items that need to be redacted. Removed unnecessary detail and replaced with statement that the Chief, Oversight Liaison will manage the remaining activity in this phase.
11.53.4.5.1.8.2	Reference to LA was updated to EAM. Removed procedure for the audit liaison to ensure the response is cleared and approved by the Commissioner, SB/SE.
11.53.4.5.2	Modified and relocated section and subsections for Government Accountability Office (GAO) Audits.
11.53.4.5.2.1	Title updated to GAO Audit Process for SB/SE and procedures modified for the 180-Day Letter process.
11.53.4.5.2.2	Changed title from Entrance Letter to Notification Letter. References to LA were updated to EAM throughout this section.

IRM subsection	Description
11.53.4.5.2.3	References to LA were replaced with EAM throughout this section. Added detail that the entrance conference should be scheduled within 14 calendar days.
11.53.4.5.2.4	Procedure was updated to remove requirement to contact GAO monthly regarding the status and removed the 3-7 day response deadline.
11.53.4.5.2.5	References to LA were updated to EAM throughout this section. Modified procedure for audit liaison to provide consolidated comment matrix to GAO prior to the conference call.
11.53.4.5.2.6	References to LA were updated to EAM throughout this section. Added note to keep comments in the response that address the recommendation at a high level.
11.53.4.5.2.7	Added procedure for Chief, Oversight Liaison to send signature package to EAM at least six days prior to GAO's due date. Detail removed on what to provide functional coordinator to assist with the response.
11.53.4.5.2.8	Corrected terminology from Work Request to Unified Work Request. Added reference to IRM 1.29.1.2.23.
11.53.4.5.2.9	Updated section to reflect the 180-Day Letter process. Added reference to IRM 11.5.1 and IRM 1.29.1-2.
11.53.4.5.2.10	Added the form number for the Action Routing Sheet. Updated the individuals and information on the Action Routing Sheet to align with current procedures. Removed obsolete procedures and added detail that the Chief, Oversight Liaison manages clearance up to LA.
11.53.4.5.2.11	Updated titles to the management reports and memoranda reviews. The financial statement audit timeline was updated as appropriate throughout this section.
11.53.4.5.6	Updated section to state EAM is responsible for managing corrective actions. Added reference to IRM 1.29.1.3.
11.53.4.5.3.1	Added reference to IRM 1.29.1.1.3.6. Modified and updated procedures for the JAMES Coordinator (JAC) in the audit follow up process.

IRM subsection	Description
11.53.4.5.3.3	Added reference to IRM 1.29.1.3.6.7 and IRM 1.29.1.3.7. Modified procedure for JAC to review the A6 report.
11.53.4.5.3.4	Added reference to IRM 1.29.1.3 and IRM 1.29.1.3.1.
11.53.4.5.3.5	Added reference to IRM 1.29.1.3.9.
11.53.4.5.3.6	Added reference to IRM 1.29.1.3.9 (6).
11.53.4.5.6.7	New IRM section added on Long-Term PCAs.
11.53.4.5.3.8	New IRM section added on Uploading Supporting Documents.
11.53.4.5.4	Removed detail for Enterprise GAO/TIGTA Audit Database from this section.
11.53.4.5.4.1	Removed detail for Enterprise GAO/TIGTA Audit Database from this section and modified procedures for the SB/SE Legislative Proposals / Guidance Request Database.
11.53.4.5.4.2	Removed outdated Online 5081 procedure and references to the GAO/TIGTA Audit Database.
11.53.4.5.4.3	Removed detail for Enterprise GAO/TIGTA Audit Database from this section and modified procedures for the SB/SE Legislative Proposals/Guidance Request Database.
11.53.4.5.4.4	Removed detail for Enterprise GAO/TIGTA Audit Database from this section and modified procedures for the SB/SE Legislative Proposals /Guidance Request Database.
N/A	Removed section for GAO/TIGTA Audit Records Retention and Disposition. Guidance on Records Retention and Disposition procedures are set forth in IRM 1.15.
11.53.4.6.2	Title updated to Legislation Implementation Activities and detail from Legislative Implementation Plan was relocated to this section. Removed IRM section titled Legislative Implementation Plan.
11.53.4.6.3	Title was changed from Monitoring E-LATIS to Monitoring LATIS. References to E-LATIS were updated to LATIS throughout this section. Removed outdated references in the procedures.

IRM subsection	Description
11.53.4.6.4	Removed detail about LA monitoring the progress of legislative proposals once they are approved.
11.53.4.6.5	Updated procedure to state the Senior Advisor presents requests coordinated by the legislation liaison.
11.53.4.6.7	Updated procedure to state the Senior Advisor distributes the Annual Legislative Proposal Request. Terminology updated from representative for the Commissioner, SB/SE to Senior Advisor throughout this section. Updated titles and modified contents of solicitation.
11.53.4.7.2	References to EA were updated to Senior Advisor throughout this section.
11.53.4.7.3	References to EA were updated to Senior Advisor throughout this section.

EFFECT ON OTHER DOCUMENTS

This material supersedes IRM 11.53.4, Small Business/Self-Employed (SB/SE), Operation Support, Servicewide Operations, Treasury Inspector General for Tax Administration / Government Accountability Office (TIGTA/GAO), dated April 15, 2015.

AUDIENCE

Employees in SB/SE.

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 Small Business / Self Employed

11.53.4

Oversight Liaison Programs

Table of Contents

11.53.4.1 Program Scope and Objectives

11.53.4.1.1 Background

11.53.4.1.2 Authority

11.53.4.1.3 Program Roles and Responsibilities

11.53.4.1.4 Program Management and Review

11.53.4.1.5 Program Controls

11.53.4.1.6 Defined Terms and Acronyms

11.53.4.1.7 Related Resources

11.53.4.2 Business Development Office, Oversight Liaison Mission

11.53.4.3 SB/SE Internal Controls and Risk Office

11.53.4.3.1 SB/SE Internal Controls and Risk Office Roles and Responsibilities

11.53.4.3.2 iReview

11.53.4.3.3 Audit Driven Action Team

11.53.4.3.4 Risk Management

11.53.4.3.5 Annual Assurance Review

11.53.4.3.6 Internal Control Review

11.53.4.3.7 Taxpayer Advocate Operations Assistance Requests

11.53.4.3.8 Most Serious Problems

11.53.4.4 SB/SE TIGTA and GAO Audit Program Overview

11.53.4.4.1 SB/SE Audit Liaison Roles and Responsibilities

11.53.4.4.2 SB/SE Functional Coordinators

11.53.4.5 The SB/SE TIGTA and GAO Program

11.53.4.5.1 Treasury Inspector General for Tax Administration (TIGTA) Audits

11.53.4.5.1.1 TIGTA Workflow Process

11.53.4.5.1.2 TIGTA Planning and Research

11.53.4.5.1.3 Engagement Letter

11.53.4.5.1.3.1 SB/SE Lead Process

11.53.4.5.1.3.2 SB/SE Non-Lead Process

11.53.4.5.1.4 Opening Conference Phase

11.53.4.5.1.5 Fieldwork Phase

11.53.4.5.1.6 Agreement-to-Facts

11.53.4.5.1.7 Discussion Draft Report Phase

11.53.4.5.1.7.1 Discussion Draft Report Activity

11.53.4.5.1.8 Draft Report Phase

- 11.53.4.5.1.8.1 TIGTA Draft Report Activity - Lead Audit
- 11.53.4.5.1.8.2 TIGTA Draft Report Activity - Non Lead Audit
- 11.53.4.5.1.9 Final Report
- 11.53.4.5.2 Government Accountability Office (GAO) Audits
 - 11.53.4.5.2.1 GAO Audit Process for SB/SE
 - 11.53.4.5.2.2 Notification Letter
 - 11.53.4.5.2.3 Entrance Conference Phase
 - 11.53.4.5.2.4 Audit Fieldwork Phase
 - 11.53.4.5.2.5 Exit Conference Phase
 - 11.53.4.5.2.6 Draft Report Phase
 - 11.53.4.5.2.7 Preparation of the GAO Audit Response
 - 11.53.4.5.2.8 Establishing Accurate Corrective Action Due Dates
 - 11.53.4.5.2.9 Final Report Phase (Congressional 180-Day or Letter Response)
 - 11.53.4.5.2.10 GAO Response Clearance/Approval Process
 - 11.53.4.5.2.11 Financial Statement Audit
- 11.53.4.5.3 TIGTA and GAO Internal Control Program Background
 - 11.53.4.5.3.1 Role of the SB/SE JAMES Coordinator in the Audit Follow-Up Process
 - 11.53.4.5.3.2 TIGTA and GAO Audit Recommendations and Corrective Actions Follow-Up Process
 - 11.53.4.5.3.3 Audit Verification Using the Joint Audit Management Enterprise System (JAMES)
 - 11.53.4.5.3.4 Corrective Action Status Updates
 - 11.53.4.5.3.5 Change/Cancellation of Corrective Actions
 - 11.53.4.5.3.6 Transfer of Corrective Actions to Another Business Unit
 - 11.53.4.5.3.7 Long-Term PCAs
 - 11.53.4.5.3.8 Uploading Supporting Documents
- 11.53.4.5.4 SB/SE Legislative Proposals/Guidance Database
 - 11.53.4.5.4.1 Function
 - 11.53.4.5.4.2 Application Security
 - 11.53.4.5.4.3 Using the Application - Overview
 - 11.53.4.5.4.4 Description of SB/SE Legislative Proposal/Guidance Request Database
- 11.53.4.6 SB/SE Legislative Program
 - 11.53.4.6.1 Legislation Roles and Responsibilities
 - 11.53.4.6.2 Legislation Implementation Activities
 - 11.53.4.6.3 Monitoring LATIS
 - 11.53.4.6.4 Legislative Proposals Overview
 - 11.53.4.6.5 Requests for Published Guidance Overview
 - 11.53.4.6.6 Legislative Proposal and Request for Published Guidance Process
- 11.53.4.7 SB/SE Tax Products Maintenance Program
 - 11.53.4.7.1 Program Objectives

11.53.4.7.2 Roles and Responsibilities

11.53.4.7.3 Program Activities

11.53.4.1
(04-10-2023)
Program Scope and Objectives

- (1) This IRM section provides instructions for Small Business / Self Employed (SB/SE) employees including the Internal Controls and Risk Office, and to support programs including Treasury Inspector General for Tax Administration (TIGTA) and Government Accountability Office (GAO) audits, legislation, guidance, and tax product maintenance in SB/SE.
- (2) **Purpose:** The overall purpose and objectives are to establish effective programs to facilitate internal control identification and review, risk management, TIGTA and GAO audits, and legislative and tax product maintenance processes for the Commissioner, SB/SE. Specific program objectives are discussed in each program below.
- (3) **Audience:** This information is for:
 - SB/SE Oversight Liaison employees
 - SB/SE managers and employees working on TIGTA or GAO audits
 - SB/SE functional coordinators
 - SB/SE program managers
 - SB/SE business unit executives
- (4) **Policy Owner:** Director, Business Development oversees the programs.
- (5) **Program Owner:** Business Development Office (BDO) (an organization within SB/SE).
- (6) **Primary Stakeholders:** Primary external stakeholders include TIGTA and GAO audit teams. Primary internal stakeholders include the following:
 - SB/SE Operating Units and Offices
 - Enterprise Audit Management (EAM)
 - Legislative Affairs (LA)
 - Business Units
 - Office of Chief Counsel
- (7) **Program Objectives:**
 - a. Provide SB/SE leadership with information to identify and improve internal controls and mitigate risks.
 - b. Maintain liaison procedures, in accordance with IRS policy, for an efficient, effective, complete and coordinated audit process within SB/SE.
 - c. Provide timely reports and liaison support for Operating Units (OUs) in addressing new and existing GAO high-risk issues and corrective actions.
 - d. Assist the OUs with writing appropriate responses to audit reports including appropriate corrective actions responses to the audit recommendations.
 - e. Support the OUs in implementing corrective actions as scheduled.
 - f. Maintain currency of post audit status and adequate documentation in Joint Audit Management Enterprise System (JAMES) to ensure continuity.

11.53.4.1.1
(04-10-2023)
Background

- (1) Oversight Liaison provides services and support to SB/SE programs for internal control reviews, risk management, TIGTA and GAO audits, legislation implementation (including request for guidance), and tax product maintenance.

11.53.4.1.2
(04-10-2023)

Authority

- (1) The authorities for the policies and procedures discussed in this IRM include:
- Treasury Order 115-01, dated May 24, 2018, provides TIGTA authority and access to IRS information.
 - GAO-05-35G, dated October 21, 2004, GAO's Agency Protocols, contains protocols that govern the U.S. GAO's work with the executive branch agencies.
 - GAO-14-704-G, Standards for Internal Control in the Federal Government.

