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IRS FINANCIAL AUDITS

Status of Efforts to Resolve Financial Management Weaknesses

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Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss IRS' efforts to both prepare reliable financial statements, as required by the expanded Chief Financial Officers (CFO) Act of 1990, and make fundamental financial management improvements. Our recent reports and testimonies,[1] including our March 1996 testimony before the Subcommittee, detailed the substantial problems IRS has in accounting for over $1 trillion in monies collected from American taxpayers and billions of dollars in delinquent taxes owed to the government. Until resolved, these weaknesses will continue to affect the credibility of information used to report the results of IRS' financial operations and measure its performance.

While serious problems have been identified, the CFO requirements have provided the impetus for efforts to improve IRS operations. They have

- led to IRS top managers having a much better understanding than ever before of IRS' serious accounting and reporting problems,
- provided information on the magnitude of IRS' tax receivables collection problems, and
- identified the need for stronger controls over such areas as payroll operations.

IRS has made some progress in responding to the problems we have identified. Over the past 4 years, we have made 59 recommendations to improve IRS' financial management systems and reporting. IRS agreed with these recommendations and has been working to implement them and correct its financial management systems and information problems. In our assessment this year, we determined that IRS had completed 17 of these recommendations and efforts are underway to address the remaining areas. As part of our audit of IRS' fiscal year 1996 financial statements, we will examine additional actions IRS has taken to complete other recommendations we have made.

However, many difficult problems remain to be corrected before we would be able to express an opinion on IRS' financial statements. With our assistance, IRS is working on a plan of interim strategies to solve these problems, with a goal of having these matters resolved in time for the fiscal year 1996 financial statement audit. For some areas, especially in accounting for revenue, IRS will need to make more sweeping changes to

[1]Our recent reports and testimonies detailing IRS' financial management problems are listed in attachment I.

fully address systems problems. In these cases, longer-term solutions involving reprogramming software for IRS' antiquated systems and developing new systems will be required.

Follow-through by IRS is essential to ensure that its short- and long-term plans are carried out and effectively solve financial management problems. In the past, IRS has not always provided the follow-through needed to complete necessary corrective measures. Solving these problems is essential to provide reliable financial information and ensure taxpayers that their tax dollars are properly accounted for in accordance with federal accounting standards. The accuracy of IRS' financial statements is also key to both IRS and the Congress for (1) ensuring adequate accountability for IRS programs, (2) assessing the impact of tax policies, and (3) measuring IRS' performance and cost effectiveness in carrying out its numerous tax enforcement, customer service, and collection activities.

Today, we will focus on

- the status of IRS' efforts to implement our recommendations and develop a detailed plan with explicit, measurable goals and a set timetable for actions to correct its financial management weaknesses;
- IRS' progress in addressing the major problems that have prevented us from expressing an opinion on its financial statements;
- the impact that IRS' problems in developing Tax Systems Modernization have on improving financial information; and
- the significant adverse affect that delays in resolving IRS' financial management weaknesses could have on preparing and auditing Treasury's agencywide financial statements and the financial statements for the entire government.

Addressing Serious Financial Management Problems

IRS prepares separate sets of financial statements showing the results of its operations for (1) administrative operations, which include $8 billion in payroll and other expenses, and (2) custodial functions, which reflect $1.4 trillion in tax collections. IRS began preparing these annual statements starting with those for fiscal year 1992 as part of a pilot program under the CFO Act of 1990.

We have been unable to express an opinion on the reliability of these financial statements for any of the 4 fiscal years from 1992 through 1995. We identified fundamental problems with both the administrative and the financial statements and IRS has not yet fully corrected them. Until resolved, they will continue to prevent us from expressing an opinion on IRS' financial statements in the future. The following sections outline these problems and IRS' improvement plans and progress.

