

Date of Approval: **April 04, 2022**

PIA ID Number: **6605**

## **SYSTEM DESCRIPTION**

*Enter the full name and acronym for the system, project, application and/or database.*

Modernized Individual Custodial Accounting, MICA

*Is this a new system?*

Yes

*What governance board or Executive Steering Committee (ESC) does this system report to? Full name and acronym.*

FSGB (Financial system governance board)

*Current ELC (Enterprise Life Cycle) Milestones:*

Vision & Strategy/Milestone 0

Project Initiation/Milestone 1

Domain Architecture/Milestone 2

*Is this a Federal Information Security Management Act (FISMA) reportable system?*

Yes

## **GENERAL BUSINESS PURPOSE**

*What is the general business purpose of this system? Provide a clear, concise description of the system, application or database, the reason for the system, and the benefits to the IRS to use the information, and how the information will be used.*

Modernized Individual Custodial Accounting (MICA) are the requirements necessary to improve Chief Financial Office (CFO) access to financial data to be leveraged as the financial reporting Authoritative Data Source (ADS). This project will complete the Datamart for individual Custodial Account and Financial Status and Notice History (FSNH). The MICA initiative will develop the reports and data extracts from the CFO database required for internal/external reporting, financial statements, and the Government Accountability Office (GAO) annual audit. The custodial financial accounting systems include the general ledger (Redesigned Revenue Accounting System (RRACS)) and the subsidiary ledger (Custodial Detail Database (CDDB)), which is required to reconcile and

report to the Department of the Treasury. Also, to produce annual audited financial statements and perform other operational and financial reporting on unpaid tax assessments (UA) currently identified by the GAO as a significant deficiency. The strategic alignment for the MICA project aligns with the IRS Strategic Plan for advancing data access and analytics. The reports and data file developed will use the modernized data distribution process using a data centric platform to feed the IRS financial systems.

## **PII DETAILS**

*Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information: or any other type of Sensitive but Unclassified (SBU) information or PII such as information about IRS employees or outside stakeholders?*

Yes

*Does the system use, collect, receive, display, store, maintain, or disseminate Social Security Numbers (SSN's) or tax identification numbers (i.e., last 4 digits, etc.)?*

Yes

*What types of tax identification numbers (TIN) apply to this system?*

Social Security Number (SSN)

*List the approved Treasury uses of the SSN:*

Statistical and other research purposes

*Explain why the authorized use(s) above support the new or continued use of SSNs (or tax identification numbers).*

The SSN information is used to financial statical analysis for unpaid assessment, revenue and refund trending and investigation of anomalies that can impact the financial statements and GAO audit.

*Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN's (or tax identification numbers).*

The Office of Management and Budget Circular A-130 requires that federal agencies develop a mitigation or elimination strategy for systems that use SSNs, which the Service continues to develop strategies to meet. An exception to that requirement is when the SSN is uniquely needed to identify a user's record.

Employer Identification Number

*Does this system use, collect, receive, display, store, maintain or disseminate other (non-SSN) PII (i.e., names, addresses, etc.)?*

Yes

*Specify the PII Elements:*

Name  
Mailing address  
Date of Birth  
Tax Account Information

*Does this system use, collect, receive, display, store, maintain, or disseminate SBU information that is not PII?*

Yes

*Specify the types of SBU from the SBU Types List:*

Agency Sensitive Information Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission.

*Are there other types of SBU/PII used in the system?*

Yes

*Describe the other types of SBU/PII that are applicable to this system.*

CITY, Primary Taxpayer's Date of Birth; Spouse Social Security Number; STATE, Taxpayer Identification Number, and Zip Code. Financial statical analysis for unpaid assessment, revenue and refund trending and investigation of anomalies that can impact the financial statements and GAO audit.