11.53.4.1.3
(04-10-2023)

Program Roles and Responsibilities

- (1) The overall program responsibilities include the following:
- The Director, Business Development Office, is responsible for all the policies and procedures within Oversight Liaison.
 - The Chief, Oversight Liaison, is responsible for development and delivery of policy and procedures within Oversight Liaison and reports to the Director, Business Development Office.
 - The Oversight Liaison employees are responsible for following the procedures in this IRM and report to the Chief, Oversight Liaison.

11.53.4.1.4
(04-10-2023)

Program Management and Review

- (1) **Program Reports:** The Chief, Oversight Liaison is responsible for providing status and progress reports to SB/SE leaders on a regular basis.
- JAMES is the system of records used to monitor audit related recommendations and corrective actions taken by each bureau within the Department of Treasury. Monthly reviews of SB/SE planned corrected actions are managed by Oversight Liaison.
 - The inventory reports are based on information contained in the Enterprise Audit Database with added detail based on the progress of the audits. Regular inventory reports are produced and maintained in a SharePoint folder with periodic updates provided to SB/SE leadership.
- (2) **Program Effectiveness:** Progress in achieving program goals is determined through regular interactions with affected stakeholders and reviews of management responses, documentation for planned corrective actions, and other reviews.

11.53.4.1.5
(04-10-2023)

Program Controls

- (1) Enterprise Audit Management (EAM) maintains the Enterprise GAO/TIGTA Audit Database that employs access profiles (read only and read only/update) and specific data field lock down procedures to control access and information updates. Access is requested and granted through Business Entitlement Access Request System (BEARS).
- (2) JAMES users are assigned specific privileges based upon their program role. The three main profiles are JAMES Editor (JE), JAMES PO (JPO), for the Bureau Program Office users (referred as JACs), and JAMES User (JU) for Bureau Program Office Read Only. Only the JAMES Editor can approve and validate Planned Corrective Actions (PCAs) for implementation in the JAMES database. JAMES Users must ensure that documentation uploaded into JAMES to support completion of a PCA does not include any taxpayer data or Personally Identifiable Information (PII).

11.53.4.1.6
(04-10-2023)

**Defined Terms and
Acronyms**

- (1) The following tables list the defined terms and acronyms used throughout this IRM section.

Terms	Definition
180-Day Letter	A response to a GAO final report with recommendations sent to Congress. The IRS has 180 days from the issuance of the final audit report to respond to Congress with the detailed corrective actions to be taken and time frames within which they will be implemented to carry out the recommendations.
Agreement to Facts	A document issued by TIGTA after fieldwork is underway but before the issuance of the draft report. This document represents statements about IRS programs or processes that TIGTA believes to be factually accurate based on their fieldwork and research. The IRS can review this document and provide corrections.
Audit	An examination of government programs, operations, and financial records. The audit is interchangeable or synonymous with a review.
Audit Liaison	A business unit single point of contact responsible for audit activity within a business unit.
Cross-functional	An audit involving more than one business unit.
Discussion Draft Report	Issued by TIGTA at the conclusion of fieldwork. The IRS has five business days to review the report for accuracy and discuss findings presented in the report, before issuance of a formal draft report.

Terms	Definition
Draft Report	A formal report of audit findings and recommendations prepared after completion of an audit. The IRS is given a specified time by TIGTA and GAO to respond to the draft report, typically 30 days. EAM receives this report from TIGTA or GAO and sends the draft report to the business units while providing guidance for developing and routing management's response.
Engagement Letter/Notification Letter	A letter sent to the IRS from TIGTA or GAO providing notification of a new audit. TIGTA typically uses the term "engagement letter," while GAO uses the term "notification letter."
Exit/Closing Conference	Meeting to discuss TIGTA's or GAO's preliminary findings and recommendations with business unit executives. IRS provides TIGTA or GAO with their perspective and position on the audit findings and shares proposed corrective actions. Discussions during the exit/closing conference often form the basis for management's response. TIGTA typically uses the term "Closing Conference", while GAO uses the term "Exit Conference". It is at the Exit Conference that the Statement of Facts document is discussed.
Final Report	The final report is the final version of the TIGTA or GAO draft report that may or may not contain modifications to the findings and recommendations identified in the draft report. The final report contains the IRS management response to the draft report. Final reports are released to the public unless designated as Sensitive but Unclassified (SBU) or Limited Official Use (LOU).

Terms	Definition
Findings	Describes the deficiency or opportunity for improvement in the audit report or remediation plan.
Internal Control	An integral component of an organization's management that provides reasonable assurance that its program and activities operate according to established policies and procedures.
iReview	A comprehensive internal review of a program or process regarding internal controls and risks.
Joint Audit Management Enterprise System (JAMES)	Treasury's web-based audit tracking system used for tracking issues, findings, recommendations, and planned corrective actions (PCAs) from TIGTA and GAO audit reports.
Lead or Lead Stakeholder	Business unit with primary responsibility for the subject matter of the audit and specific audit process actions/tasks.
Material Weakness	A significant program deficiency of sufficient importance to be reported annually to the Department of the Treasury and, ultimately, to the President and the Congress until corrected.
Mid-Point Conference	Interim meeting to discuss TIGTA's audit findings to date. It allows IRS an early look at audit issues, potential findings, and recommendations, and allows the IRS to provide further clarification or documentation related to information shared during audit fieldwork. GAO typically does not have mid-point conferences. If requested, GAO may have a pre-Statement of Facts/ Exit Conference with IRS.

Terms	Definition
Opening/Entrance Conference	Initial meeting where TIGTA or GAO outlines the scope of their audit, locations to be visited, anticipated date of completion, the names of auditors working on the job, and background information. GAO typically uses the term "entrance conference" while TIGTA uses the term "opening conference." The opening conference sets the stage for the audit, so expectations about recurring meetings and points of contact should be discussed.
Planned Corrective Action (PCA)	A detailed description of how management will implement a recommendation to address the audit findings. The PCA also includes the due dates and the responsible officials.
Recommendation	Addresses the audit finding and provides TIGTA's or GAO's comments to management that, when implemented, will correct the issue.
Redaction	To redact language contained within a formal audit report means to "edit text for publication, censor or obscure part of the text for legal or security purposes, or to remove text from a document before publication or release." This step in the review process is essential for the protection of sensitive information that could be used to circumvent the law.
Remediation Plan	A necessary plan when the IRS's financial systems do not comply with federal government requirements. Plans include remedies, resources, and target dates for completion. Quarterly reviews are coordinated with the EAM.
Reportable Condition	A program deficiency, such as collection of unpaid taxes that requires IRS Executive oversight.

Terms	Definition
Statement of Facts	A document issued by GAO and similar to the Agreement to the Facts Report issued by TIGTA. Provides IRS management and stakeholders an opportunity to review audit findings in writing for accuracy and discuss findings presented in the report. The Statement of Facts does not typically include recommendations so IRS staff should ask GAO if it will propose any recommendations.
Supporting Business Unit	A business unit that shares some responsibility for programs or processes being audited but is not the audit's lead stakeholder. A supporting business unit may have a small or large share of the work associated with the process under audit or may indirectly support the process itself through separate work.

Acronyms

Acronym	Meaning
AAR	Annual Assurance Review
AIF	Audit Inquiry Form
ATF	Agreement to Facts
BU	Business Unit
CFO	Chief Financial Officer
DDR	Discussion Draft Report
EAM	Enterprise Audit Management
ERM	Enterprise Risk Management
FOIA	Freedom of Information Act
GAO	Government Accountability Office
IC&R	Internal Controls and Risk Office
JAC	JAMES Coordinator
JAMES	Joint Audit Management Enterprise System
LATIS	Legislative Analysis and Tracking Implementation Services

Acronym	Meaning
LA	Legislative Affairs
MFC	Matters for Future Consideration
MSP	Most Serious Problems
OAR	Operations Assistance Requests
OL	Oversight Liaison
OMB	Office of Management and Budget
OU	Operating Unit
PCA	Planned Corrective Action
POC	Point of Contact
QAR	Quality Assurance Review
SOF	Statement of Facts
TAS	Taxpayer Advocate Service
TF&P	Tax Forms and Publications
TIGTA	Treasury Inspector General for Tax Administration
UWR	Unified Work Request

11.53.4.1.7
(04-10-2023)

Related Resources

- (1) The GAO Green Book, Standards for Internal Control in the Federal Government, <https://www.gao.gov/greenbook>.
- (2) SB/SE follows general program guidelines for the TIGTA and GAO Audit Program in the EAM IRM 1.29.1, Audit Coordination Process - Authorities and Responsibilities.

11.53.4.2
(04-10-2023)

**Business Development
Office, Oversight Liaison
Mission**

- (1) Oversight Liaison fosters partnerships with internal and external stakeholders to improve tax administration by:
 - a. Integrating internal controls and risk management as a part of fundamental business practices.
 - b. Establishing effective programs to facilitate the TIGTA and GAO audit processes for the Commissioner, SB/SE.
 - c. Serving as the operational liaison between TIGTA, GAO, Legislative Affairs (LA), SB/SE Operating Units (OUs) and other Business Units (BUs) to ensure compliance with tax law and oversight directives.
 - d. Serving as the operational liaison for legislative implementation and development of SB/SE legislative proposals, requests for published guidance, and the tax product maintenance program.

- 11.53.4.3
(04-10-2023)
SB/SE Internal Controls and Risk Office
- (1) The Internal Controls and Risk Office (IC&R) supports SB/SE to improve internal controls and mitigate risks.
 - (2) The purpose of IC&R is to provide support to the OU's in establishing and maintaining effective internal controls by:
 - a. Providing SB/SE leadership with information that will improve operational decisions to achieve program objectives, address risks, enhance controls, and anticipate TIGTA, GAO, and Chief Financial Officer (CFO) concerns.
 - b. Supporting SB/SE by recommending internal control enhancements and identifying and mitigating risks.
- 11.53.4.3.1
(04-10-2023)
SB/SE Internal Controls and Risk Office Roles and Responsibilities
- (1) The IC&R Office manages or supports the following programs for SB/SE:
 - iReview
 - Audit Driven Action Team (ADAT)
 - Risk Management
 - Annual Assurance Review (AAR)
 - Internal Control Review (ICR)
 - Taxpayer Advocate Operations Assistance Requests (OAR's)
 - Most Serious Problems (MSP)
- 11.53.4.3.2
(04-10-2023)
iReview
- (1) iReview is a tool for executives to evaluate their organizational programs based on the principles of the GAO Green Book while utilizing SB/SE Enterprise Risk Management resources.
 - (2) The goals and objectives of iReview are:
 - a. Provide senior leadership confidence that SB/SE programs can achieve and sustain operational performance.
 - b. Create a flexible, adaptable and structured design to respond to a continuously shifting operational environment.
 - c. Develop rotating leadership candidates' awareness of internal controls and risk management.
 - d. Leverage existing capabilities such as the SB/SE enterprise risk management processes and annual assurance processes.
 - (3) The analyst:
 - a. Collaborates with senior leadership to solicit programs for iReview and gain Governance Board approval.
 - b. Assists functional areas to determine scope, program objectives and intended results.
 - c. Serves as a mentor to the project leader.
 - d. Collaborates with functional area leadership to develop review plan.
 - e. Briefs Functional Area and Program First Level Executives.
 - (4) Functional area leadership is responsible for:
 - a. Overseeing overall operations of the functional area being reviewed during the iReview.
 - b. Providing additional information around the scope.
 - c. Determining the review point of contact.
 - d. Taking responsibility for action on responses.
 - e. Assisting with identifying functional area resources (as necessary).
 - f. Reporting any observations and responses to governance.

- (5) Functional area participants and analysts are responsible for:
 - a. Participating in the review as a subject matter expert or full review participant (as appropriate).
 - b. Providing transparent information to the review team.
- (6) The Chief, Oversight Liaison is responsible for:
 - a. Gaining appropriate approvals from the iReview Governance Board.
 - b. Providing oversight and guidance throughout the iReview.
- (7) Closing out an iReview involves sharing findings with the executive and program owner, providing follow-up support, if needed, and reporting data.
- (8) iReview labor expenses will be tracked using a Funded Program/Internal Order Code (IOC) in SETR. The IOC available for work in support of this program is 4SIRA. See the iReview Desk Guide on SharePoint for instructions on reporting time for iReview.

11.53.4.3.3
(04-10-2023)
**Audit Driven Action
Team**

- (1) The Audit Driven Action Team (ADAT) supports SB/SE by initiating discussion about programs and processes subject to audit. The ADAT identifies opportunities for improvement before an audit begins.
- (2) The goals and objectives of ADAT are:
 - a. Support SB/SE programs under audit.
 - b. Identify internal control vulnerabilities and risks through a data source review and research.
 - c. Enable awareness of potential risks and vulnerabilities.
 - d. Provide SB/SE with a proactive approach to address program weaknesses related to audits.
- (3) The analyst:
 - a. Analyzes prior audits.
 - b. Supports the OU through research initiatives.
 - c. Collaborates with the OU contacts throughout the review.
 - d. Works with team members to identify common issues and potential vulnerabilities.
 - e. Develops proposed next steps for addressing issues and vulnerabilities.
- (4) The analyst will share the final product with the Chief, Oversight Liaison and will coordinate distribution. In some instances, the OU owner may request a formal briefing and presentation to review the findings and proposed recommendations. These briefings will be coordinated through the ADAT lead and key stakeholders within the OU.