Accounting for Administrative Operations Has Improved but Problems Remain

Each year, IRS spends billions of dollars in operating expenses to (1) process tax returns, provide taxpayer assistance, and manage tax programs, (2) enforce tax laws, and (3) develop and maintain information systems. For fiscal year 1995, IRS reported $8.1 billion in operating costs, including $5.3 billion for payroll and other personnel costs and $2.8 billion for the cost of goods and services, such as rent, printing, and acquiring and maintaining automatic data processing equipment.

Our initial financial audits identified serious problems in accounting for and reporting on IRS administrative operations, which has resulted in IRS making improvement in these areas. For example, IRS has successfully

- implemented a financial management system (which according to Treasury, conforms to the government's Standard General Ledger) to account for its appropriated funds, which has helped IRS to correct some of its past transaction processing problems that diminished the accuracy and reliability of its cost information, and
- transferred its payroll processing to the Department of Agriculture's National Finance Center and, as a result, improved its accounting for payroll expenses.

These improvements have made IRS' accounting for its administrative operations much better today than it was 4 years ago. For example, we are now able to substantiate IRS' payroll expenses of about $5 billion. However, the following two major problems still need to be fully corrected.

- A significant portion of IRS' reported $3 billion in nonpayroll operating expenses for goods and services could not be verified.
- The amounts IRS reported as appropriations available for expenditure for operations could not be reconciled fully with Treasury's central accounting records showing these amounts, and in the past, hundreds of millions of dollars in gross differences had been identified.

Receipt of Goods and Services

We found several problems in attempting to substantiate amounts IRS reported as having been spent for goods and services. IRS did not have support for when and if certain goods or services were received and, in other instances, did not have support for reported expense amounts. For example, IRS accepts Government Printing Office (GPO) bills as being accurate and records an expense in its financial records without first verifying that the printing goods and services being billed were actually delivered and accepted. Also, in instances where IRS could provide information showing proper receipt and acceptance of goods and services, expenses were often recorded in the wrong fiscal year. This problem occurs because (1) IRS offices that receive and accept goods and services do not always forward to IRS accounting offices evidence supporting these actions and (2) IRS accounting offices used inconsistent, and in some cases incorrect, policies and procedures for recording expenses.

Ensuring that goods and services have been received and properly accounted for are fundamental accounting steps and controls. Over the past 4 years, we have recommended that IRS

- revise its procedures to incorporate the requirements that accurate receipt and acceptance data on invoiced items be obtained prior to payment and that supervisors ensure that these procedures are carried out, and
- revise its document control procedures to require IRS units that actually receive goods and services to promptly forward receiving reports to accounting offices so that these transactions can be properly accounted for.

IRS believes the core issue for correcting its receipt and acceptance problems relate to properly accounting for transactions with other federal agencies. IRS plans to address this issue by

- completely and accurately documenting its current accounting systems and control procedures for procuring, receiving, accepting, and paying for goods and services through other federal agencies, such as GPO and the General Services Administration, and recording the related budgetary, expense, and cash disbursement transactions;
- identifying and evaluating the reliability of available documentary evidence and systems, which until this point have been developed and utilized primarily to meet operational rather than financial reporting objectives;
- working with other federal agencies to explore ways to improve the timeliness, nature, and extent of documentation supporting interagency payments that would allow IRS to properly account for these interagency transactions; and

- developing both short- and long-term improvements to its accounting systems and control procedures, including modifications to its automated systems to allow for direct interfaces between its operating systems and its general ledger accounting system.

IRS is now beginning to deal with this problem in a comprehensive way. To that end, it has engaged an accounting firm for assistance in carrying out this plan. We are closely monitoring IRS' and its contractor's progress because, only through an intense, concerted effort, will the proposed solutions be implemented on time for the fiscal year 1996 audit.