*Cite the authority for collecting SBU/PII (including SSN if relevant).*

PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, & 6012e(a)

SSN for tax returns and return information is Internal Revenue Code Section 6109

*Has the authority been verified with the system owner?*

Yes

## **BUSINESS NEEDS AND ACCURACY**

*Explain the detailed business needs and uses for the SBU/ PII, and how the SBU / PII is limited only to that which is relevant and necessary to meet the mission requirements of the system. If SSNs (or tax identification numbers) are used, explicitly explain why use of SSNs meets this criteria. Be specific.*

The SBU/PII data will be used for analysis of anomalies identified impacting unpaid assessment, revenue, refund, financial statement, and significant deficiency. Unpaid assessment significant deficiency is due to IRS is not able to accurately traces the taxpayer's unpaid assessment balance to the financial statement due to employee error, system limitations and misclassifications in the tax processing systems. MICA will be used to research any anomalies that come up during the unpaid assessment statical sampling exercise every year and any GAO audit finding. In addition, MICA will be used to identify and explain any revenue and refund variance between the summary general ledger financial system (RRACS) and the sub-ledger (CDDDB). Finally, CFO will have the ability to access the detailed data needed to forecast future opportunities and do trending analysis to enhance decision making process.

*How is the SBU/PII verified for accuracy, timeliness, and completion?*

The ETL (Extract Transform and Load) process will implement balance and control checks that will verify that SBU/PII data elements stay consistent between source systems and the target MICA data mart. This will include counts and a process to reconcile anomalies and exceptions. The process that implements the balance and control checks will be developed, tested, and signed off in lower environments (Development and test). Once the process is implemented in production, it will run in an automated manner and users will read only access.

## **PRIVACY ACT AND SYSTEM OF RECORDS**

The Privacy Act requires Federal agencies that maintain a system of records to publish systems of records notices (SORNs) in the Federal Register for records from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence. The Privacy Act also provides for criminal penalties for intentional noncompliance.

*Does your application or this PCLIA system pertain to a group of any record from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence? An identifier may be a symbol, voiceprint, SEID, or other personal identifier that is used to retrieve information.*

Yes

*Identify the Privacy Act SORN(s) that cover these records.*

IRS 24.030 Customer Account Data Engine Individual Master File

IRS 24.046 Customer Account Data Engine Business Master File

## **RESPONSIBLE PARTIES**

*Identify the individuals for the following system roles:*

## Official Use Only

## **INCOMING PII INTERFACES**

*Does the system receive SBU/PII from other systems or agencies?*

Yes

*Does the system receive SBU/PII from IRS files and databases?*

Yes

*Enter the files and databases:*

System Name: Redesigned Revenue Accounting System (RRACS)

Current PCLIA: Yes

Approval Date: 4/17/2019

SA&A: Yes

ATO/IATO Date: 11/4/2021

System Name: Custodial Detail Database (CDDDB)

Current PCLIA: Yes

Approval Date: 10/1/2020

SA&A: Yes

ATO/IATO Date: 11/5/2021

*Does the system receive SBU/PII from other federal agency or agencies?*

No

*Does the system receive SBU/PII from State or local agency (-ies)?*

No

*Does the system receive SBU/PII from other sources?*

No

*Does the system receive SBU/PII from Taxpayer forms?*

No

*Does the system receive SBU/PII from Employee forms (e.g., the I-9)?*

No

## **DISSEMINATION OF PII**

*Does this system disseminate SBU/PII?*

No

## **PRIVACY SENSITIVE TECHNOLOGY**

*Does this system use social media channels?*

No

*Does this system use privacy-sensitive technologies such as mobile, global position system (GPS), biometrics, RFID, etc.?*

No

*Does the system use cloud computing?*

Yes

*Is the cloud service provider (CSP) Federal Risk and Authorization Management Program (FedRAMP) certified?*

Yes

*Date Certified.*

11/13/2017

*Please identify the ownership of the CSP data.*

IRS

*Does the CSP allow auditing?*

Yes

*Who audits the CSP Data?*

IRS

*What is the background check level required for CSP?*

Moderate

*Is there a breach/incident plan on file?*

Yes

*Privacy laws (including access and ownership) can differ in other countries. This cloud will be Continental US (CONUS) only for:*

Storage  
Transmission  
Maintenance

*Does this system/application interact with the public?*

No

## **INDIVIDUAL NOTICE AND CONSENT**

*Was/is notice provided to the individual prior to collection of information?*

No

*Why not? If information is not collected directly from an individual, please discuss the factors considered in deciding to collect information from third party sources.*

The SBU data within MICA is originates from Masterfile Tax Processing system. All data is voluntarily provided from the Taxpayer via their tax returns.

*Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information?*

No

*Why not?*

SBU information is used to develop IRS financial statements as well to assist with the GAO financial audit. The lack of any data will result in incorrect deliverables and put the audit at risk.