11.53.4.3.4
(04-10-2023)
Risk Management

- (1) The Operations Support Risk Council (OSRC) governs the Operations Support Risk Program. Operations Support chartered the Committee to strengthen and maintain the capability and capacity to identify and manage internal operational and program risks. The OSRC identifies and elevates enterprise risks to maximize the achievement of the strategic goals and objectives of the Operations Support OUs.
- (2) The primary objective of the OSRC is to identify, prioritize and mitigate risks in order to ensure business objectives are met with an established risk tolerance.

- (3) The analyst:
 - a. Promotes a culture defined by transparent, collaborate and innovative management of risk based on common language and consistent understanding.
 - b. Establishes a forum for candid, informed OU and division risk related discussion, escalation and decision making.
 - c. Maintains a comprehensive risk management practice driven by risk informed business decisions.
 - d. Promotes early identification of critical OU risks and reduce the need for escalation and incident based risk decision.
 - e. Fosters ownership and accountability for the mitigation of identified risks.
 - f. Promotes continuous improvement based on post implementation reviews, trends, and other analysis of data, lessons learned, and identified best practices.

11.53.4.3.5
(04-10-2023)
**Annual Assurance
Review**

- (1) Oversight Liaison is responsible for supporting SB/SE during the IRS Annual Assurance Review (AAR) which includes an annual Internal Control Managerial Assessment (IMCA), updating Quality Assurance Reviews (QARs), and supporting the QA Review process. See IRM 1.4.2.5, Annual Assurance Review Process and IRM 1.4.31.2.3, Quality Assurance Review Program.
- (2) The analyst:
 - a. Facilitates the ICMA process to ensure managers complete the survey.
 - b. Assists in updating existing QARs and provides support to add and remove QARs.
 - c. Serves as the primary SB/SE POC and support for CFO.
 - d. Prepares SB/SE Commissioner certification packages.
- (3) The Chief, Oversight Liaison submits SB/SE AAR packages to the SB/SE Commissioner for review and signature and sends the final package to CFO.

11.53.4.3.6
(04-10-2023)
Internal Control Review

- (1) Oversight Liaison is responsible for supporting SB/SE as a liaison between CFO and the SB/SE OU under review. See IRM 1.4.32, Internal Control Review Program.
- (2) The analyst:
 - a. Supports CFO's review of SB/SE internal controls.
 - b. Provides POC information for CFO's review.
 - c. Provides timely responses to requests from CFO and the OU.
 - d. Facilitates meetings with CFO and the OU.
 - e. Secures approvals for any recommendations.

11.53.4.3.7
(04-10-2023)
**Taxpayer Advocate
Operations Assistance
Requests**

- (1) Oversight Liaison serves as the SB/SE TAS/OAR point of contact between TAS and SB/SE employees to ensure adherence to the Service Level Agreement (SLA) between the National Taxpayer Advocate and the Commissioner, Small Business / Self-Employed. See IRM 13.1.19, Taxpayer Advocate Service, Taxpayer Advocate Case Procedures, Advocating With Operations Assistance Requests (OAR's) and IRM 13.1.19.3, TAS Service Level Agreements (SLA's).
- (2) The analyst:

- a. Coordinates updating of SLA Addendum worksheets for OAR routing.
- b. Ensures that TAS and SB/SE employee POC information is accurate.
- c. Addresses issues that impact the SB/SE OAR process.

11.53.4.3.8
(04-10-2023)

Most Serious Problems

- (1) Oversight Liaison monitors and ensures timely completion of SB/SE's corrective actions in response to the National Taxpayer Advocate's (NTA) Annual Report to Congress (ARC). See IRM 13.2.8.5, Annual Report to Congress (ARC).
- (2) The analyst:
 - a. Develops and maintains the liaison's procedures, in accordance with IRS policy, for an efficient, effective, complete and coordinated MSP monitoring process within SB/SE.
 - b. Documents the liaison's procedures in the approved system(s) to ensure continuity.
 - c. Facilitates the MSP reporting processes.
 - d. Prepares quarterly reports.
- (3) Oversight Liaison hours spent on MSP activities will be tracked using SETR code 800-85010.

Note: The NTA quarterly reports are often issued a month into the following quarter.

11.53.4.4
(04-10-2023)

**SB/SE TIGTA and GAO
Audit Program Overview**

- (1) TIGTA was established in January 1999 in accordance with the IRS Restructuring and Reform Act of 1998 (RRA 98) and provides independent oversight of IRS activities. As mandated by RRA 98, TIGTA assumed most of the responsibilities of the IRS' former Inspection Service. For additional information, see the TIGTA website at: <https://www.tigta.gov>.
- (2) TIGTA Operation Manuals are available for additional information on their process. To review the current Operation Manuals see the TIGTA website at: <https://www.tigta.gov/tigta-operations-manual>, TIGTA Operation Manuals.
- (3) GAO is the investigative arm of Congress. GAO examines the use of public funds and federal programs. GAO provides analysis, opinions, and recommendations to Congress for effective oversight, policy, and funding decisions. The GAO website is located at <https://gao.gov/>.
- (4) TIGTA and GAO audit SB/SE operations and then share their audit findings and recommendations, if any, with Congress, other federal agencies, and the public.
- (5) SB/SE executives place a high priority on audits since these findings can significantly affect the IRS' strategic plan and program initiatives.

11.53.4.4.1
(04-10-2023)

**SB/SE Audit Liaison
Roles and
Responsibilities**

- (1) The SB/SE audit liaison partners with other stakeholders to coordinate the SB/SE TIGTA and GAO audit program and bring the necessary stakeholders together.
- (2) The SB/SE audit liaison is the primary point of contact for audits that impact SB/SE. The SB/SE audit liaison will notify each SB/SE OU functional coordinator of an upcoming meeting.

Note: Each OU functional coordinator will advise the audit liaison of the name of the OU POC for that audit. The OU POCs and executives participate in meetings and serve as the secondary POCs for the auditors.

- (3) The SB/SE audit liaison coordinates with the SB/SE functional coordinators to:
 - a. Ensure all impacted stakeholders are engaged in the audit.
 - b. Review the scope and objectives of the audit.
 - c. Provide all impacted OUs with an opportunity to respond.
 - d. Prepare timely responses.
 - e. Monitor corrective actions.
 - f. Provide periodic status updates.
 - g. Facilitate delivery of requested case files in a timely manner.
 - h. Facilitate requests for interviews of field or campus personnel.
 - i. Direct activities as needed.
- (4) After the SB/SE audit liaison has provided TIGTA or GAO with the executive and secondary POC information, the auditor can request information from the SB/SE audit liaison, the functional coordinator, the executive, the secondary POC, or other personnel within the jurisdiction of the audit. TIGTA and GAO will include the SB/SE audit liaison in all information requests submitted in writing or received by telephone.
- (5) The functional coordinator, executive, secondary POC or other personnel will notify the SB/SE audit liaison of all verbal information requests received from TIGTA or GAO. The SB/SE audit liaison is responsible for monitoring, tracking, and accurately documenting all audit activity and must maintain ongoing communication with the functional coordinator, executive or secondary POCs, TIGTA, and GAO auditors. As appropriate, auditors will contact the SB/SE audit liaison for additional assistance in obtaining requested information.
- (6) The functional coordinator, secondary POCs and other personnel must observe the following guidelines when sharing information and data or meeting with auditors:
 - a. Ensure information requested in engagement letters is available for auditors at the opening conference.
 - b. Ensure information and data requested during audits are provided to the auditors in a reasonable and timely manner. In general, a maximum of two weeks is considered timely.
 - c. Ensure all written comments, if any, in response to discussion draft reports are provided to the audit team at least one day in advance of the closing conference.
 - d. Ensure management is aware of information and data requested and provided to TIGTA or GAO auditors.
 - e. Provide requested information and data directly to the auditors with a copy to management and the liaison.
 - f. Use appropriate disclosure and security protocols when forwarding information.
 - g. Provide copies of all audit correspondence, data, telephone call notes, meeting invitations, and meeting summaries to the liaison.
- (7) Audit liaisons in other BUs have oversight responsibility for the coordination, implementation, and monitoring of the TIGTA and GAO audits that affect their organization. When their audits also affect SB/SE, they will coordinate with Oversight Liaison for input. Any SB/SE input needs to be cleared appropriately

with the impacted SB/SE OU. This includes assuming full or partial responsibility for planned corrective actions. The reverse is also true.

- (8) EAM has oversight responsibility for the coordination, implementation, and monitoring of the TIGTA and GAO audit process for the IRS Commissioner. See IRM 1.29.1.2 , Introduction to Audit Program for detailed information.
- (9) EAM has oversight responsibility for monitoring TIGTA and GAO audit recommendations and corrective actions.

11.53.4.4.2
(04-10-2023)
**SB/SE Functional
Coordinators**

- (1) The role of the SB/SE functional coordinator in the audit process is to:
 - a. Act as the primary point of contact for their functional area during the audit process.
 - b. Provide the lead SB/SE audit liaison an executive responsible for the impacted function.
 - c. Participate in meetings throughout the audit.
 - d. Ensure information and data requested during audits are provided within the requested timeframe.

Note: Initial requests made in the engagement letter must be available for TIGTA or GAO at the opening conference.

 - e. Ensure management and lead audit liaison are aware of information and data requested and provided to TIGTA or GAO.
 - f. Ensure any written comments in response to discussion draft reports are provided to the audit team or lead liaison at least one day prior to the closing conference.
 - g. Use appropriate disclosure and security protocol when providing information to TIGTA or GAO.

11.53.4.5
(04-10-2023)
**The SB/SE TIGTA and
GAO Program**

- (1) The EAM serves as the single point of contact for TIGTA and GAO audits except for the GAO 180-Day Letter process which is the responsibility of Legislative Affairs (LA).
- (2) The purpose of SB/SE's audit program is to facilitate meeting, data gathering and response processes for stakeholders. The goals for the audit program are as follows:
 - a. Ensure that oversight reviews of SB/SE programs result in balanced reports with accurate findings and recommendations which will improve SB/SE programs.
 - b. Verify progress of agreed upon actions are properly monitored for timely completion.
 - c. Confirm executives are informed and aware of the audit progress, auditors observations and any potential issues and concerns.

11.53.4.5.1
(04-10-2023)
**Treasury Inspector
General for Tax
Administration (TIGTA)
Audits**

- (1) The TIGTA audit program is comprised of reviews mandated by statute or regulations, as well as reviews identified through the audit planning and evaluation process.
- (2) The TIGTA audit program is presented in the Annual Audit Plan published at the beginning of each fiscal year.

- (3) The Annual Audit Plan is based on significant management issues facing the IRS, as well as areas of concern from Congress, the IRS Commissioner, and the IRS Oversight Board.

11.53.4.5.1.1

(04-10-2023)

TIGTA Workflow Process

- (1) TIGTA audits provide independent oversight of IRS activities to promote efficiency and effectiveness in administering the nation's tax system.
- (2) TIGTA's Office of Audit strategically evaluates IRS programs, activities, and functions to ensure that resources expended reduce vulnerabilities in the nation's tax system.
- (3) The TIGTA audit process includes the following steps:
 1. Planning and Research Phases
 2. Opening Conference Phase
 3. Fieldwork Phase
 4. Agreement to Facts
 5. Discussion Draft Report Phase
 6. Draft Report Phase
 7. Final Report Phase

Note: Agreement to Facts is not a required part of the TIGTA process. Not every TIGTA audit will have an Agreement to Facts.

11.53.4.5.1.2

(04-10-2023)

TIGTA Planning and Research

- (1) TIGTA contacts EAM indicating the scope of work and the anticipated periods involved for the planning and research project. Engagement letters are not required for these TIGTA audit activities which include audit planning, research activities (surveys, information gathering, etc.), and integrity projects.
- (2) EAM forwards the information to the Chief, Oversight Liaison.
- (3) The SB/SE recipient will forward the information to the Chief, Oversight Liaison, if planning contacts are made through different channels.
- (4) The SB/SE audit liaison:
 - a. Notifies TIGTA that they are the SB/SE audit liaison and coordinates the planning and research request.
 - b. Forwards the information to the responsible SB/SE OU functional coordinator to obtain a POC who will work with TIGTA to address the planning and research request.
 - c. Provides the POC to TIGTA. TIGTA will coordinate the audit through the SB/SE audit liaison to obtain information unless otherwise directed.
- (5) If the planning and research phase results in a formal audit, TIGTA will issue an engagement letter through EAM. The SB/SE audit liaison assigned to the planning and research phase will retain the responsibility for overseeing the audit.
- (6) If an audit is not warranted, the planning and research phase is closed by a TIGTA memorandum.