Fund Balance Reconciliation Issues

Also, we could not verify the accuracy of IRS' Fund Balance with Treasury accounts that are related to IRS' appropriation accounts for its operations. The Fund Balance accounts are used to record cash receipts and cash disbursements for these appropriations. These accounts are much like checking accounts with a bank, and their balances represent the amount of appropriations available to IRS for expenditure. Accordingly, like bank checking accounts, each month, these accounts must be reconciled with the bank's records, and any differences reported to the bank. In this case, the banker is the Treasury and the differences are great.

These accounts have been unreconciled in each of the years we have audited IRS' financial statements. The net reconciling differences are made up of gross differences in the hundreds of millions of dollars. For example, we reported last year that IRS was researching $13 million in net differences that consisted of $661 million of increases and $674 million of decreases.

We have recommended that IRS

- promptly resolve differences between IRS and Treasury records of IRS' cash balances and adjust accounts accordingly and
- promptly investigate and record suspense account items to appropriate appropriation accounts.

In fiscal year 1995, IRS hired a contractor to provide information on the differences between IRS and Treasury records through fiscal year 1995 and established a task force to resolve the differences the contractor identified. IRS found that documentation was no longer available to resolve prefiscal year 1993 differences, which resulted in $10 million of net positive cash reconciling differences being written off. IRS has not yet completed the research necessary to resolve fiscal year 1993, 1994, and

1995 differences. Further, additional research is required to resolve differences held in IRS' Suspense Accounts and Budget Clearing Accounts at Treasury.

To this end, IRS has developed plans to

- complete its posting of adjustments to its appropriation accounts for fiscal year 1995 based on our review of these adjustments, and
- engage a contractor to assist in completing its reconciliation of balances remaining in its Budget Clearing Accounts and Suspense Accounts.

IRS plans to complete the necessary adjustments to its records and Treasury's records prior to the closing of its books for fiscal year 1996. In addition to completing this research, IRS must ensure that effective processes and procedures are in place to routinely reconcile its Fund Balance with Treasury accounts. In this regard, IRS has created a unit to manage the reconciliation of these accounts on an ongoing basis.

Overall, IRS' success in resolving the basic accounting and control issues involving its administrative operations will be indicative of its commitment and ability to resolve larger and more complex issues involving accounts receivable and revenue accounting.

Accounts Receivable Could Not Be Verified

We could not verify the validity of either the $113 billion of accounts receivable or the $46 billion of collectible accounts receivables that IRS reported on its fiscal year 1995 financial statements. In our audit of IRS' fiscal year 1992 financial statements, after performing a detailed analysis of IRS' receivables as of June 30, 1991, we estimated that only $65 billion of about $105 billion in gross reported receivables that we reviewed was valid for financial reporting purposes and that only $19 billion of the valid receivables was collectible. At the time, IRS had reported that $66 billion of the $105 billion was collectible.

In our audit of IRS' fiscal year 1992 financial statements, we recommended that IRS take steps to ensure the accuracy of the balances reported in its financial statements by, in the long-term,

- identifying which assessments currently recorded in the masterfile represent valid receivables and
- designating new assessments that should be included in the receivables balance as they are recorded.

We recommended also that, until these capabilities are implemented, IRS rely on statistical sampling to determine what portion of its assessments represent valid receivables.

Subsequently, we helped IRS develop a statistical sampling method that, if properly applied, would allow it to reliably estimate and report valid and collectible accounts receivable on its financial statements. We evaluated and tested IRS' use of the method as part of our succeeding financial audits and found that IRS made errors in carrying out the statistical sampling procedures, which rendered the sampling results unreliable. For the fiscal year 1995 audit, for the first time, IRS tried, also without success, to specifically identify its accounts receivable.

Further, IRS' accounting and reporting for accounts receivable is hampered by the limitations of its financial management system. IRS' system is not designed to specifically identify and separately track from detailed taxpayer records those owing taxes reportable as accounts receivable.

To mitigate this system's limitation in fiscal year 1995, IRS reported accounts receivable by using the uncollected assessment information from its computer system's master files, which were automatically sorted into either compliance assessments or financial receivables. In this way, IRS planned to identify the amount specifically related to financial receivables and report it as valid accounts receivable as of September 30, 1995.