*How does the system or business process ensure 'due process' regarding information access, correction, and redress?*

The information within MICA comes from data extracts from the CADE2 database, Custodial Detail Database (CDDDB); Redesigned Revenue Accounting System (RRACS). Those systems and forms provide the Privacy Act Notice to individuals. MICA does not directly provide individuals the opportunity to decline from providing information and/or from consenting to particular uses of the information. Notice, consent, and due process are provided via the IRS systems and their related tax forms instructions, and pursuant to 5 USC.

## **INFORMATION PROTECTION**

*Identify the owner and operator of the system (could be IRS owned and operated; IRS owned, contractor operated; contractor owned and operated).*

IRS Owned and Operated

*The following people have access to the system with the specified rights:*

*IRS Employees*

Users: Read Only

Managers: Read Only

System Administrators: Administrator

*IRS Contractor Employees*

Contractor Users: Read Only

Contractor System Administrators: Administrator

Contractor Developers: Read Only



*How is access to SBU/PII determined and by whom?*

Access determined by the Custodial Financial Management Managers and Security group through BEARS.

## **RECORDS RETENTION SCHEDULE**

*Are these records covered under a General Records Schedule (GRS, IRS Document 12829), or has the National Archives and Records Administration (NARA) approved a Records Control Schedule (RCS, IRS Document 12990) for the retention and destruction of official agency records stored in this system?*

Yes

*How long are the records required to be held under the corresponding GRS or RCS, and how are they disposed of? In your response, please provide the GRS or RCS chapter number, the specific item number, and records series title.*

The RCS advises to keep records Destroy 6 years, 3 months after the close of the fiscal year in which the waiver was approved. Due to trending and collectability analysis CFO will need to keep the data up to 10 years. GRS 1.1 Item 010-Financial transaction records related to procuring goods and services, paying bills, collecting debts, and accounting.

## **SA&A OR ASCA**

*Has the system been through SA&A (Security Assessment and Authorization) or ASCA (Annual Security Control Assessment)?*

In-process

*When is the anticipated date of the SA&A or ACS completion?*

4/8/2022

*Describe the system's audit trail.*

MICA will inherit from EDP which is undergoing security assessment and is due on 04/08/2022.

## **PRIVACY TESTING**

*Does the system require a System Test Plan?*

Yes

*Is the test plan completed?*

Yes

*Where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?*

On the MICA SharePoint site and in CLM.

*Were all the Privacy Requirements successfully tested?*

Yes

*Are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved?*

No

*Describe what testing and validation activities have been conducted or are in progress to verify and validate that the applicable Privacy Requirements (listed in header) have been met?*

(1) Functional testing for ETL (loading from source to target) is complete. (2) Performance testing for ETL is currently underway. (3) Functional testing for Reports is complete. (4) Performance testing for Reports is underway. (5) Access testing (ensuring PII is being handled correctly) is currently underway. (6) UAT expected to be complete around 4/15/2022

## **SBU DATA USE**

*Does this system use, or plan to use SBU Data in Testing?*

Yes

*Was permission granted per the requirements of Form 14664, SBU Data Use Questionnaire or Form 14665, SBU Data Use Request?*

Yes

*Provide the date the permission was granted.*

8/6/2021

*Was testing performed in conformance with IRM 10.8.8 Information Technology (IT) Security, Sensitive But Unclassified (SBU) Data Policy?*

Yes

## NUMBER AND CATEGORY OF PII RECORDS

*Identify the number of individual records in the system for each category:*

IRS Employees: Under 50,000

Contractors: Under 5,000

Members of the Public: 100,000 to 1,000,000

Other: No

## CIVIL LIBERTIES

*Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment?*

No

*Is the system information used to conduct 'data-mining' as defined in the Implementing Recommendations of the 9/11 Commission Act of 2007, Public Law 110-53, Section 804?*

No

*Will this system have the capability to identify, locate, and monitor individuals or groups of people?*

No

*Does computer matching occur?*

No

## ACCOUNTING OF DISCLOSURES

*Does the system include or require disclosure of tax or employee information to anyone other than IRS employees in the performance of their duties, or to the person to whom the information pertains or to a 3rd party pursuant to a Power of Attorney, tax, or Privacy Act consent?*

No