11.53.4.5.1.3
(04-10-2023)

Engagement Letter

- (1) To initiate an audit, TIGTA notifies the IRS through the issuance of an engagement letter. This letter may be addressed to the responsible program executive, business unit head of office, Chief Risk Officer, one of the Deputy Commissioners, or the Commissioner depending on the scope and nature of the audit. EAM is responsible for processing the notification or engagement letter. See IRM 1.29.1.2.5, Audit Initiation and Notification.
- (2) The engagement letter is the official notification that TIGTA is conducting a formal audit. Once TIGTA issues the engagement letter, the audit is officially open, whether or not an opening conference is held.
- (3) EAM forwards the engagement letter to all of the audit contacts including the Chief, Oversight Liaison. The forwarded information identifies the lead and other BUs or OUs TIGTA expects to contact.
- (4) The Chief, Oversight Liaison assigns the audit to an SB/SE audit liaison.
- (5) The SB/SE audit liaison will discuss available dates with the lead OU and informs TIGTA of the assignment, establishes a relationship, and requests available dates for an opening conference.

11.53.4.5.1.3.1
(04-10-2023)

SB/SE Lead Process

- (1) When SB/SE is assigned as the lead organization, the SB/SE audit liaison identifies the appropriate SB/SE OUs, SB/SE program owners, and other impacted BUs based on the audit objective.
- (2) The assigned audit liaison forwards the engagement letter to all impacted functions.
- (3) When transmitting the engagement letter to the SB/SE lead functional coordinator and other impacted BUs, the SB/SE audit liaison will request availability for the opening conference.

11.53.4.5.1.3.2
(04-10-2023)

SB/SE Non-Lead Process

- (1) When another BU is identified as the lead, the lead BU liaison coordinates the opening conference.
- (2) The SB/SE audit liaison:
 - a. Identifies the appropriate SB/SE OUs and program owners impacted by the audit objectives.
 - b. Coordinates with the lead BU liaison, advising of SB/SE participation and obtaining potential opening conference dates.
 - c. Forwards the engagement letter and provides proposed dates, when available, for the opening conference to SB/SE functional coordinators. . Include the audit number, title, and the reply due date on the subject line of the correspondence.
 - d. Forwards a meeting invitation to POCs upon receipt from the lead BU liaison.
- (3) The SB/SE audit liaison addresses disputes with the lead BU or functional designation. Unresolved disputes are elevated to the Chief, Oversight Liaison. When determining lead designations, consider the following factors:
 - Focus of audit
 - Program ownership
 - Impact during review (which BOD is responsible for information/actions)
 - Prior report recommendations

- Prior response signatures
- IRM ownership (IRM sections may be owned by other BUs)
- Form (example, Form 3870, Request for Adjustment) ownership

(4) The SB/SE audit liaison will advise EAM of any change to the lead designation.

11.53.4.5.1.4
(04-10-2023)

Opening Conference Phase

(1) The opening conference is an initial opportunity to discuss background information, provide a perspective on the program or process being audited, set expectations for the audit, including agreeing on a mid-point or other periodic briefings, and establish a positive rapport with the audit team.

(2) If SB/SE is the lead on an audit, the SB/SE audit liaison schedules the opening conference with the SB/SE OUs and other impacted BUs. It is the responsibility of the SB/SE functional coordinator to encourage the executive from their functional area to participate at the opening conference. See IRM 1.29.1.2.6, The Opening/Entrance Conference.

(3) The SB/SE audit liaison will:

a. Forward the engagement letter to all impacted functions.

Note: Include the audit number, title, and the reply due date on the subject line of the correspondence.

b. Forward the meeting invitation to all impacted stakeholders and encourage SB/SE executive(s) participation.

Note: The executive has the option to appoint a designee within their function/program area to participate in the conference.

c. Invite SB/SE Research to all opening conferences.

d. Provide a list of participants and briefing notes on the meeting, if requested.

11.53.4.5.1.5
(04-10-2023)

Fieldwork Phase

(1) The TIGTA fieldwork phase is the research and information gathering phase.

(2) The SB/SE audit liaison will work with the TIGTA audit team to keep up to date with audit activities and to identify significant and sensitive issues before TIGTA issues the Agreement to Facts document.

(3) For SB/SE lead audits, the SB/SE audit liaison will:

a. Notify the Chief, Oversight Liaison when significant or sensitive issues are identified.

b. Schedule a Mid-Point Conference to discuss the preliminary audit findings, or other periodic follow up meetings as appropriate.

c. Maintain the audit records and history for permanent files.

Note: If the SB/SE audit liaison or the OU has concerns about requests that seem to exceed the scope of the audit, those concerns should be shared with the Chief, Oversight Liaison.

(4) When another BU is identified as the lead, the SB/SE audit liaison will:

a. Ensure they are aware of the status of the audit and sharing that, as appropriate, with SB/SE affected stakeholders.

- b. Notify the Chief, Oversight Liaison when significant or sensitive issues are identified.
- c. Maintain the audit records and history for permanent files.

11.53.4.5.1.6
(04-10-2023)

Agreement-to-Facts

- (1) At the conclusion of their fieldwork, TIGTA may issue an Agreement to Facts (ATF) document or a Findings and Recommendations document to share information about audit findings and recommendations. ATF is not a required part of the TIGTA process so not every TIGTA audit will have an ATF.

- (2) TIGTA may request an ATF meeting through the SB/SE audit liaison.

- (3) TIGTA will provide a briefing document of the tentative audit findings and recommendations to the SB/SE audit liaison prior to the ATF meeting.

Caution: This document is generally provided by the audit team directly to the audit liaison, not through EAM. The audit liaison should ensure the Chief, Oversight Liaison and EAM receive a copy immediately.

- (4) TIGTA will provide the briefing document at least two full business days before the meeting to allow for key audit stakeholder review.

- (5) The SB/SE audit liaison will review and then distribute the briefing document to the appropriate functional coordinators and impacted BU liaisons for their review and distribution to the key audit stakeholders.

- (6) The SB/SE audit liaison sends the briefing document to the SB/SE Research coordinator, before the proposed date of the ATF meeting requesting:

- Review of sampling methodology
- Validity of statistical analysis and reporting monetary benefits (outcome measures)

- (7) The SB/SE audit liaison will schedule an internal stakeholder meeting to take place prior to the ATF meeting. The internal meeting is particularly essential if the SB/SE audit liaison identifies the potential for negative impact, or if the key audit stakeholders, after their review of the briefing document, raise concerns. The request for the meeting should include:

- Outline/bullet recommendations
- Identify which organization addresses each recommendation

See IRM 1.29.1.2.14, Statement of Facts or Agreement to Facts.

- (8) This internal stakeholder meeting affords SB/SE the opportunity to correct, clarify, or mitigate the document contents prior to the ATF meeting with the TIGTA audit team.

- (9) The ATF meeting with TIGTA and internal stakeholders will:

- a. Obtain an agreement to the facts
- b. Resolve any disputed items
- c. Clarify any issues regarding the recommendations
- d. Summarize meeting and requested changes
- e. Obtain tentative date from TIGTA for issuing the discussion draft report

- (10) When another BU is identified as the lead, the SB/SE audit liaison will coordinate with the impacted OU functional coordinators and the lead BU liaison regarding the ATF meeting and invite participants, as needed.
- 11.53.4.5.1.7
(04-10-2023)
Discussion Draft Report Phase
- (1) TIGTA issues a discussion draft report in advance of the closing conference. The IRS has five business days to provide responsive comments. See IRM 1.29.1.2.15, Discussion Draft Report (TIGTA Only).
- (2) The discussion draft report identifies findings and recommendations and provides a snapshot of the potential draft report that will require an official response from the IRS.
- (3) A meeting may be held during the discussion draft report phase.
- (4) The purpose of the discussion draft report meeting is to bring all impacted stakeholders together to discuss the audit findings, recommendations, and issues of concern.
- (5) A pre-discussion draft meeting based on the report findings and recommendations is at the discretion of the SB/SE program owner, and potentially other impacted BUs. The purpose of the pre-discussion draft meeting is to discuss and coordinate the agency's position on the findings, monetary benefits (outcome measures), and recommendations. The meeting should also cover any concerns with monetary benefits, clarification or agreement needed concerning the recommendation ownership, program manager responsibility, identification of an author for developing the report response, or the IRS's position.
- 11.53.4.5.1.7.1
(04-10-2023)
Discussion Draft Report Activity
- (1) TIGTA sends the discussion draft report to EAM.
- (2) EAM distributes the discussion draft report to all impacted BUs.
- (3) The Chief, Oversight Liaison forwards the discussion draft report to the SB/SE audit liaison.
- (4) The SB/SE audit liaison reviews the discussion draft report and determines if recommendations or monetary benefits (outcome measures) impact any SB/SE functions.
- (5) The SB/SE audit liaison distributes the discussion draft report within SB/SE to the appropriate OU functional coordinators, and affected BU liaisons on SB/SE lead audits. SB/SE audit liaisons consult the responsible OU regarding the need for a discussion draft meeting. The request for the meeting should include:
- Outline/bullet recommendations
 - Identify which organization addresses each recommendation
 - State if report includes monetary benefit (outcome measures)
- (6) When another BU is identified as the lead, the SB/SE audit liaison will coordinate with impacted functional coordinators and the lead BU liaison regarding the discussion draft meeting and invite participants, as needed.
- (7) If the OUs determines that there is no need for a discussion draft meeting because there are no recommendations, issues, or concerns with the discus-

sion draft report, then the OU Executive will decide if a discussion draft meeting will be held and if a response will be prepared.

Note: If the OU determines there is no need for a discussion draft meeting the SB/SE audit liaison should advise the Chief, Oversight Liaison.

- (8) The SB/SE audit liaison sends the discussion draft report to the SB/SE Research coordinator, before the proposed date of the discussion draft meeting requesting:
 - Review of sampling methodology, if not done previously
 - Validity of statistical analysis and reporting monetary benefits (outcome measures)
- (9) The OUs should prepare, in advance of the meeting, a written list of their concerns regarding the discussion draft report. All recommended changes or comments to the agreement to facts and draft discussion documents should be captured in the comment matrix template.
- (10) The SB/SE audit liaison will:
 - a. Coordinate with TIGTA, within five work days from receipt of the discussion draft report, to schedule a discussion draft meeting, if requested.
 - b. Coordinate the date with the impacted directors and send the meeting invitation.
 - c. Ensure the responsible executive(s), program owner(s), and/or manager(s) participate in the discussion draft report meeting. If they are unable to, request a response from the SB/SE OU's executive, designee, and/or program manager validating their declination to attend the discussion draft report meeting.
 - d. Ensure objectives of the audit, findings, monetary benefits (outcome measures), recommendations, and ownership are addressed.
- (11) The SB/SE audit liaison will conduct the discussion draft meeting to:
 - a. Obtain an agreement to the facts
 - b. Resolve any disputed items

Note: If the SB/SE audit liaison is unable to resolve disputed items, elevate the issues to the Chief, Oversight Liaison.

 - c. Clarify any issues regarding the recommendations
 - d. Summarize meeting and requested changes
 - e. Obtain tentative date from TIGTA for issuing draft report
- (12) Internal ownership issues (lead or non-lead) on an audit are discussed off-line between SB/SE and the other BUs. If the SB/SE audit liaison cannot resolve the issue, elevate it to the Chief, Oversight Liaison for a resolution with EAM.
- (13) The SB/SE audit liaison will prepare and issue the discussion draft meeting minutes including:
 - a. Expected draft report issuance date
 - b. Updated comment matrix with discussion highlights, including points of disagreements and agreed-upon changes to the document
 - c. Identification of the SB/SE director responsible for writing the audit response

- d. Identification of other directors required to provide input or review and approve the response
- (14) To encourage early draft report response preparation, immediately following the discussion draft report meeting, the SB/SE audit liaison will provide the impacted OUs and BUs with:
- a. Example of Action Routing Sheet, or actual Action Routing Sheet, if reviewers are known
 - b. Note to Reviewer
 - c. Response memo and attachment template with correct opening and closing paragraphs, and correct wording for “Corrective Action Monitoring Plan” entry
 - d. Due date for completing the response
 - e. Prior signed response examples
 - f. Other clearance documents
 - g. Consolidated comment matrix
- (15) The start of the response writing is encouraged during the discussion draft phase with periodic follow-ups to ensure the process has begun.

Example: The following is a guideline for backward planning in the response writing and clearance process:

- Deputy Commissioner/Commissioner – Minimum five business days
 - Commissioner, SB/SE Staff – Minimum five business days
 - Chief, Oversight Liaison – Maximum one business day
 - Impacted directors – remaining business days
- (16) For guidelines on establishing a due date for a corrective action, see IRM 11.53.4.5.2.8, Establishing Accurate Corrective Due Dates.