However, when we tested a sample of the automated sorting results, we found cases in which the financial management system's data were incorrect, and thus, did not properly segregate compliance assessments from financial receivables. We identified instances in which compliance assessments were classified as financial receivables, and thus, incorrectly included as accounts receivable; and other cases in which financial receivables were classified as compliance assessments, and thus, improperly excluded from accounts receivable. Based on the testing results, we concluded that the process IRS used in 1995 was unreliable for projecting the total inventory of outstanding assessments. Consequently, the accounts receivable reported on the fiscal year 1995 financial statements could not be relied on.

IRS' plans call for improving accounts receivable reporting in the short term by

- analyzing, by September 30, 1996, its inventory of uncollected assessments to determine ways to resolve issues concerning the financial management system's underlying data limitations and
- reliably determining, by January 6, 1997, the estimated amount of accounts receivable that is collectible.

Also, IRS needs to review and update current policies and procedures for maintaining documentation supporting accounts receivable, and when necessary, train employees to properly record detailed taxpayer transactions. Currently, IRS is reviewing its policies for retaining documentation supporting accounts receivable.

In addition, IRS will be challenged to fully meet the federal accounting standards for accounting for accounts receivable, which become effective for fiscal year 1998. IRS will need to

- design its financial management system to analyze all outstanding amounts to properly identify and report valid accounts receivable and the amount expected to be collected;
- track all activity affecting IRS' accounts receivable balance, including collections as a result of enforcement efforts, tax abatements, and aging of receivables; and
- provide dollar information about its compliance assessments.

Accounting for Revenue

Our audit of IRS' fiscal year 1995 financial statements found that

- the amounts of total revenue (reported to be $1.4 trillion for fiscal year 1995) and tax refunds (reported to be $122 billion for fiscal year 1995) could not be verified or reconciled to accounting records maintained for individual taxpayers in the aggregate and
- the amounts reported for various types of taxes collected (social security, income, and excise taxes, for example) could not be substantiated.

Our financial audits have found that IRS' financial statement amounts for revenue, in total and by type of tax, were not derived from its revenue general ledger accounting system or its master files of detailed individual taxpayer records. The revenue accounting system does not contain detailed information by type of tax, such as individual income tax or corporate tax, and the master file cannot summarize the taxpayer information needed to support the amounts identified in the system. As a result, IRS relied without much success on alternative sources, such as

Treasury schedules, to obtain the summary total by type of tax needed for its financial statement presentation.

To substantiate the Treasury figures, our audits attempted to reconcile IRS' master files—the only detailed records available of tax revenue collected—with Treasury records. For fiscal year 1994, for example, we found that IRS' reported total of $1.3 trillion for revenue collections taken from Treasury schedules was $10.4 billion more than what was recorded in IRS' master files. Because IRS was unable to satisfactorily explain— and we could not determine—the reasons for this difference, the full magnitude of the discrepancy remains uncertain.

In addition to the difference in total revenues collected, we also found large discrepancies between information in IRS' master files and the Treasury data used for the various types of taxes reported in IRS' financial statements. For fiscal year 1994, for example, some of the larger reported amounts in IRS' financial statement for which IRS had insufficient support were $615 billion in individual taxes collected—this amount was $10.8 billion more than what was recorded in IRS' master files; $433 billion in social security insurance taxes collected—this amount was $5 billion less than what was recorded in IRS' master files; and $148 billion in corporate income taxes—this amount was $6.6 billion more than what was recorded in IRS' master files. Thus, IRS did not know and we could not determine if the reported amounts were correct. These discrepancies also further reduce our confidence in the accuracy of the amount of total revenues collected.

