



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

13.9.2

JANUARY 17, 2024

EFFECTIVE DATE

(01-17-2024)

PURPOSE

- (1) This transmits revised IRM 13.9.2, The National Taxpayer Advocate Office, TAS Audit Coordination

MATERIAL CHANGES

- (1) IRM 13.9.2.1.1 replaced IRS with TAS.
- (2) IRM 13.9.2.1.2 clarified the Deputy EDCA-ITS and Subject Matter Experts and JAMES coordinator responsibilities.
- (3) IRM 13.9.2.1.3 added a term for the Approving Executive and replaced IRS with TAS in the terms table, as appropriate.
- (4) IRM 13.9.2.1.4 added the acronym for Executive Director Operations Support and removed the acronyms ED-SAED and NTA as they are no longer used in this IRM.
- (5) IRM 13.9.2.1.5 removed link to the 180-day letter IGM as this has been incorporated into IRM 1.29.1. Updated hyperlink to Audit Community Expertise (ACE).
- (6) IRM 13.9.2.2 updated from approval by the National Taxpayer Advocate or Deputy National Taxpayer Advocate to the Approving Executive.
- (7) IRM 13.9.2.3 updated for approval by the Approving Executive.

EFFECT ON OTHER DOCUMENTS

IRM 13.9.2, dated September 16, 2022, is superseded.

AUDIENCE

Taxpayer Advocate Service employees

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13.9.2
TAS Audit Coordination

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13.9.2.1
(09-16-2022)
Program Scope and Objectives

- (1) *Purpose:* This section supplements, IRM 1.29.1, Audit Coordination Process, and provides Taxpayer Advocate Service (TAS) employees with TAS specific guidelines for managing the audit coordination process.
- (2) *Audience:* TAS employees.
- (3) *Policy Owner:* The Deputy National Taxpayer Advocate (DNTA) who reports to the National Taxpayer Advocate.
- (4) *Program Owner:* The Executive Director Case Advocacy, Intake & Technical Support (EDCA-ITS), who reports to the DNTA.

13.9.2.1.1
(01-17-2024)
Background

- (1) The IRS, including TAS, is subject to audits conducted by the Government Accountability Office (GAO) and the Treasury Inspector General for Tax Administration (TIGTA) to ensure its programs and activities operate efficiently, effectively, and according to established policies and procedures. It is mandatory to track issues, findings, recommendations, and the current status of Planned Corrective Actions (PCAs) resulting from audits. Treasury implemented the Joint Audit Management Enterprise System (JAMES) audit tracking system for use by all bureaus to track, monitor, and report the status of audit results.
- (2) Most audit reports contain recommendations for improving internal controls or taking other steps to reduce opportunities for waste, mismanagement or misuse of resources, abuse, and fraud. TAS is required to respond to these recommendations by stating whether they agree and, if so, what actions TAS intends to take in order to implement a business solution in response to the recommendation. The steps TAS intends to take are documented as a PCA and are discussed in the attachments to the management response to the TIGTA report and in the 180-Day Letter (for GAO audits) response to Congress. They are also uploaded into JAMES for tracking and monitoring purposes.
- (3) For all open PCAs, the JAMES coordinator periodically alerts the responsible official of pending implementation dates. The responsible official advises the JAMES coordinator when a PCA has been completed, when a PCA needs to be modified, or when an implementation date needs to be extended.

13.9.2.1.2
(01-17-2024)
Responsibilities

- (1) The following table provides the responsibilities for the TAS employees involved in TAS Audit Coordination activities:

Title	is responsible for:
Executive Director EDCA-ITS	<ul style="list-style-type: none">• Facilitating all engagements with auditors, including opening conferences, mid-point conferences, agreement to facts discussions, closing conferences, and any discussions of findings.• Setting the appropriate tone for the audit.• Identifying TAS personnel who need to be involved in the audit and ensuring their participation.• Leading the development of the TAS's response to audit reports and recommendations.
PCA Responsible Official	<ul style="list-style-type: none">• Leading the timely implementation of corrective actions designed as a result of audit findings or recommendations.• Ensuring the deadlines for completing corrective actions are met, and that documentation supporting closure of a corrective action is comprehensive and accurate.• Reviewing and approving Form 13872, Planned Corrective Action (PCA) Status Update . The responsible official's signature on Form 13872 indicates review, approval, and certification of the actions taken.• Ensuring implemented corrective actions resolve the issues identified by TIGTA or GAO.