11.53.4.5.1.8
(04-10-2023)
Draft Report Phase

- (1) The SB/SE audit liaison will coordinate and provide guidance on the preparation of the audit response to the lead SB/SE functional coordinator immediately after the discussion draft report meeting is held or declined. See IRM 1.29.1.2.16, Draft Report.
- (2) The SB/SE audit liaison will provide the SB/SE functional coordinator, for preparation of the response, the following information:
 - TIGTA response template
 - Action Routing Summary sheet
 - Note to the reviewers
 - Draft report
 - Discussion draft meeting notes and comment matrix, as appropriate
 - Document comparing the changes from the discussion draft report to the draft report
 - Example of an approved SB/SE TIGTA response
- (3) The SB/SE functional coordinator ensures that the response is prepared using the same guidelines identified under IRM 11.53.4.5.2.7, Preparation of the GAO Audit Response.
- (4) The SB/SE functional coordinator ensures that the response addresses all monetary benefits (outcome measures).

11.53.4.5.1.8.1
(04-10-2023)
**TIGTA Draft Report
Activity - Lead Audit**

- (5) SB/SE functional coordinators and SB/SE audit liaisons review due dates for corrective actions to ensure established guidelines are followed.
- (1) TIGTA management issues the draft report to EAM.
- (2) EAM assigns e-Trak Control to the BU and distributes the draft report to the impacted BUs.
- (3) The Chief, Oversight Liaison forwards the draft report to the SB/SE audit liaison.
- (4) The SB/SE audit liaison distributes the draft report to the Commissioner, SB/SE Office, the appropriate SB/SE OU functional coordinators, and impacted BU liaisons. The message will:
- Outline/bullet the report recommendations
 - Identify which organization will address each recommendation
 - State whether report includes monetary benefits (outcome measures)
- (5) The SB/SE audit liaison will follow-up with directors, functional coordinators, and response author until completion and approval by other BUs, all affected non-lead SB/SE Directors, and lead director.
- (6) Upon receipt of the completed response, the SB/SE audit liaison will:
- a. Review and edit for tone, spelling, grammar, active voice, and noun/verb agreement
 - b. Compare the Corrective Actions and the Comment Matrix to be sure that actions address the recommendation
 - c. Review for items that need to be redacted
 - d. Verify titles associated with acronyms
 - e. Consult lead director/functional coordinator if additional content is requested or content leaves reviewer with questions
 - f. Negotiate revisions
 - g. Verify outcome measures are addressed
- (7) The Chief, Oversight Liaison will manage the remaining draft report activity phase.
- (8) The Chief, Oversight Liaison or designee will send the response to TIGTAAuditIRSResponses@tigta.treas.gov with a copy to the appropriate TIGTA Audit Director, TIGTA Audit Manager, JAMES Coordinator, Legislative Affairs, and the SB/SE audit liaison. The SB/SE audit liaison will further distribute the signed report to the BU and OU functional coordinators who contributed to the response.

11.53.4.5.1.8.2
(04-10-2023)
**TIGTA Draft Report
Activity - Non Lead
Audit**

- (1) TIGTA management issues the draft report to EAM.
- (2) The Chief, Oversight Liaison forwards the draft report to the SB/SE audit liaison.
- (3) The SB/SE audit liaison distributes the draft report within SB/SE to the appropriate SB/SE functional coordinators.
- (4) If necessary, the SB/SE audit liaison will issue a message to impacted SB/SE functional coordinators, providing:

- Example of an Action Routing Sheet or actual Action Routing Sheet if reviewers are known
- Note to Reviewer
- Response memo and attachment template with correct opening and closing paragraphs, and correct wording for “Corrective Action Monitoring Plan” entry

Note: This message will provide guidance about which SB/SE Directors need to provide response input and approve the response.

- (5) The SB/SE audit liaison will consolidate and edit the response for appropriate clearance within SB/SE. Additional quality review is completed as part of the lead BU’s clearance process.
- (6) The Chief, Oversight Liaison or SB/SE audit liaison coordinate within SB/SE to answer questions, coordinate content changes, and finalize response for delivery to the lead BU.
- (7) The lead BU will consolidate response for clearance.

11.53.4.5.1.9
(04-10-2023)
Final Report

- (1) TIGTA issues the final report, which includes the agency’s official response to an audit.
- (2) The final report is assigned a report number.
- (3) The recommendations and corrective actions included in the final report are added to JAMES.
- (4) The SB/SE audit liaison provides a copy of the final report to the impacted SB/SE OUs.

11.53.4.5.2
(04-10-2023)
**Government
Accountability Office
(GAO) Audits**

- (1) GAO does not gather information to determine if an audit will be conducted as their audits are mandated by public laws, committee reports, or required through congressional requests.
- (2) GAO issues the Notification of Audit /Entrance Letter and Authorization Letter containing congressional request for the audit to EAM.
- (3) The GAO audit process includes the following steps:
 1. Opening Conference Phase
 2. Audit Phase
 3. Exit Conference Phase
 4. Draft Report Phase
 5. Final Report Phase (Congressional 180-Day Letter Response)
 6. GAO Response Clearance/Approval Process

11.53.4.5.2.1
(04-10-2023)
**GAO Audit Process for
SB/SE**

- (1) For non-lead SB/SE audits, another BU is the lead and SB/SE is impacted. The lead BU is responsible for scheduling openings, closings, progress update meetings, or for preparing final management responses to draft and final reports (GAO reports).
- (2) The lead BU audit liaison is responsible for coordinating, facilitating, and monitoring of the audits that affect their organization.

- (3) When impacted SB/SE OUs provide input or comments for a draft report or 180-day letter:
 - a. The lead BU audit liaison provides the response to the SB/SE audit liaison for review and approval by SB/SE.
 - b. The SB/SE audit liaison forwards the response to the impacted SB/SE OUs and then through the Commissioner, SB/SE.
 - c. The SB/SE OUs and the Commissioner, SB/SE indicate approval by initialing the Action Routing Sheet.
 - d. The SB/SE audit liaison then returns the response to the lead BU audit liaison.
 - e. The lead BU audit liaison reviews the response and forwards through their executive chain.

Note: If the response changes, the lead BU audit liaison forwards the response back to the SB/SE audit liaison to review and approve.

11.53.4.5.2.2 (04-10-2023)

Notification Letter

- (1) Generally, the GAO Director of Tax Issues sends a Notification Letter to EAM, as the designee of the IRS Commissioner, to notify the IRS of a new audit.

Note: Occasionally an audit letter may come from another office within GAO.

- (2) The notification letter is the official notification that GAO will conduct a formal audit. EAM will forward the entrance letter to the Chief, Oversight Liaison and other impacted stakeholders to initiate the opening of an audit. Audits are assigned to a SB/SE audit liaison who serves as the primary POC throughout the audit process.
- (3) If the lead BU is not identified or is in question, EAM will coordinate the opening with impacted areas.

11.53.4.5.2.3 (04-10-2023)

Entrance Conference Phase

- (1) The lead organization for the audit schedules GAO meetings and issues the GAO entrance conference invitation. The entrance conference with GAO should be scheduled within 14 calendar days following the request for a meeting. GAO generally will not begin work until the entrance conference has occurred.

- (2) The SB/SE audit liaison performs the following tasks to manage the audit:
 - a. Determines the impacted SB/SE OUs
 - b. Coordinates conference time/date with GAO and impacted OUs, if appropriate
 - c. Forwards the Entrance Letter, the conference invitation, and if provided, GAO's discussion points to the impacted SB/SE OUs, stakeholders and SB/SE Research
 - d. Ensures executive or designee participants are at the opening conference
 - e. Maintains a list of opening participants, issues resolved, and follow up actions required

Note: A list of the participants is provided to GAO, if requested.

11.53.4.5.2.4
(04-10-2023)
Audit Fieldwork Phase

- (1) The SB/SE audit liaison will work with the GAO audit team to keep up to date with audit activities and to identify significant and/or sensitive issues before GAO issues the Statement of Facts.
- (2) For SB/SE lead audits, the SB/SE audit liaison will:
 - a. Notify the Chief, Oversight Liaison when significant or sensitive issues are identified.
 - b. Schedule a Mid-Point Conference to discuss the preliminary audit findings, or other periodic follow up meetings as appropriate.
 - c. Maintain the audit records and history for permanent files.

Note: If the SB/SE audit liaison or the OU has concerns about requests that seem to exceed the scope of the audit, those concerns should be shared with the Chief, Oversight Liaison.
- (3) When another BU is identified as the lead, the SB/SE audit liaison will:
 - a. Ensure they are aware of status of the audit and sharing that, as appropriate, with SB/SE affected stakeholders.
 - b. Notify the Chief, Oversight Liaison when significant or sensitive issues are identified.
 - c. Maintain the audit records and history for permanent files.

11.53.4.5.2.5
(04-10-2023)
Exit Conference Phase

- (1) GAO conducts an exit conference on all audits and provides a Statement of Facts for comment.
- (2) The purpose of the exit conference is to discuss and resolve findings and questions contained in the Statement of Facts document. Waiving the exit conference is not an option.
- (3) GAO provides an estimate of the number of recommendations that may be included in the draft report. Recommendations are not always specifically identified until the draft report is issued.
- (4) GAO uses this phase to discuss, clarify, or correct data and significant issues that may be included in the draft report.
- (5) The SB/SE audit liaison will:
 - a. Coordinate with GAO to schedule the exit conference.
 - b. Notify the impacted SB/SE stakeholders of the scheduled exit conference.
 - c. Forward the Statement of Facts document along with the Comment Matrix created by the SB/SE audit liaison to the impacted SB/SE stakeholders.
 - d. Coordinate all comments and issues before and after the exit conference.
- (6) All SB/SE impacted OUs will:
 - a. Review briefing documents.
 - b. Identify any inaccurate or misleading statements of facts in the documents.
 - c. Identify positive statements or comments in the documents.
 - d. Consider redaction of specific report language.

Reminder: GAO does not ‘redact’ in the same manner as TIGTA, but they welcome recommended changes to the language which would prevent the disclosure of sensitive information while still effectively communicating their message.

- e. Capture all recommended changes or comments to the Statement of Facts document in the comment matrix template.
 - f. Appoint spokesperson(s) for the Statement of Facts/exit conference call to ensure that all comments are covered during the call.
- (7) The SB/SE audit liaison combines all comments into one file and provides the consolidated comment matrix to GAO prior to the conference call.

11.53.4.5.2.6
(04-10-2023)

Draft Report Phase

- (1) GAO prepares a draft audit report at the conclusion of an audit, requesting a formal agency response addressing the report’s conclusions and recommendations. See IRM 1.29.1.2.16, Draft Report.
- (2) The draft report is assigned a report number that Treasury uses to track corrective actions on JAMES when delivered to EAM.
- (3) EAM delivers the draft report to the Chief, Oversight Liaison who forwards it to the SB/SE audit liaison for distribution to the SB/SE Functional Coordinators and contacts for impacted BUs.
- (4) The IRS Commissioner generally has 30 calendar days to respond to a draft report. However, the GAO required response due date can be as few as seven calendar days from the date of the draft report if there is a Congressional request for the report. The cover memorandum accompanying the draft report will clearly stipulate the response time required.
- (5) SB/SE will provide a response that includes the following:
 - Agreement with findings and recommendations
 - Highlight of successes, achievements, or directives
 - Comments in response to the GAO recommendation

Note: Comments generally address the recommendation at a high level, but do not include implementation dates, responsible officials or implementation monitoring plans.

- (6) In limited circumstances, there may not be adequate time for the IRS to properly consider and address the individual recommendations. In that case, the letter will let GAO know whether the IRS generally agrees with the recommendations and that we will provide a detailed response to the recommendations in our letters prepared in response to the GAO final report. This should be used rarely.
- (7) If an extension to prepare the response is needed, the SB/SE audit liaison will notify the Chief, Oversight Liaison, who will then contact EAM to request the additional time to respond.
- (8) To coordinate the response, the SB/SE audit liaison:
 - a. Forwards the draft report to the impacted SB/SE functional coordinators and BUs, indicating the audit title, number, and reply due date in the subject line.

- b. Advises the impacted organizations of the pre-established due dates of the response.
- c. Forwards guidance on preparing the response.
- d. Schedules and coordinates, if necessary, an internal meeting to discuss the response.

Note: This is recommended when the OUs disagree with documentation in the report, there is disagreement with the ownership of a recommendation, or to ensure agreement with the response.

11.53.4.5.2.7
(04-10-2023)

**Preparation of the GAO
Audit Response**

- (1) The SB/SE audit liaison will coordinate and provide guidance on the preparation of the audit response to the lead SB/SE functional coordinator. The functional coordinator will return the response to the SB/SE audit liaison after securing the approval and signatures of appropriate officials.
- (2) Upon receipt of the completed response, the SB/SE audit liaison will:
 - a. Review and edit for tone, format, spelling, grammar, active voice, and noun/verb agreement
 - b. Ensure proper format requirements
 - c. Compare the Corrective Actions and the Comment Matrix to be sure that actions address the recommendation
 - d. Review for items that need to be redacted
 - e. Verify titles associated with acronyms
 - f. Consult lead director and functional coordinator if additional content requested or content leaves reviewer with questions
 - g. Negotiate revisions
 - h. Check that outcome measures are addressed
- (3) The SB/SE audit liaison will forward the approved response to the Chief, Oversight Liaison.
- (4) After securing the approved management response from the SB/SE audit liaison, the Chief, Oversight Liaison reviews the package for accuracy and then forwards the signature package to EAM at least six days prior to GAO's due date. EAM, will prepare the signature package and submit the package to Deputy Commissioner's office.