Causes of IRS' Revenue Accounting Problem

Contributing to these discrepancies is a fundamental problem in the way tax payments are reported to IRS. About 80 percent, or about $1.1 trillion, of total tax payments are made by businesses and typically include (1) taxes withheld from employees' checks for income taxes, (2) Federal Insurance Compensation Act (FICA) collections, and (3) the employer's matching share of FICA. IRS requires business taxpayers to make tax payments using federal tax deposit coupons.

The payment coupons identify the type of tax return to which they relate (such as a Form 941, Quarterly Wage and Tax Return) but do not specifically identify either the type of taxes being paid or the individuals whose tax withholdings are being paid. For example, a payment coupon indicating that a deposit relates to a Form 941 return can cover payments for employees' tax withholding, FICA taxes, and an employer's FICA taxes. Because only the total dollars being deposited are indicated on the coupon, IRS knows that the entire amount relates to a Form 941 return but does not know how much of the deposit relates to the different kinds of taxes covered by that type of return.

Consequently, at the time tax payments are made, IRS is not provided information on the ultimate recipient of the taxes collected. Furthermore, the type of tax being collected is not distinguished early in the collection stream. This creates a massive reconciliation process involving billions of transactions and subsequent tax return filings.

For example, when an individual files a tax return, IRS initially accepts amounts reported as a legitimate record of a taxpayer's income and taxes withheld. For IRS' purposes, these amounts represent taxes paid because they cannot be readily verified to the taxes reported by an individual's employer as having been paid. At the end of each year, IRS receives information on individual taxpayers' earnings from the Social Security Administration. IRS compares the information from the Social Security Administration to the amounts reported by taxpayers with their tax returns. However, this matching process can take 2-1/2 years or more to complete, making IRS' efforts to identify noncompliant taxpayers extremely slow and significantly hindering IRS' ability to collect amounts subsequently identified as owed from false or incorrectly reported amounts.

Consistent with this process, IRS' system is designed to identify only total receipts by type of return and not the entity which is to receive the funds collected, such as the General Fund at Treasury for employee income tax withholdings or the Social Security Trust Fund for FICA. Ideally, the system should contain summarized information on detailed taxpayer accounts, and such amounts should be readily and routinely reconciled to the detailed taxpayer records in IRS' master files.

Also, IRS has not yet established an adequate procedure to reconcile the revenue data that the system does capture with data recorded and reported by Treasury. Further, documentation describing what IRS' financial management system is programmed to do is neither comprehensive nor up to date, which means that IRS does not yet have a complete picture of the financial system's operations—a prerequisite to fixing the problems.

Beginning with our audit of IRS' fiscal year 1992 financial statements, we have made recommendations to correct weaknesses involving IRS' revenue accounting system and processes. They include

- addressing limitations in the information submitted to IRS with tax payments by requiring that payments identify the type of taxes being collected,
- implementing procedures to complete reconciliations of revenue and refund amounts with amounts reported by the Treasury, and
- documenting IRS' financial management system to identify and correct the limitations and weaknesses that hamper its ability to substantiate the revenue and refund amounts reported on its financial statements.

Short-Term Fixes to Revenue Accounting Problems

The problem of identifying collections by type of tax results from inherent limitations in IRS' present financial system. To correct this problem in the short term, IRS has developed a methodology that uses software programs IRS believes will capture from its revenue financial management system the detailed revenue and refund transactions that would support reported amounts in its future financial statements. In short, this approach is directed at developing reasonable estimates of taxes by type of tax collected by using the capabilities of IRS' present systems.

To reconcile IRS' tax revenue data with Treasury's balances, IRS' plans call for the extracts from these software programs to be available in accordance with the following schedule:

- Data for the first 6 months of fiscal year 1996 will be available by October 1, 1996.
- Data for the entire fiscal year will be available by January 15, 1997.

To provide an allocation of taxes between social security, income, and excise taxes, IRS plans call for the extracts from these software programs to be available in the following timeframes:

- Allocations for the first three quarters of fiscal year 1996 are due by November 30, 1996.
- An allocation for the final quarter of fiscal year 1996 is due by January 30, 1997.