Title	is responsible for:
Deputy EDCA-ITS and Subject Matter Experts	<ul style="list-style-type: none"> • Understanding the audit process. • Actively participating in any audits under their purview or requiring their expertise. • Providing accurate and up-to-date information to auditors and internal IRS stakeholders. • Responding timely and completely to requests for information. • Maintaining open lines of communication. • Elevating significant audit risks and findings to the Office of Enterprise Audit Management (OEAM) and TAS leadership. • Ensuring TAS's position is supported by facts, data, and appropriate documentation. • Drafting the management response to the Draft Report and the 180-Day Letter (for GAO audits) and collaborate with business unit liaisons for routing the package through the TAS approval process. • Preparing detailed and achievable corrective actions that fully address the findings and recommendations in the report, have realistic implementation dates, and accurately assign corrective actions to the appropriate PCA Responsible Official.
TAS Audit Liaison	<ul style="list-style-type: none"> • Serving as the primary point of contact for TAS for the open audit process (or evaluation process). • Ensuring the timely and appropriate dissemination of information, audit materials, and responses to relevant stakeholders. • Coordinating the engagement of relevant TAS personnel in the audit process. • Advising TAS subject matter experts, managers, and executives on the audit process. • Monitoring TAS work throughout the audit and updating the Enterprise Audit Database or JAMES, as appropriate. • Retaining audit records in accordance with records retention requirements issued by the National Archive and Records Administration. See IRM 1.15, Records and Information Management and Document 12990.

Title	is responsible for:
JAMES Coordinator	<ul style="list-style-type: none"> • Preparing the executive briefing and Form 13872, Planned Corrective Action (PCA) Status Update, and securing all supporting documentation from the PCA Responsible Official to request closure or extension of a PCA. • Ensuring the Form 13872 complies with reporting requirements. • Providing PCA analysis to the TAS Audit Liaison. • Serving as the JAMES expert for TAS. • Providing any additional information or documentation requested by OEAM as part of the review process. • Resolving deficiencies and communicating results of the sample reviews, including copies of Form 14668, IRS Quality Assurance Review of Closed Planned Corrective Actions (PCA) Notification, with the appropriate TAS management. • Preparing status updates and requests for extensions. • Monitoring TAS work on corrective actions and updating JAMES, as appropriate. • Monitoring TAS work during post-audit tracking, and updating the Enterprise Audit Database or JAMES, as appropriate. • Reviewing new GAO and TIGTA audits entered into JAMES to ensure the accuracy of the findings and related root causes, recommendations, PCAs, due dates, potential and actual monetary benefits, and assignments of responsibility. • Ensuring that Form 13872 status updates, requests for closure or requests for extension are concise, clear, and comply with reporting requirements. • Ensuring requests for closures are entered into JAMES on or before the PCA due date to allow timely review by OEAM. • Retaining audit records in accordance with records retention requirements issued by the National Archive and Records Administration. See IRM 1.15, Records and Information Management and Document 12990.

13.9.2.1.3
(01-17-2024)

- (1) The following table contains terms used during the audit and post-audit processes.

Terms

Term	Definition
180-Day Letter	The 180-Day Letter is an updated response to a GAO final report with recommendations sent to Congress. TAS 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.
A6 Audit Summary Report	A report generated from JAMES used to verify information entered into JAMES. The report contains a summary of findings, recommendations and PCAs, including the amount of any potential monetary benefits and root cause. Generally, the information in this report, for TIGTA audits, is entered into JAMES by TIGTA. OEAM enters relevant data from the GAO final reports for GAO corrective actions.
Agreements to Facts	A document issued by TIGTA after fieldwork has been conducted but before any report drafts have been produced. This document represents statements about IRS programs or processes that TIGTA believes to be factually accurate based on their fieldwork and research. TAS has the opportunity to review this document and provide corrections.
Approving Executive	The executive to whom the responsible official reports.
Audit	An examination of government programs, operations, and/or financial records. Audit is interchangeable or synonymous with review.

Term	Definition
Discussion Draft Report	Issued by TIGTA at the conclusion of fieldwork. Provides TAS management an opportunity to review the report for accuracy and discuss findings presented in the report, before issuance of a formal draft report.
Draft Report	A formal report of audit findings and recommendations prepared after completion of an audit. TAS is given a specified time by GAO and TIGTA to respond to the draft report, typically 30 days.
Engagement Letter/Notification Letter	A letter sent to TAS from GAO or TIGTA providing notification of a new audit. TIGTA typically uses the term Engagement Letter, while GAO uses Notification Letter.
Exit/Closing Conference	Meeting to discuss GAO's or TIGTA's preliminary findings and recommendations with TAS executives. TAS provides GAO/TIGTA with their perspective/position on the audit findings and shares draft proposed corrective actions. Discussions during the exit/closing conference often forms the basis for management's response.
Final Report	The final report is the final version of the GAO or TIGTA draft report that may or may not contain modifications to the findings and recommendations identified in the draft report. The final report contains the TAS management response to the draft report. Final reports are released to the public, unless designated as Sensitive But Unclassified or Limited Official Use.
Findings	Describes the deficiency or opportunity for improvement in the audit report.