11.53.4.5.2.8
(04-10-2023)

**Establishing Accurate
Corrective Action Due
Dates**

- (1) The goal of SB/SE is to establish achievable corrective action due dates. For consistency throughout SB/SE, *use the 15th of the month as the due date for all corrective actions*. Delaying actions should be rare; however, certain delays, such as those relating to funding, IRM clearance and publication, executive steering committee concurrences, and Unified Work Request (UWR) prioritization, may be necessary.
- (2) To ensure achievable due dates, the SB/SE audit liaison will advise the SB/SE OUs to:
 - a. Brainstorm when findings and recommendations are first presented
 - b. Discuss and evaluate each recommendation
 - c. Consider all obstacles when establishing due dates
 - d. Draft a timeline including major milestone dates to arrive at the completion date
 - e. Add additional time to allow for unforeseen obstacles

- f. Carefully consider the scheduling of due dates when the report includes numerous recommendations where one corrective action must be completed before work can begin on another action

- (3) See IRM 1.29.1.2.23, Developing a Planned Corrective Action.

11.53.4.5.2.9
(04-10-2023)
**Final Report Phase
(Congressional 180-Day
or Letter Response)**

- (1) The final report procedure for GAO audits requires that the IRS respond to the Congress within 180 calendar days of the issuance of a GAO final report with recommendations (180-Day Letter). Legislative Affairs creates e-Trak controls to track the progress of the 180-Day Letter required for the GAO final reports. See IRM 11.5.1, 180-Day Letter Program and the exhibit in IRM 1.29.1-2 180-Day Letter Response.
- (2) GAO issues the final report that includes the agency's official 30 day response to the draft report.
- (3) The final report number remains the same as the draft report.
- (4) The SB/SE audit liaison provides a copy of the final report to the impacted SB/SE OUs.

11.53.4.5.2.10
(04-10-2023)
**GAO Response
Clearance/Approval
Process**

- (1) The SB/SE audit liaison prepares the Form 14074, Action Routing Sheet and forwards it to the lead SB/SE OU and other impacted stakeholders to initiate the clearance and approval process for an audit response.
- (2) The SB/SE audit liaison includes the following individuals and information on the Action Routing Sheet for review and approval:
 - Responsible SB/SE Director
 - Deputy Commissioner, SB/SE
 - Commissioner, SB/SE
 - Director, Legislative Affairs
 - The Action Routing Sheet "Subject Line" should contain the title of the audit report and the report number.
 - e-Trak control number
- (3) The lead SB/SE OU functional coordinator initiates the clearance process for the response.
- (4) The Chief, Oversight Liaison manages clearance up to Legislative Affairs (LA) once package is received from the function.
- (5) LA continues the clearance process for the response through the Deputy Commissioner to obtain the IRS Commissioner's approval and signature.

11.53.4.5.2.11
(04-10-2023)
**Financial Statement
Audit**

- (1) GAO audits the financial statements of the IRS annually with the objective of rendering an opinion, evaluating internal controls, and reporting IRS's compliance.
- (2) At the conclusion of the audit, GAO issues an opinion on the financial statements. The final report is issued annually by November 15.
- (3) The opinion rendered is one of the following:
 - Unmodified Opinion – In all material aspects, the statements fairly represent financial data.

- Qualified Opinion – Except for the circumstances specified in the report, the statements fairly present financial data.
 - Adverse Opinion – The auditor disagrees with application of certain accounting principles, and statements do not fairly represent financial data.
 - Disclaimer Opinion - The auditor could not obtain enough evidential matter to express an opinion. An unfavorable audit opinion on IRS' financial statements impairs GAO's ability to place reliance on the Treasury and Government-wide financial statements.
- (4) In the spring of the following year, GAO issues two related management reports:
- Management Report: IRS Needs to Improve Financial Reporting and Information System Controls
 - Priority Open Recommendations: Internal Revenue Service
- (5) The following table shows the timeline of events for IRS financial statement audit:

Dates	Activity
November	<p>GAO begins to request documents via Prepared/Provided by Client (PBC) Listing. BUs are responsible for items identified in their organization. GAO may also request a walk-through to understand how work is processed.</p> <p>Note: Walkthroughs begin in April or March at the earliest.</p> <p>The CFO circulates Cycle Memoranda, in December that describes IRS's operations/processes. There are four memoranda which SB/SE reviews and updates:</p> <ul style="list-style-type: none"> • Revenue Reports • Refunds • Unpaid Assessments • Tax Outlays <p>The financial audit liaison coordinates review and update of the memoranda.</p>

Dates	Activity
December	GAO initiates the audit by issuing the entrance letter through EAM, who sends it to the CFO, the lead stakeholder. The CFO controls and forwards the letter to the BUs. Each of the BOD's appoints a liaison who is responsible for coordinating the audit activities. In SB/SE, an audit liaison coordinates activities and ensures complete coverage and timely response.
January - February	GAO comes up with a draft of their proposed recommendations, known as a Statement of Fact (SOF) for the upcoming management report. The Financial Management Audit team will work with the impacted BUs to provide feedback to GAO.
March - April	Internal control testing occurs at field offices. GAO conducts field testing over various aspects of field offices whose responsibilities include receiving taxpayer payments and returns and forwarding them for further processing. GAO issues a letter to the CFO identifying the sites where they plan to conduct field testing one to two weeks prior to the visit. In recent years, GAO has performed this testing in Collection field offices. The SB/SE audit liaison works with the OU coordinator to plan visitations and provide CFO and GAO with points of contact for each office. GAO hosts entrance and exit conferences at the end of each site visit in which the SB/SE audit liaison documents the summary findings.
April - September	CFO hosts monthly conference calls to discuss items related to the Financial Statement Audit and other items submitted by GAO or the IRS.

Dates	Activity
May - June	GAO issues the Management Report on the prior year audit, identifying issues and recommendations.
May - October	GAO issues Audit Inquiry Forms (AIFs) and/or Matters for Further Consideration (MFCs) which are the findings from the internal control testing at the field offices, sample testing and walkthroughs. AIF's are request for additional information or clarification. An MFC is documenting an issue identified. IRS agrees with or refutes the facts identified in the MFC. IRS submits proposed resolutions addressing issues with which they concur. If IRS does not concur with the issue, it is required to support the position on the refuted situation or circumstances.
June - September	GAO conducts transaction testing on sample cases for the Unpaid Assessment, Revenue Receipts, and Refund audits at the Kansas City campus.
October - November	CFO issues the After the Audit Report from the transaction testing. The majority of SB/SE findings are from the Unpaid Assessment sample. Responses to the reports are due by December 31.
November 8	GAO issues a draft opinion on the financial statements (unqualified, qualified, adverse, etc.), including other high-level data, material weaknesses, and reportable conditions. IRS has four hours to coordinate the review by the executives.
November 15	GAO issues the final opinion on the financial statements and reports the opinion to Treasury.

Dates	Activity
November - December	CFO requests the current statuses of open recommendations. The status of GAO Financial Statement Audit and Related Management Report Recommendations are due to Congress 180 days after the issuance of the Management Report.
Quarterly	CFO requests updates to open recommendations (March, June, and September).

11.53.4.5.3
(04-10-2023)
**TIGTA and GAO Internal
Control Program
Background**

- (1) The Department of Treasury tracks the status of its bureaus' corrective actions addressing audit recommendations from TIGTA and GAO reports through JAMES. JAMES tracks the progress the bureaus are making in implementing TIGTA and GAO audit recommendations based on Treasury Directive 40-03, dated February 2, 2001, that establishes the policies and procedures and assigns responsibilities for implementing and monitoring audit follow-up within the Department.
- (2) EAM is responsible for managing corrective actions addressing audit recommendations including:
 - a. Maintaining and updating the JAMES tracking database.
 - b. Informing Treasury and the Management Controls Executive Steering Committee (MC ESC) about the status of the audit inventory through periodic reports.
 - c. Ensuring the quality and timeliness of implementation of management corrective actions.
- (3) See IRM 1.29.1.3, Monitoring Planned Corrective Actions.
- (4) The SB/SE Division's JAMES Coordinator is a liaison who coordinates between EAM and the SB/SE Division for tracking and reporting on TIGTA and GAO audit corrective actions.

11.53.4.5.3.1
(04-10-2023)
**Role of the SB/SE
JAMES Coordinator in
the Audit Follow-Up
Process**

- (1) The SB/SE JAMES coordinator (JAC) is the primary point of contact between the Chief Risk Officer, EAM and SB/SE for tracking and reporting on TIGTA and GAO audit corrective actions. The SB/SE JAC is responsible for monitoring the implementation of planned corrective actions (PCAs) in response to TIGTA and GAO audit recommendations. The JAC will maintain records on JAMES audit verification memoranda, management updates to corrective actions, and related documents for each of the audit reports and corrective actions. See IRM 1.29.1.1.3.6 , JAMES Audit Coordinators (JACs).
- (2) The JAC's internal process in SB/SE includes:

- a. Forward JAMES verification memoranda and any other EAM memoranda to the appropriate SB/SE OU functional coordinators to request verification of the information provided.
- b. Review for accuracy and consolidate Corrective Action Status Update forms received from SB/SE functional coordinators.
- c. Brief SB/SE functional coordinators on problems or issues dealing with updates to TIGTA and GAO corrective actions.
- d. Resolve deficiencies and communicate results of the sample reviews, including copies of Form 14668, IRS Quality Assurance Review of Closed Planned Corrective Action (PC) Notification with the appropriate business unit management.
- e. Request status updates from the directors, their senior operations advisors, and their functional coordinators on the open TIGTA and GAO corrective actions within SB/SE.
- f. Assist analysts or functional coordinators with the preparation of concurrence memoranda for changes or closure of planned TIGTA or GAO corrective actions not implemented as planned and forward them to the EAM.
- g. Assist analysts or functional liaisons with the transfer of a PCA to another IRS BU.
- h. Prepare Monthly Inventory reports and emails for distribution by the SB/SE Chief, Oversight Liaison to SB/SE leadership.
- i. Act as liaison between SB/SE managers and EAM on resolution of problems encountered during implementation of actions and during verification of status updates.
- j. Provide guidance to functional coordinators and managers on audit follow-up policy and procedures and brief heads of functional areas about the status of the open inventory, as needed.

Other Duties of SB/SE JAMES Coordinator:

- a. The SB/SE JAC also monitors SB/SE corrective actions in Material Weakness, Reportable Condition, and Remediation plans.

Note: Material Weakness is a significant program deficiency of sufficient importance to be reported annually to the Department of the Treasury and, ultimately, to the President and the Congress until corrected. Reportable Condition is a program deficiency, such as collection of unpaid taxes that requires IRS Executive oversight. Remediation Plan is necessary when the IRS's financial systems do not comply with federal government requirements. Plans include remedies, resources, and target dates for completion. Quarterly reviews are coordinated with the EAM.

- b. The JAC works with the SB/SE audit liaison that handles the Financial Statement Audit to ensure actions are completed and reported timely.
- c. The MC ESC provides leadership and oversight for GAO and TIGTA audit findings, Material Weaknesses, Reportable Conditions, and the Financial Statement Audit. The committee meets quarterly. When an SB/SE program is on the agenda, the JAC works with the program owners to provide briefing materials prior to the meeting and coordinates completion of any follow up actions.

11.53.4.5.3.2
(04-10-2023)

**TIGTA and GAO Audit
Recommendations and
Corrective Actions
Follow-Up Process**

- (1) The following sections explain the tracking of the implementation of corrective actions addressing audit recommendations to ensure that the SB/SE Division implements planned actions timely and as stated in the management responses to audit reports.