Also, regarding the issue of reconciling accounting records with individual taxpayer accounts, IRS is trying to better understand the differences between its systems and Treasury's records. To gain this understanding, IRS plans to soon complete documentation of its revenue financial management system in the near future. This is critical to (1) aid in identifying better interim solutions for reporting revenues and refunds and (2) provide better insights on the longer term system fixes needed to enable IRS to readily and reliably provide the underlying support for its reported revenue and refund amounts.

Fixing Revenue Accounting Problem Long-Term

IRS has not yet put in place the necessary procedures to routinely reconcile activity in its summary accounting records with that maintained in its detailed master file records or taxpayer accounts. This problem is further exacerbated by IRS' financial management system, which was not designed to support financial statement presentation and thus significantly hinders IRS' ability to identify the ultimate recipient of collected taxes.

Longer term system fixes are necessary to achieve more reliable reporting of these amounts. In this regard, as part of Tax Systems Modernization, IRS has designed the Electronic Federal Tax Payment System (EFTPS) to electronically receive deposits from businesses. EFTPS is planned to be operational by the end of 1996. If implemented as designed, EFTPS will have the capability to collect actual receipt information for excise and social security taxes.

However, not all employers will be required to use EFTPS to make their federal tax deposit payments. According to IRS officials, approximately 20 percent of the employers that make federal tax deposit payments will have the option of remaining with the current system, which provides limited information. Therefore, even if employers that use EFTPS are required to provide additional information on social security and excise taxes, to the extent that some businesses still make deposits using the current system, IRS will not have the complete information it needs to determine collections from excise and social security taxes.

In addition, IRS will have to make changes to meet criteria for determining revenue that are contained in federal accounting standards, which will be effective for fiscal year 1998. This will require IRS to account for the source and disposition of all taxes in a manner that enables accurate reporting of cash collections and accounts receivable and appropriate transfers of revenue to the various trust funds and the general fund. To achieve this, IRS' accounting system will need to capture the flow of all revenue-related transactions from assessment to ultimate collection and disposition.

Also, IRS' revenue accounting system does not meet the government's standard general ledger or other financial management systems requirements. According to IRS, these requirements are not being met because the revenue accounting system was designed more than 10 years ago to post transactions to taxpayers' accounts. IRS is in the initial stages of developing a new revenue financial accounting system that is expected to meet the government's standard general ledger and other financial management systems requirements. However, the new system is not expected to be completed until after 1998.

TSM Problems Impact IRS' Financial Information

IRS' capability to develop and make automated systems changes is an area of continuing concern, as we have discussed in our reports and testimonies on IRS' Tax Systems Modernization (TSM). (See attachment I.) In March 1996, we testified before the Subcommittee on IRS' significant challenges in financial management and systems modernization, which are central to IRS' guardianship of federal revenues and ability to function efficiently in an increasingly technological environment.

In summary, IRS has initiated actions that begin to implement the dozens of recommendations we have previously made to correct management and technical problems in developing TSM. Many of these actions are still incomplete and do not yet respond fully to any of our recommendations. As a result, until IRS makes more progress in correcting its management and technical weaknesses, its ability to develop systems and make changes to correct financial management problems will be hampered.

IRS Touches Financial Reporting Across Government

The CFO Act, as expanded by the Government Management Reform Act of 1994, requires the 24 CFO Act agencies to prepare, and subject to audit, financial statements covering all accounts and associated activities of each office, bureau, and activity of the agency. This requirement begins with agencies' financial statements for fiscal year 1996. Audit reports are to be prepared by March 1, 1997, and each year thereafter.

In addition to agencywide financial statements, the expanded CFO Act requires the Secretary of the Treasury to annually prepare consolidated financial statements depicting the Executive Branch's financial status. This requirement begins with financial statements for fiscal year 1997; GAO is to audit them by March 31 of each year, beginning in 1998.