Term	Definition
Form 13872, Planned Corrective Action (PCA) Status Update	The form used by TAS to upload PCAs into JAMES, such as closing, extending the due date, and/or making status updates for audits.
Form 14668, IRS Quality Assurance Review of Closed Planned Corrective Action (PCA) Notification	The form used by OEAM to conduct the review of PCA closures as part of the Closed Sample Quality Review.
GAO Status Checkbox	Records an update in JAMES to validate the closure of the recommendation by GAO. While JAMES notates that TAS has closed a GAO recommendation, the recommendation is not completely closed until GAO validates the closure.
Hold	The status of a PCA in JAMES when TAS agrees with the GAO/ TIGTA recommendation, deems the PCA to be mission critical, but no budget funding is available for its execution.
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.
Joint Audit Management Enterprise System (JAMES)	Treasury's web-based audit tracking system used for tracking issues, findings, and recommendations and PCAs from TIGTA and GAO audit reports.
Mid-Point Conference	Interim meeting to discuss GAO's or TIGTA's audit and findings to date. It gives TAS an early look at audit issues, potential findings and recommendations, and allows TAS to provide further clarification or documentation related to information shared during audit field work.

Term	Definition
Opening/Entrance Conference	At the opening conference, GAO or TIGTA outlines the scope of the audit, locations to be visited, anticipated date of completion, the names of auditors, 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, points of contacts, expectation of a mid-point conference, etc., should be discussed.
Planned Corrective Action (PCA)	Contains a detailed description of how management will implement a recommendation to address the audit finding(s). The PCA identifies due date(s) and responsible official(s).
Recommendation	Addresses the audit finding and provides TIGTA and GAO comments to management that, when implemented, will address the issue.
Statement of Facts	Issued by GAO, similar to the Agreement to the Facts Report issued by TIGTA. Provides TAS an opportunity to review the audit findings in writing for accuracy and discuss findings presented in the report. The Statement of Facts does not always include recommendations. TAS should inquire if GAO will be proposing any.
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.

13.9.2.1.4
(01-17-2024)
Acronyms

- (1) The following table contains terms used in this IRM.

Acronym	Definition
DNTA	Deputy National Taxpayer Advocate
EDCA	Executive Director Case Advocacy
EDCA-ITS	Executive Director Case Advocacy, Intake & Technical Support
EDOS	Executive Director Operations Support
EDSA	Executive Director Systemic Advocacy
GAO	Government Accountability Office
IGM	Interim Guidance Memorandum
JAMES	Joint Audit Management Enterprise System
OEAM	Office of Enterprise Audit Management
PCA	Planned Corrective Action
TAS	Taxpayer Advocate Service
TIGTA	Treasury Inspector General for Tax Administration

13.9.2.1.5
(01-17-2024)
Related Resources

- (1) The following resources are available to assist with audit coordination:
- IRM 1.29.1, Audit Coordination Process, Authorities and Responsibilities.
 - *Audit Community Expertise (ACE)*.

13.9.2.2
(01-17-2024)
Procedure for Closing or Modifying a PCA

- (1) The responsible official must seek the approval of the executive to whom the responsible official reports to close or modify a PCA.
- (2) No later than 30 days prior to the PCA implementation date, the JAMES Coordinator (working with the responsible official) shall prepare an executive briefing containing the following:
- A description of the issue.
 - A summary of the GAO/TIGTA recommendation.
 - The associated PCA.
 - The implementation date of the PCA.
 - An explanation of the actions TAS has taken to address the PCA.
 - The proposed response to be entered into JAMES for the PCA.

- (3) In addition to the briefing paper, the JAMES Coordinator shall prepare a Form 13872 requiring the signature of the responsible official, the Approving Executive, e.g., Executive Director of Case Advocacy (EDCA), EDCA-ITS, Executive Director Operations Support (EDOS), Executive Director of Systemic Advocacy (EDSA), and the JAMES Coordinator.
- (4) For PCAs seeking closure, the responsible official must also include supporting documentation that TAS implemented the PCA action(s). See IRM 1.29.1.3.1, Closing Planned Corrective Actions.
- (5) If the closure or modification of the PCA is approved, the Approving Executive shall sign the appropriate field on the Form 13872. The JAMES Coordinator shall load the Form 13872 and supporting documentation onto JAMES for review and approval by the OEAM.

13.9.2.3
(01-17-2024)

**Procedure for Extending
the Implementation Date
of a PCA**

- (1) If an extension of the implementation date is required, the responsible official will work with the JAMES Coordinator to obtain approval of the approving TAS executive, e.g., EDCA, EDCA-ITS, EDOS, or EDSA.
- (2) No later than 30 days prior to the PCA implementation date, the JAMES Coordinator (working with the responsible official) shall prepare an executive briefing containing the following:
 - a. A description of the issue.
 - b. A summary of the GAO/TIGTA recommendation.
 - c. The associated PCA.
 - d. The implementation date of the PCA.
 - e. An explanation of the actions TAS has taken to address the PCA to date.
 - f. An explanation of why an extension of time is necessary.
 - g. The proposed implementation date of the PCA.
- (3) In addition to the briefing paper, the JAMES Coordinator shall prepare a Form 13872 requiring the signature of the responsible official, the approving TAS executive, and the JAMES Coordinator.
- (4) If the extension request of the PCA implementation date is approved, the approving TAS executive shall sign the appropriate field on the Form 13872. The JAMES Coordinator shall load the signed Form 13872 onto JAMES. See IRM 1.29.1.3.2, Extending Planned Corrective Actions.