11.53.4.5.3.3
(04-10-2023)

**Audit Verification Using
the Joint Audit
Management Enterprise
System (JAMES)**

- (1) Once TIGTA or GAO issues a final report, EAM prepares the JAMES A6 abstract and the Audit Verification transmittal memorandum. The abstract contains a summary of findings, recommendations, PCAs, root cause category, monetary benefits, if applicable, due dates, and the responsible official. See IRM 1.29.1.3.6.7 ,Entering New Audit Reports into JAMES and IRM 1.29.1.3.7 Root Cause. For GAO final reports, initial abstracts prepared after receipt of the final reports show only findings and recommendations because, unlike responses to TIGTA draft audit reports, the management responses to GAO draft reports do not include specific corrective actions, due dates, or responsible officials. Once the 180-day letter to Congress is completed, EAM adds the corrective actions, due dates and responsible officials to JAMES and issues another verification memorandum.
- (2) EAM forwards the JAMES audit verification memorandum transmitting the final report abstracts to the SB/SE JAC requesting verification that the information shown in the abstract is correct, and, if not already provided, the specific corrective actions and original due dates for each audit recommendation (for the GAO report abstracts).The SB/SE JAC reviews the A6 report audit finding, recommendations, corrective action descriptions, implementation dates, and responsible officials for each of the PCAs and compares them to the Final Report and Management Response for accuracy. The SB/SE JAC then forwards the verification memorandum to the SB/SE functional coordinators to review and identify any items that require a revision and confirm the correct root cause category. The SB/SE JAC will respond to EAM by the requested due date with verification of the information in JAMES or requested changes.
- (3) EAM assigns three-digit numbers (e.g., 1-2-3) to corrective actions when developing the final report abstracts in the JAMES tracking system. The first digit represents the finding, the second the recommendation, and the third the particular corrective action number under the recommendation.
- (4) The SB/SE JAC contacts the responsible SB/SE functional coordinators to resolve any discrepancies or request information on corrective actions. In case of discrepancies in the JAMES abstracts, the SB/SE JAC prepares a draft response to the JAMES verification memorandum for submission by the responsible SB/SE director(s). If no changes are necessary, the JAC verifies and notifies EAM that the abstracts are correct. A concurrence memorandum, signed by a responsible official at the executive level, is only required if there is substantial disagreement or if monetary benefits have been identified.
- (5) The JAC enters all new corrective actions on the individual function spreadsheets and prepares the monthly communications for each SB/SE director for tracking and reporting purposes.

11.53.4.5.3.4
(04-10-2023)

**Corrective Action Status
Updates**

- (1) SB/SE directors are responsible for implementing the agreed upon corrective actions in the management responses to draft audit reports. The JAC is responsible for monitoring the status of all open SB/SE audit corrective actions and prepares excel spreadsheets to share with SB/SE leaders their function's corrective action inventory by the 25th day of each month. See IRM 1.29.1.3 , Monitoring Planned Corrective Actions and IRM 1.29.1.3.1 , Closing Planned Corrective Actions.
- (2) Each director through their functional coordinators must provide the current status of all corrective actions due within six months in the "Current Status" column on the spreadsheet. Form 13872, Planned Corrective Action (PCA) Status Update for TIGTA/GAO/MW/SD/TAS/REM Reports, is required for each action that is completed or rescheduled. For completed actions, Form 13872 must include specific information about actions taken, completion dates, and any documentation showing implementation of the recommendation. TIGTA or GAO does not consider a recommendation closed simply because the JAMES report says IRS closed it. The auditors may request documentation as evidence of the implemented corrective actions. When preparing status updates, managers should look closely at the JAMES abstracts or the final report to ensure their updates address the recommendations and planned corrective actions in the abstracts. Identified monetary benefits should be addressed in the status update, whether realized or not.
- (3) For extensions of due dates, Form 13872 should include specific reasons for delays in implementing actions. A revised date should be set to the 15th of the month following the anticipated completion of the action to allow time to provide a response to EAM and entry into JAMES. The appropriate director must sign the Form 13872. The form must list a contact person who is a senior manager with subject-matter expertise who can answer questions from EAM, TIGTA, GAO, or high-level manager.
- (4) All updated spreadsheets and approved Forms 13872 are due to the Chief, Oversight Liaison with a copy to the JAC by the 10th day of the following month.
- (5) EAM will inform the audit liaison of any pending actions because the status narratives were not satisfactory to either change, close, or delay the actions. Actions involving a Unified Work Request (UWR) or revisions to the IRM require full implementation of the programming changes and the actual IRM updates, in order to close them in the JAMES tracking system.

11.53.4.5.3.5
(04-10-2023)

**Change/Cancellation of
Corrective Actions**

- (1) To request approval to revise planned audit corrective actions or to close audit corrective actions SB/SE could not implement as planned (e.g., programming changes could not be implemented because the UWR was not approved or because a planned project was canceled), the OU must prepare a concurrence memorandum for the signature of their director. Include a courtesy copy to the EAM. If the Chief Information Officer function rejects a UWR (prepared in response to an audit recommendation), the impacted OU must ask IT to provide the denial in writing, including the specific reasons. See IRM 1.29.1.3.9 ,Managing Unique PCA Activities.
- (2) Once signed by the Director, the functional coordinator will send the concurrence memorandum to the JAC who is responsible for transmitting the

memorandum to TIGTA or GAO. The JAC is also responsible for following up on these memoranda. TIGTA and GAO send their responses to the EAM who then forwards them to the SB/SE JAC.

- (3) The impacted OU should request extensions of due dates for corrective actions pending responses from TIGTA or GAO on memoranda requesting approval to close or change their planned corrective actions.

11.53.4.5.3.6
(04-10-2023)
**Transfer of Corrective
Actions to Another
Business Unit**

- (1) Transfers of corrective actions to another BU require the concurrence memoranda, with attached abstracts of the corrective actions involved, signed by the directors responsible for the audit recommendations and corrective actions, asking for concurrence signature from the appropriate directors in the receiving BU. See IRM 1.29.1.3.9 (6), Transfer of Ownership for Audit Recommendations.

Note: An e-mail from the accepting executive is sufficient.

- (2) The SB/SE JAC forwards copies of the signed memoranda to EAM and the appropriate JAMES coordinators in the receiving BU.

11.53.4.5.3.7
(04-10-2023)
Long-Term PCAs

- (1) Consider various factors when setting the initial PCA due date. PCA implementation timelines can extend for multiple years. For appropriate guidance on Managing Long-term PCAs or Long-term extensions. See IRM 1.29.1.3.9, Managing Unique PCA Activities.
- (2) PCAs with longer completion timelines, warrant greater attention. PCAs are considered long-term as follows:
 - TIGTA - 24 months (730 days) or greater from the TIGTA audit report issue date
 - GAO - 18 months (547 days) or greater from the GAO 180-Day Letter issue date
- (3) For Long-Term PCAs, provide a status update every 12 months in JAMES. EAM will establish an initial milestone date. Systemic notifications from JAMES are issued 30 days prior to the milestone date prompting a progress update. Updates must include the following information:
 - a. Actions that have been taken
 - b. Actions that are still remaining
 - c. Status regarding meeting the implementation due date

Note: Interim updates may be requested by EAM outside of JAMES.

11.53.4.5.3.8
(04-10-2023)
**Uploading Supporting
Documents**

- (1) As of April 1, 2017, PCAs reported as “Implemented” in management’s response to an audit report requires sufficient supporting documentation be provided. See IRM 1.29.1.3.3, Requirements for Form 13872 and Supporting Documentation, for more information on the requirements for the supporting documentation.
- (2) EAM assigns the initial due date in the JAMES for these PCAs to be updated. For TIGTA actions the assigned due date is 60 days following the issuance of the final report and for GAO actions, with the exception of those from the financial statement audit, the assigned due date is 30 days from the issuance

of the 180-day letter. The supporting documentation must be uploaded into the JAMES in order to consider a PCA accurately closed in the JAMES.

11.53.4.5.4
(04-10-2023)
**SB/SE Legislative
Proposals/Guidance
Database**

- (1) The SB/SE Legislative Proposals/Guidance Database is a web-based application that helps designated users research legislative proposals and guidance request submissions.

11.53.4.5.4.1
(04-10-2023)
Function

- (1) The SB/SE Legislative Proposals/Guidance Request Database allows designated users to:
- a. Obtain historical legislative proposal and guidance request information.
 - b. Identify and track legislative proposals and guidance requests.
 - c. Research and identify issues that have affected or will affect program planning and design.
 - d. Extract Reports: All designated users have the ability to extract reports by record type, status, and submission year.

11.53.4.5.4.2
(04-10-2023)
Application Security

- (1) The SB/SE Legislative Proposal/Guidance Request Database Administrator and Chief, Oversight Liaison has the authority to add and remove users from the database and to assign permissions.
- (2) Executing changes to the data contained in the database is limited to Oversight Liaison team members and SB/SE Legislative Proposal/Guidance Request Database Administrator.
- (3) The OUs must advise the Chief, Oversight Liaison when a change in personnel requires an addition or deletion of user's read-only authorization.

11.53.4.5.4.3
(04-10-2023)
**Using the Application -
Overview**

- (1) The SB/SE Legislative Proposal/Guidance Request Database home page provides a series of menu boxes that allows users to:
- a. Create a Legislative Proposal/Guidance Request Record.
 - b. Search the database for Legislative Proposals/Guidance Requests.
 - c. Extract standard Legislative Proposal/Guidance Request reports by selecting specific parameters.

11.53.4.5.4.4
(04-10-2023)
**Description of SB/SE
Legislative
Proposal/Guidance
Request Database**

- (1) The SB/SE Legislative Proposal/Guidance Request Database contains the following information on submitted legislative proposals and guidance requests:
- Title/Description
 - Code Section(s)
 - FY(s) SB/SE Commissioner Ranking/ Function Ranking
 - Submission Year and Functions
 - Function POC(s)
 - Status (Withdrawn, In Priority Guidance Plan, In Green Book, Awaiting Response, Record Only, Accepted, Denied, Other)
 - Type (Administrative, Audit Recommendation, Costing, Revenue Enhancement)
 - Research
 - Comments
 - Attachment(s)

11.53.4.6
(04-10-2023)

SB/SE Legislative Program

- (1) The designated SB/SE audit liaison maintains the legislative program for SB/SE. The program consists of three processes:
- Legislative implementation
 - Legislative proposals
 - Requests for published guidance

11.53.4.6.1
(04-10-2023)

Legislation Roles and Responsibilities

- (1) Oversight Liaison partners with other organizations to assist in the coordination of the SB/SE Legislative Program.
- (2) Oversight Liaison coordinates with LA, which has oversight responsibility for legislative proposals, coordinating legislation with Treasury and Congress, reviewing Congressional testimony, attending hearings, and monitoring legislation through passage for the IRS Commissioner.
- (3) Oversight Liaison also coordinates the legislative process with:
- Other functions within SB/SE
 - Other functions within IRS
 - Commissioner, SB/SE staff, which has oversight responsibility for the legislative program
 - SB/SE Communications, which has oversight responsibility for preparing legislative communication plans for all new SB/SE impacted legislation during the implementation process
- Note:** This includes coordinating with Communications & Liaison (C&L) on external communication and preparation of internal communication for the SB/SE staff.
- SB/SE OUs, which create legislative proposals as well as develop and monitor legislative implementation action plans for their specific programs
 - SB/SE Learning and Education, which has oversight responsibility for developing training related to all new legislation that affects SB/SE

11.53.4.6.2
(04-10-2023)

Legislation Implementation Activities

- (1) The LA monitors proposed/pending legislation (bills) as part of their oversight and coordination role. LA analyzes and tracks developing legislation that may affect IRS programs until Congress suspends activity on the bill or passes it.
- (2) Proposed bills are those being formulated or considered for passage by Congressional Subcommittees, Congressional Committees, Conference Committees, U.S. House of Representatives or U.S. Senate. Pending bills are those that have passed both houses but have not been signed into law by the President.
- (3) The LA tracks bills of greatest interest to Treasury and IRS as they progress through the House Ways and Means Committee and the Senate Finance Committee to enactment by the full Congress.
- (4) The SB/SE's legislation implementation liaison (legislation liaison) sends weekly updates on bills with IRS references to SB/SE OU coordinators. OU coordinators can request tracking of any bills. If tracking is requested, then the legislation liaison will create an alert in Congressional Quarterly to request alerts when updates are made to a bill. The legislation liaison will then forward the alerts to the requesting OU coordinator.

- (5) LA serves as the principal liaison between IRS leadership and the IRS BUs for implementing legislation.
- (6) The LA POC forwards pending legislation to the Senior Advisor to the Commissioner, SB/SE (Senior Advisor) and legislation liaison when enactment is imminent, i.e., when legislation is expected to be passed by both Houses of Congress but has not yet been signed into law or enacted by the President of the United States. The legislation liaison also forwards the bill to the OU coordinators.
- (7) After the bill is enacted, the LA POC tentatively assigns leadership of each legislative provision to an IRS BU commissioner or functional area, subject to later confirmation. If the provision assignment is not clear, the LA POC may schedule a meeting with BU leadership, including the Senior Advisor, to explain the new legislation and determine BU ownership for the provision.
- (8) The LA POC sends a notification of enacted legislation with a BU ownership chart to the Senior Advisor and legislation liaison.
- (9) The Senior Advisor and legislation liaison serve as the principal contacts for implementing legislation within SB/SE.
- (10) The legislation liaison forwards the notification of enacted legislation with a BU ownership chart from LA to the OU coordinator with a request to discuss executive ownership (if needed), instructions to provide "Early Actions" and an implementation plan using the Legislation Implementation Action Plan Template.
- (11) The OU coordinator:
 - a. Evaluates whether their executive should be the lead and own the provision(s) assigned to SB/SE.
 - b. Advises the SB/SE legislation liaison of the provision(s) that the OU will own.
 - c. Ensures the appropriate program manager prepares the Legislation Implementation Action Plan for each provision and forwards it to the legislation liaison.