IRS' financial information will provide significant input to the preparation and audit of both Treasury's agencywide and the governmentwide financial statements. For example,

- with $1.4 trillion in tax revenue, IRS accounts for the vast majority of the government's total reported fiscal year 1995 revenue and
- IRS' $113 billion in reported accounts receivables is over two-thirds, or about 68 percent, of the government's total fiscal year 1995 accounts receivables, which Treasury reported to be more than $166 billion.

Also, IRS financial reporting affects the financial reports of the government agencies for which IRS collects tax receipts, such as the Social Security Administration for the Social Security Trust Fund and the Department of Labor for the Unemployment Trust Fund. Beginning in fiscal year 1998, to meet federal accounting standards, IRS will have to disclose the reasons for any continuing noncompliance with the laws relating to the disposition of tax revenue to trust funds and the amount of overfunding or underfunding, if reasonably estimable.

As a central government financial management leader, it is essential for the Department of the Treasury to ensure that the problems IRS faces in preparing financial statements on its operations are promptly resolved so that these problems do not delay the preparation, or affect the credibility, of Treasury's agencywide financial statements. Also, unless IRS' financial management problems are dealt with, they will affect the ability to render an opinion on the governmentwide financial statements.

IRS Follow-Through Will Be Critical

In summary, it will be essential for IRS to follow-through and ensure that its planned short-term, interim actions are completed on schedule to improve the reliability of IRS' financial statements, and we will continue to work with IRS in doing so. We also will continue to monitor IRS' efforts to complete our recommendations and implement longer term systems improvements. The Subcommittee's continued oversight of IRS' progress in implementing the CFO Act and preparing auditable financial statements will provide important impetus as well.

Mr. Chairman, this concludes my statement. I would be happy to now respond to any questions.

Recent GAO Reports and Testimonies Related to IRS' Financial Management and TSM Problems

Financial Audit Reports

Financial Audit: Examination of IRS' Fiscal Year 1992 Financial Statements (GAO/AIMD-93-2, June 30, 1993)

Financial Audit: Examination of IRS' Fiscal Year 1993 Financial Statements (GAO/AIMD-94-120, June 15, 1994)

Financial Audit: Examination of IRS' Fiscal Year 1994 Financial Statements (GAO/AIMD-95-141, August 4, 1995)

Financial Audit: Examination of IRS' Fiscal Year 1995 Financial Statements (GAO/AIMD-96-101, July 11, 1996)

Reports and Testimonies Related to IRS Financial Audits and TSM

IRS Operations: Significant Challenges in Financial Management and Systems Modernization (GAO/T-AIMD-96-56, March 6, 1996)

Tax Systems Modernization: Management and Technical Weaknesses Must Be Overcome To Achieve Success (GAO/T-AIMD-96-75, March 26, 1996)

Tax Systems Modernization: Progress in Achieving IRS' Business Vision (GAO/T-GGD-96-123, May 9, 1996)

Letter to the Chairman, Committee on Governmental Affairs, U.S. Senate, on security weaknesses at IRS' Cyberfile Data Center (AIMD-96-85R, May 9, 1996)

Financial Audit: Actions Needed to Improve IRS Financial Management (GAO/T-AIMD-96-96, June 6, 1996)

Tax Systems Modernization: Actions Underway But IRS Has Not Yet Corrected Management and Technical Weaknesses (GAO/AIMD-96-106, June 7, 1996)

Tax Systems Modernization: Cyberfile Project Was Poorly Planned and Managed (GAO/AIMD-96-140, August 26, 1996)

Internal Revenue Service: Business Operations Need Continued Improvement (GAO/AIMD/GGD-96-152, September 9, 1996)

Internal Revenue Service: Critical Need to Continue Improving Core Business Practices (GAO/T-AIMD/GGD-96-188, September 10, 1996)

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