



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015
Annual Accounting of Drug Control Funds
and Related Performance*

January 15, 2016

Reference Number: 2016-10-014

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

Phone Number / 202-622-6500

E-mail Address / TIGTACommunications@tigta.treas.gov

Website / <http://www.treasury.gov/tigta>



To report fraud, waste, or abuse, call our toll-free hotline at:

1-800-366-4484

By Web:

www.treasury.gov/tigta/

Or Write:

Treasury Inspector General for Tax Administration
P.O. Box 589
Ben Franklin Station
Washington, D.C. 20044-0589

Information you provide is confidential and you may remain anonymous.



HIGHLIGHTS

INDEPENDENT ATTESTATION REVIEW OF THE INTERNAL REVENUE SERVICE'S FISCAL YEAR 2015 ANNUAL ACCOUNTING OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE

Highlights

Final Report issued on January 15, 2016

Highlights of Reference Number: 2016-10-014 to the Internal Revenue Service Chief Financial Officer and Chief, Criminal Investigation.

IMPACT ON TAXPAYERS

TIGTA reviewed the assertions in the IRS's Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission and Performance Summary Report for Fiscal Year 2015. IRS management is responsible for preparing the report.

The IRS supports the National Drug Control Strategy through its continued support of the Organized Crime Drug Enforcement Task Force. Complete and reliable financial and performance information is critical to the IRS's ability to accurately report on the results of its operations to both internal and external stakeholders, including taxpayers.

WHY TIGTA DID THE AUDIT

This review was conducted as required by the ONDCP and ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The National Drug Control Program agencies are required to submit to the Director of the ONDCP, not later than February 1 of each year, a detailed accounting of all funds expended (the ONDCP Circular requires amounts obligated) during the previous fiscal year. Agencies also need to identify and document performance measures that show the results associated with these expenditures. Further, the ONDCP Circular requires that each report be provided to the agency's Inspector General for the purpose of expressing a conclusion about the reliability of each assertion made in the report prior to its submission.

WHAT TIGTA FOUND

Our review indicated that the IRS asserted that the methodology used to establish its performance targets (completed cases, convictions, and conviction rate) for the current year is reasonable given its past performance and is consistent with its documented policy on developing performance targets. However, TIGTA found that although the IRS did marginally increase its targets for Fiscal Year 2016 in all three target areas, the new goals are not consistent with its documented methodology that requires the goals to be based on an average of actual performance. For example, the IRS only raised its Fiscal Year 2016 performance targets for convictions to 500 and the conviction rate to 86 percent, although the three-year average of actual convictions was 589 and the three-year average conviction rate was 90 percent.

Otherwise, based on our review, nothing came to our attention that caused us to believe that the assertions in the Detailed Accounting Submission and Performance Summary Report are not fairly presented in all material respects in accordance with the ONDCP's established criteria.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Chief, Criminal Investigation, develop future performance goals that are consistent with the IRS's documented methodology and clearly explained in the Detailed Accounting Submission and Performance Summary Report.

IRS management reviewed a draft version of the report and stated that they agreed with and plan to implement the recommendation.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

January 15, 2016

MEMORANDUM FOR CHIEF FINANCIAL OFFICER
CHIEF, CRIMINAL INVESTIGATION

FROM: Michael E. McKenney
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Independent Attestation Review of the Internal Revenue Service’s Fiscal Year 2015 Annual Accounting of Drug Control Funds and Related Performance (Audit # 201510019)

This report presents the results of our attestation review of the Internal Revenue Service’s Fiscal Year 2015 Office of National Drug Control Policy Detailed Accounting Submission and Performance Summary Report (the report). The overall objective of this review was to express a conclusion about the reliability of each assertion made in the report. This review is included in our Fiscal Year 2016 Annual Audit Plan and addresses the major management challenge of Achieving Program Efficiencies and Cost Savings.

If you have any questions, please contact me or Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations).