Note: Leadership for a provision generally fits with the program that is responsible for the related policy or has a preponderance of the actions.
 - d. Evaluates whether their OU should own any other provision or contribute to the implementation of other provisions not assigned to SB/SE.
 - e. Briefs the OU executive(s) in preparation for an SB/SE implementation meeting, if needed, with the legislation liaison and Senior Advisor, if ownership issues arise.

Note: The OU elevates ownership transfer requests by completing the Provision Owner Transfer Request Form and providing the form to the legislation implementation liaison. The legislation implementation liaison will review the form and forward to the Senior Advisor. The Senior Advisor negotiates transfer of a provision to another BU, as needed.
- (12) The legislation liaison enters and monitors the OU's implementation action plans, contained within the Legislation Implementation Action Plan Template, in

LATIS until completion. The OU POC provides the legislation liaison with timely action updates, information on any new actions, and closing guidance using the Provision Closing Record when requested

11.53.4.6.3
(04-10-2023)
Monitoring LATIS

- (1) The status of legislative provisions and implementation items posted to LATIS is updated regularly, based on the due dates provided by the OU coordinators. LA monitors status and completion of all legislative provisions and implementation actions in LATIS. Overdue provisions and actions are reported to BU commissioners or deputy commissioners by LA monthly for immediate action.
- (2) The legislation liaison monitors LATIS action to ensure timely implementation of legislation. The legislation liaison:
 - a. Updates SB/SE owned legislative provisions and implementation actions in LATIS as needed (weekly or monthly)
 - b. Notifies the OU coordinators of necessary provision or action updates
- (3) The OU coordinators are responsible for the following monthly activities:
 - a. Briefing the OU executive(s) about completed actions, provisions, and the cause(s) of delayed or suspended actions
 - b. Timely elevating to the OU executive(s) of unresolved policy issues or implementation barriers that require executive consideration
 - c. Reporting the status of legislative actions and provisions for use in the SB/SE Business Performance Review
- (4) Legislation may require the IRS to submit reports to Congress, sometimes on a periodic basis, such as quarterly or annual reports to Congress. LA personnel enter these requirements into LATIS. If SB/SE is responsible for the preparation of a congressional report and an entry in the e-Trak system has not been made, the SB/SE legislation liaison will discuss the item with the responsible OU and LA.

11.53.4.6.4
(04-10-2023)
Legislative Proposals Overview

- (1) Legislative proposals are suggestions for legislation that will further the objectives of the IRS Strategic Plan, such as reducing the tax gap, to improve service and compliance. Legislative proposals may seek to address an area of noncompliance, reduce the burden or complexity of tax administration, or seek technical corrections to rectify oversights or omissions.
- (2) Legislative proposals are submitted in two ways:
 - From internal sources, including SB/SE staff and offices, the SB/SE Commissioner, other IRS BUs or organizations, and the IRS Commissioner
 - From external sources, including practitioners, stakeholder organizations, Treasury, other federal agencies and Congress
- (3) The Deputy Commissioner presents to the IRS Commissioner legislative proposals cleared by the IRS BUs. Proposals approved by the Commissioner are sent to Treasury for review and consideration. Treasury will consult with Office of Management and Budget (OMB) and the Taxpayer Advocate on the proposals. Proposals approved by Treasury and OMB are shared with Congress for possible inclusion in future legislation.

11.53.4.6.5
(04-10-2023)

**Requests for Published
Guidance Overview**

- (1) Requests for published guidance seek clarification or changes to existing legislation as well as to existing published guidance (i.g., policies, procedures, etc.). Requests for guidance strive to promote consistent treatment and sound tax administration, resolve a frequently litigated issue, lessen burden on taxpayers and the IRS, or enable taxpayers to more easily understand or comply with tax law.
- (2) Requests for published guidance are submitted in two ways:
 - From internal sources, including SB/SE staff and offices, the SB/SE Commissioner, other IRS BUs or organizations, and the IRS Commissioner
 - From external sources, including practitioners, stakeholder organizations, Treasury, other federal agencies and Congress
- (3) The Senior Advisor presents the requests coordinated by the legislative liaison and OUs to the Commissioner, SB/SE before submitting to Counsel.
- (4) The legislative liaison monitors the progress of the submissions to Counsel.

11.53.4.6.6
(04-10-2023)

**Legislative Proposal and
Request for Published
Guidance Process**

- (1) Within SB/SE, the Oversight Liaison staff has responsibility for preparing the solicitation, monitoring, tracking, reviewing, and coordinating of legislative proposals and requests for guidance with impact on SB/SE. The solicitation will include a request that each executive prioritize their submissions.
- (2) The SB/SE legislative proposal process provides an updated inventory of proposals for the Commissioner, SB/SE to use in responding to periodic recommendations from Treasury, Congress, TIGTA, and GAO. Both the SB/SE legislative proposal process and the request for published guidance process are vehicles for seeking needed changes identified by SB/SE staff.
- (3) The SB/SE legislative proposal process includes an annual legislative proposal request. This is the annual request canvassing for proposals warranting consideration by Treasury and Congress. It is composed by the legislation liaison for distribution from the Senior Advisor. This request provides guidelines, a legislative proposal template and an example of an existing legislative proposal, which provides useful information.
- (4) As set forth in the proposal template, a legislative proposal should include an explanation of the existing Internal Revenue Code (IRC) section and suggested changes, problems seen under current law, an assessment of the need for the legislative change, description of impact on compliance or enforcement, revenue and administrative resource effects, and quantifiable impact of the proposal. The Senior Advisor and legislation liaison review the proposals received during the annual process. Proposals received outside the annual process are part of the next scheduled annual review. The legislation liaison may contact the originator for additional information if the proposal needs clarification.
- (5) The SB/SE Division Counsel's review of legislative proposals includes the following steps:
 1. The Senior Advisor will forward proposals to Counsel for review and comment. As necessary, Headquarters Division Counsel will assist in determining whether the proposal requires a legislative change, is feasible, and warrants further consideration.

2. The Senior Advisor and legislation liaison, OU directors and/or OU coordinators will meet with SB/SE Division Counsel to discuss the feedback provided on the legislative proposals.
 3. Headquarters Division Counsel will work with the executives and OU coordinators in the originating office on feasibility and need for the suggested legislative change.
 4. The Commissioner, SB/SE receives the proposals, recommended by the Senior Advisor as warranting consideration, in a summary format after consultation between the appropriate SB/SE office and Headquarters Division Counsel. The originators of the proposals not recommended for consideration are notified and continued development is suspended.
- (6) The legislation liaison provides the Senior Advisor with a summary of the requests in order of ranking. The Commissioner, SB/SE will prioritize the submissions based on SB/SE needs, the Strategic Plan, impact on voluntary compliance, and other appropriate considerations and forward them to Counsel for further consideration. After the IRS Commissioner and IRS Chief Counsel approve the legislative proposal, IRS Legislative Affairs forwards the proposal to Treasury and OMB.
- (7) The request for published guidance process includes an annual solicitation for published guidance request. This is an annual request canvassing for any guidance request warranting consideration by Counsel and Treasury is composed by the legislation liaison for distribution by the Senior Advisor. The contents of solicitation should include:
- a. Name of Issue
 - b. IRC section(s) or Regulation(s) involved
 - c. Why guidance is needed
 - d. Taxpayers and SB/SE program affected
 - e. History or problems related to the issue
 - f. Other IRS organizations we will need to coordinate with on the issue
 - g. Quantifiable Impact
 - h. Person to contact for information (name and telephone number)
- (8) Oversight Liaison reviews and perfects requests for published guidance within SB/SE. The following steps occur for the review and perfection of requests for published guidance:
1. The legislation liaison reviews the requests received during the annual process. Requests received outside the annual process are part of the next scheduled annual review. The legislation liaison may contact the originator for additional information if the request needs clarification or development.
 2. The legislation liaison reviews the requests to determine if guidance is appropriate or the request rises to a legislative proposal. This is sometimes determined with Senior Advisor and SB/SE Division Counsel. If the request requires a change to legislation, it is returned to the author for re-submission as a legislative proposal.
 3. The legislation liaison organizes a meeting with Senior Advisor and SB/SE Division Counsel, OU directors and OU coordinators to discuss the requests for guidance and provide a final ranking.
 4. The legislation liaison provides the Senior Advisor with a summary of the requests in order of ranking. After consultation between the appropriate SB/SE office and Headquarters Division Counsel, the Senior Advisor forwards the requests determined to warrant consideration to the Com-

missioner, SB/SE. The originators of the requests not recommended for consideration are notified and continued development is suspended.

5. The Commissioner, SB/SE will prioritize the requests based on the effect on SB/SE needs, the Strategic Plan, impact on voluntary compliance, and other appropriate considerations and forward them to the SB/SE Division Counsel representative for submission to the appropriate divisions within Chief Counsel.
6. The legislation liaison adds approved legislative proposals and requests for guidance to the SB/SE Legislative Proposals/Guidance Database. Permission to access the database is required. The legislation liaison tracks and updates the proposals and guidance requests throughout the process.

11.53.4.7
(04-10-2023)
**SB/SE Tax Products
Maintenance Program**

- (1) SB/SE has a Memorandum of Understanding (MOU) dated August 17, 2011 with W&I Tax Forms and Publications that outlines the roles and responsibilities for the development and maintenance of SB/SE owned tax products (forms, instructions, publications, etc).
- (2) Under the MOU, SB/SE is responsible for approving and prioritizing proposals to update, create or obsolete SB/SE owned tax products. These proposals are outside of changes mandated by legislation or agreed to during or as a result of the TIGTA and GAO audits. The legislation, TIGTA and GAO programs have a separate process for coordinating and tracking tax product revisions.

11.53.4.7.1
(04-10-2023)
Program Objectives

- (1) The objectives of the SB/SE Tax Product Maintenance program are to:
 - a. Develop and maintain the liaison's procedures, in accordance with IRS policy, for an efficient, effective, complete and coordinated process within SB/SE.
 - b. Document the liaison's procedures in the approved system(s) to ensure continuity.
 - c. Provide support for the OUs to evaluate and take necessary actions to request discretionary changes to IRS tax products.
 - d. Document the liaison's activities and the OUs actions using approved methods and systems.
 - e. Facilitate the process for vetting all discretionary change requests within SB/SE prior to the annual call from Wage and Investment, Tax Forms and Publications.

11.53.4.7.2
(04-10-2023)
**Roles and
Responsibilities**

- (1) The Senior Advisor:
 - a. Has oversight responsibility over the SB/SE Tax Products Maintenance program.
 - b. Coordinates the process with the SB/SE, Operations Support, Business Development Office, Oversight Liaison office.
 - c. Is the POC within SB/SE for Tax Forms & Publications (TF&P) and the other BUs.
- (2) The SB/SE liaison:
 - a. Tracks and updates the requests throughout the approval process.
 - b. Assists the Senior Advisor with coordination of the annual ranking process.

- c. Prepares the annual prioritized listing for submission through the Senior Advisor to TF&P.
- d. Maintains current and historical documentation of all requests impacting SB/SE owned tax products.

11.53.4.7.3
(04-10-2023)

Program Activities

- (1) Any Service personnel may submit proposed discretionary changes to SB/SE owned forms, instructions or other tax products via the TF&P's Change Request Portal (portal) located within Wage and Investment's Intranet webpage. The portal forwards the proposals to TF&P and Senior Advisor for consideration.
- (2) The Senior Advisor forwards the proposals to the relevant policy office within the SB/SE OU's for evaluation and concurrence. The Senior Advisor, SB/SE liaison or representatives from the relevant policy office may contact the originator for additional information if a proposal needs clarification or further development.
- (3) The Senior Advisor ensures that other BUs or offices are notified and concur with proposals submitted by their employees and are able to evaluate possible impact on their operations.
- (4) The SB/SE liaison notifies originators regarding whether or not their proposal is approved.
- (5) The SB/SE liaison maintains records to track and update the proposals throughout the process. Among other items, the liaison will record the:
 - a. Portal request number
 - b. Originator's name and office location
 - c. Product number and title
 - d. Description of the proposed changes
 - e. Approval dates and priority ranking
 - f. Back-up documentation
- (6) Resource limitations require each SB/SE OU policy office to prioritize its approved requests. The SB/SE liaison will coordinate this process prior to TF&P annual call for discretionary change requests.
- (7) The SB/SE liaison provides the Senior Advisor with the list containing the final ranking/prioritization. The Senior Advisor submits the list to TF&P for agreement and implementation. The list is due to TF&P usually in the fall of each year.
- (8) Discretionary change requests that are approved but not implemented will remain on the list for consideration the following year. After notification from TF&P, the SB/SE liaison notifies the relevant policy offices and originators whether or not the approved discretionary changes will be implemented for the coming year or will stay on the list for the next year's submission.