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Table of Contents

Background	Page 1
Results of Review	Page 3
Summary of the Independent Attestation Review of the Fiscal Year 2015 Office of National Drug Control Policy Detailed Accounting Submission and Performance Summary Report.....	Page 3
<u>Recommendation 1</u> :.....	Page 4
Appendices	
Appendix I – Detailed Objective, Scope, and Methodology	Page 5
Appendix II – Major Contributors to This Report	Page 7
Appendix III – Report Distribution List	Page 8
Appendix IV – Internal Revenue Service’s Fiscal Year 2015 Detailed Accounting Submission and Performance Summary Report.....	Page 9



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Abbreviations

FY	Fiscal Year
IRS	Internal Revenue Service
ONDCP	Office of National Drug Control Policy



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Background

The Anti-Drug Abuse Act of 1988¹ establishes as a policy goal the creation of a drug-free America. A key provision of the act is the establishment of the Office of National Drug Control Policy (ONDCP) to set priorities, implement a national strategy, and certify Federal Government drug control budgets. The Internal Revenue Service (IRS) supports the National Drug Control Strategy through its continued support of the Organized Crime Drug Enforcement Task Force. The mission of the IRS's Criminal Investigation in Federal law enforcement's anti-drug efforts is to reduce or eliminate the financial gains (profits) of major narcotics trafficking and money laundering organizations through the use of its unique financial investigative expertise and statutory jurisdiction.

This review was conducted as required by the ONDCP and ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*, dated January 18, 2013. The National Drug Control Program agencies² are required to submit to the Director of the ONDCP, not later than February 1 of each year, a detailed accounting of all funds expended (the ONDCP Circular requires amounts obligated) during the previous fiscal year.³ Agencies also need to identify and document performance measure(s) that show the results associated with these expenditures. The Chief Financial Officer, or another accountable senior-level executive, of each agency for which a Detailed Accounting Submission is required shall provide a Performance Summary Report to the Director of the ONDCP. Further, the ONDCP Circular requires that each report be provided to the agency's Inspector General for the purpose of expressing a conclusion about the reliability of each assertion made in the report prior to its submission.

For Fiscal Year (FY) 2014 and future years, the IRS elected to modify the methodology it uses to report ONDCP expenditures to include costs applicable to all narcotics investigations. Previously, the IRS reported only costs applicable to narcotics investigations performed as part of a coordinated task force. The IRS stated that it made this change to allow it to more comprehensively report the resources it devotes to the National Drug Control Strategy. This change was approved by the ONDCP. The reporting of FY 2015 performance was similarly modified to include accomplishments applicable to all narcotics investigations.

This review was performed at the IRS Headquarters offices of the Chief Financial Officer and Chief, Criminal Investigation, in Washington, D.C., during the period May 2015 through December 2015. Our review was conducted in accordance with attestation standards established

¹ Pub. L. No. 100-690, 102 Stat. 4181 (1988).

² A National Drug Control Program agency is defined as any agency that is responsible for implementing any aspect of the National Drug Control Strategy.

³ Any yearly accounting period, regardless of its relationship to a calendar year. The Federal Government's fiscal year begins on October 1 and ends on September 30.



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

by the American Institute of Certified Public Accountants and in compliance with generally accepted government auditing standards. In general, our review procedures were limited to inquiries and analytical procedures appropriate for an attestation review based upon the criteria in the ONDCP Circular. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Results of Review

Summary of the Independent Attestation Review of the Fiscal Year 2015 Office of National Drug Control Policy Detailed Accounting Submission and Performance Summary Report

We reviewed the assertions in the IRS's ONDCP Detailed Accounting Submission and Performance Summary Report (the report) for FY 2015, which ended September 30, 2015 (see Appendix IV). The report was prepared pursuant to 21 U.S.C. 1704 (d) and the ONDCP Circular. IRS management is responsible for preparing the report.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and in compliance with generally accepted government auditing standards. An attestation review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the report. Accordingly, we do not express such an opinion.

Our review indicated that the IRS asserted that the methodology used to establish its performance targets (completed cases, convictions, and conviction rate) for the current year is reasonable given its past performance and is consistent with its documented policy on developing performance targets. However, we found that although the IRS did marginally increase its targets for FY 2016 in all three target areas (completed cases, convictions, and conviction rate), the new goals are not consistent with its documented methodology. The IRS's documented methodology for establishing its performance targets requires the goals to be based on an average of the actual performance results obtained over the three prior years (at the time the FY 2016 goal was established, the most current information available was for FYs 2012 through 2014 performance). For example, the IRS only raised its FY 2016 performance goal for convictions to 500 and the conviction rate to 86 percent. However, the three-year average of actual convictions from FYs 2012 to 2014 was 589, and the three-year average conviction rate for the same period was 90 percent. The performance target was also understated for case completions, for which the IRS set the target at 800 completed cases despite that the average case completions for the prior three years was 903 cases. The IRS did not provide any explanation in the report as to the reason for establishing the goals that it did, nor did it maintain sufficient documentation to clearly explain how these goals were established.

In addition, the IRS did not adequately explain in the FY 2015 ONDCP report how it was able to significantly exceed its FY 2015 performance targets for all three goals after noting in its FY 2014 ONDCP report that it decided to forgo raising the targets for FY 2015 due to dwindling investigative resources caused by retirements and the inability to hire additional employees. For example, the IRS FY 2015 goal for completed cases was 680, and the IRS reported that it



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

actually achieved 1,039 completed cases. The IRS did not provide any explanation in the report as to how it significantly exceeded this goal.

Otherwise, based on our review, except for the assertion regarding establishment of performance targets, nothing came to our attention that caused us to believe that the assertions in the report are not fairly presented in all material respects in accordance with the ONDCP's established criteria.

While this report is an unrestricted public document, the information it contains is intended solely for the use of the IRS, the U.S. Department of the Treasury, the ONDCP, and Congress. It is not intended to be used by anyone other than the specified parties.

Recommendation

Recommendation 1: The Chief, Criminal Investigation, should develop future performance goals that are consistent with the IRS's documented methodology and clearly explained in the Detailed Accounting Submission and Performance Summary Report.

Management's Response: The Chief, Criminal Investigation, agreed with and plans to implement the recommendation.



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to perform an independent attestation review of the IRS's reporting of FY¹ 2015 ONDCP expenditures and related performance for the purpose of expressing a conclusion about the reliability of each assertion made in the Detailed Accounting Submission and Performance Summary Report. To accomplish our objective, we:

- I. Obtained an understanding of the process used to prepare the FY 2015 Detailed Accounting Submission and Performance Summary Report.
 - A. Discussed the process used to record ONDCP expenditures and performance information with responsible IRS personnel.
 - B. Obtained any documents such as written procedures and supporting worksheets that evidence the methodology used.
- II. Evaluated the reasonableness of the drug methodology process for detailed accounting submissions.
 - A. Reviewed data supporting the Detailed Accounting Submission to establish the relationship to the amounts being reported.
 - B. Verified whether all drug-related activities are reflected in the drug methodology.
 - C. Obtained documentation to support any modifications to the initial drug methodology and verified that the modifications were submitted to the ONDCP for review prior to implementation.
- III. Performed selected reviews of reported obligations in the Detailed Accounting Submission.
 - A. Verified that the Detailed Accounting Submission included all of the elements specified in Section 6 of ONDCP Circular: *Accounting of Drug Control Funding and Performance Summary*.
 - B. Verified the mathematical accuracy of the obligations presented in the Table of FY 2015 Drug Control Obligations.
 - C. Traced the information contained in the Table of FY 2015 Drug Control Obligations to the supporting documentation.

¹ Any yearly accounting period, regardless of its relationship to a calendar year. The Federal Government's fiscal year begins on October 1 and ends on September 30.



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

- D. Reviewed the supporting documentation for reasonableness.
- IV. Evaluated the reasonableness of the methodology used to report performance information for National Drug Control Program activities.
 - A. Reviewed data supporting the Performance Summary Report to establish the relationship to the National Drug Control Program activities.
 - B. Verified whether all drug-related activities are reflected in the performance information.
- V. Performed sufficient verifications of reported performance information to support our conclusion on the reliability of the assertions.
 - A. Verified that the Performance Summary Report included all of the elements specified in Section 7 of the ONDCP Circular.
 - B. Verified the mathematical accuracy of the performance information presented.
 - C. Traced the performance information presented to the supporting documentation.
 - D. Reviewed the supporting documentation for reasonableness.



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Appendix II

Major Contributors to This Report

Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations)

Alicia P. Mrozowski, Director

Anthony J. Choma, Audit Manager

Michele N. Strong, Lead Auditor

Rashme Sawhney, Auditor



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Appendix III

Report Distribution List

Commissioner
Office of the Commissioner – Attn: Chief of Staff
Chief Counsel
Deputy Commissioner for Operations Support
Deputy Commissioner for Services and Enforcement
Deputy Chief Financial Officer
Deputy Chief, Criminal Investigation
Director, Office of Audit Coordination



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Appendix IV

*Internal Revenue Service's Fiscal Year 2015
Detailed Accounting Submission and
Performance Summary Report*



CHIEF FINANCIAL OFFICER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

December 17, 2015

MEMORANDUM FOR MICHAEL E. MCKENNEY
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Jeffrey S. Wallbaum
Acting Chief Financial Officer

SUBJECT: Annual Accounting and Authentication of Fiscal Year (FY) 2015
Drug Control Funds, Related Performance, and Assertion of
Performance Information

The purpose of this memorandum is to transmit the revised IRS FY 2015 Annual Accounting and Authentication of Drug Control Funds and Related Performance Report, originally submitted on November 13, 2015. In preparing the original report, we inadvertently used the "Earmarked Narcotics" figure of \$60.257 million to support the 2015 Drug Control Obligations. The correct number was determined to be \$63.986 million. A corrected report is attached.

If you have any questions, please contact me at (202) 317-6400, or have a member of your staff contact Jeffrey Zottola, Associate Chief Financial Officer for Corporate Budget, at (202) 317-4038.

Attachments (2)



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Attachment 1
December, 2015

INTERNAL REVENUE SERVICE
Annual Accounting and Authentication of Drug Control Funds and Related Performance

DETAILED ACCOUNTING SUBMISSION

A. Table of Fiscal Year (FY) 2015 Drug Control Obligations

	Narcotics
Drug Resources by Function	(\$000)
Investigations	\$63,986
Total	\$63,986
Drug Resources by Decision Unit	
Narcotics Crimes	\$63,986
Total	\$63,986

1) Drug Methodology

- a) All Drug Control Obligations (the resources appropriated and available for these activities) are reported under one Drug Control Function and one Budget Decision Unit, as shown in the above chart.
- b) The Internal Revenue Service (IRS) Drug Control Budget encompasses the Criminal Investigation (CI) Narcotics Program¹. CI's overall Direct Investigative Time (DIT) applied to narcotics investigations for FY 2015 was 11.441 percent of total DIT.

The methodology for computing the resources appropriated and realized for the Narcotics Program is the application of the DIT attributable to narcotics investigations and applying the DIT percentage to the total realized appropriated resources, reduced by reimbursable funds and Earned Income Tax Credit (EITC) resources, for the year for which the resources are being reported. The result is determined to be the amount of resources expended on the Narcotics Program. This methodology was approved by CI, the IRS Chief Financial Officer, and the Office of National Drug Control Policy (ONDCP) during FY 2014 and is effective for FY2014 and all subsequent fiscal years.

¹ The IRS-CI Narcotics Program consist of 5 sub-programs which include, Organized Crime Drug Enforcement Task Forces (OCDETF); High Intensity Drug Trafficking Area (HIDTA); HIDTA-OCDETF; Terrorism-OCDETF; and Narcotics-Other.



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Attachment 1
December, 2015

2) Methodology Modifications

No changes or modifications in the methodology from the prior year.

3) Material Weaknesses or Other Findings

None

4) Reprogramming or Transfers

None

5) Other Disclosures

None

B. Assertions

1) Obligations by Budget Decision Unit

Obligations reported by the Budget Decision Unit are a result of applying DIT data derived from the Criminal Investigation Management Information System (CIMIS) to the actual obligations from the CI realized Financial Plan, less reimbursements and EITC funds.

2) Drug Methodology

The current methodology used to calculate obligations of prior-year budgetary resources has not changed from FY 2014 to FY 2015. There was no impact in the methodology in FY 2015 since the methodology in FY 2014 did not change.

a) Data

Data is derived from CIMIS to determine the DIT applied to the Narcotics Program. Each special agent submits CIMIS time reports monthly detailing their activities relating to specific investigations. Each investigation is associated with a specific program and sub-program area. The percentage of DIT applied to each program area is calculated monthly with a final annual percentage determined after the close of the fiscal year to determine the total resources expended to support the U.S. Government's National Drug Control Strategy. The annual percentage of DIT relating to all narcotics sub-programs is applied to the total resources expended for FY 2015 in the CI Appropriated Enforcement Budget (excluding reimbursements and EITC).



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Attachment 1
December, 2015

b) Other Estimation Methods

None

c) Financial Systems

The IRS Integrated Financial System (IFS) is the final authority for the IRS resource obligations and yields data which fairly presents drug related obligation estimates.

3) Application of Drug Methodology

The methodology disclosed in this section was the actual methodology used to generate the required table and meets all requirements described in Section 6 of the ONDCP Circular: Accounting of Drug Control Funding and Performance Summary. Calculations made using this methodology are sufficiently documented to independently reproduce all data and ensure consistency between reporting years.

4) Reprogramming or Transfers

The data presented is associated with obligations against a financial plan and properly reflects any revisions occurring during the fiscal year.

5) Fund Control Notices

Criminal Investigation asserts the data presented is associated with obligations against a financial plan that fully complied with all fund control notices issued by the Director under 21 U.S.C. § 1703(f) and Section 9 of the ONDCP Circular: Budget Execution, as applicable.

C. Performance Summary Report

1) Performance Reporting

a) Performance Measures

The IRS reviewed performance measures used by other agencies that support the National Drug Control Strategy as well as budget-level performance measures that are already used to address the effectiveness of CI activities. As a result of the review, the IRS determined that, in addition to the number of subject criminal investigations completed, the most appropriate performance measures to evaluate its contribution to the National Drug Control Strategy were number of convictions and conviction rate. These are both budget-level performance measures already used by CI to evaluate its



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Attachment 1
December, 2015

performance as a whole. Criminal investigations completed for the Narcotics Program and all other programs are defined as total subject criminal investigations completed during the fiscal year, including those resulting in a prosecution recommendation to the DOJ, discontinuance due to lack of evidence, or a finding that the allegation was false (or other reasons). Convictions are defined as the total number of subject criminal investigations with CIMIS status codes of guilty plea, nolo-contendere, judge guilty, or jury guilty. Conviction rate is defined as the total number of subject criminal investigations with CIMIS status codes of guilty plea, nolo-contendere, judge guilty, or jury guilty divided by these status codes nolle prosequi, judge dismissed, and jury acquittal.

These measures assess CI's performance of its mission to serve the public by conducting investigations of potential violations of the Internal Revenue Code and related financial crimes (which narcotics investigations are an important component), to foster confidence in the tax system and enhance voluntary compliance. In addition, it reduces or eliminates the profits and financial gains from narcotics trafficking and money laundering.

Criminal Investigation's Narcotics Program supports the goals of the; President's Strategy to Combat Transnational Organized Crime, the U.S. National Drug Control Strategy, and the National Money Laundering Strategy by seeking to reduce or eliminate the profits and financial gains from Transnational Criminal Organizations involved in narcotics trafficking and money laundering. CI has participated in the OCDETF program since its inception in 1982 and focuses its narcotics efforts almost exclusively on high-priority OCDETF cases where its contributions will have the greatest impact.

b) Prior Years Performance Targets and Results

The performance results for FY 2010 through FY 2014 are shown below:

	FY 2010	FY 2011	FY 2012 ²	FY 2013	FY 2014
Investigations Completed	788	927	904	943	862
Convictions	405	435	563	621	584
Conviction Rate	82%	88%	90%	88%	91%

Note: The performance results for FY2010 – FY2013 listed in the above table were based on the prior drug methodology and only include investigations coded as OCDETF.

² TIGTA and CI agreed to revise the number of convictions for FY2012 to 559 (from 563) based on a review of CIMIS data.



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Attachment 1
December, 2015

c) Current Year Performance Targets and Results

CI calculated its year-end performance using the status date of investigations. The results for FY 2015 are shown below:

FY 2015 Narcotics Targets & Performance	FY 2015 Narcotics Targets	FY 2015 Performance Results Narcotics*
Investigations Completed	680	1039
Convictions	410	601
Conviction Rate	85%	92.0%

- As noted in the above table, CI exceeded in all three performance target areas for FY 2015: Investigations Completed; Convictions; and Conviction Rate.
- * Figures stated are based on status dates as of November 3, 2015.

d) Fiscal Year 2016 Performance Targets Narcotics Cases:

The performance information for the IRS CI Narcotics program for FY2016, as submitted to ONDCP (ONDCP Budget Submission):

Criminal Investigations Completed	800
Convictions	500
Conviction Rate	86%

Note: For FY2016, CI has increased the performance targets from FY2015 despite the fact that the level of narcotics funding requested for FY2016 is the same amount received in prior years.

e) Quality of Performance Data

To ensure the reliability of the data, all cases have unique numbers assigned in CIMIS which contain validity and business rule checks. The CIMIS database tracks the status of the investigations from initiation through final disposition. The system has sufficient internal checks and balances to assure status updates are input in the proper order.

D. Annual Accounting and Authentication of Drug Control Funds and Related Performance

1) Performance Measures Assertions

a) Performance Reporting System is appropriate and applied

The IRS uses the CIMIS to capture performance information accurately and that system was properly applied to generate the performance data.



*Independent Attestation Review of the
Internal Revenue Service's Fiscal Year 2015 Annual
Accounting of Drug Control Funds and Related Performance*

Attachment 1
December, 2015

b) Explanations for not meeting performance targets are reasonable

Explanations offered for failing to meet a performance target and for any recommendations concerning plans and schedules for meeting future targets or for revising or eliminating performance targets are reasonable.

c) Methodology to establish performance targets is reasonable and applied

The methodology described in the Performance Summary Report for FY 2015 to establish performance targets for the current year is reasonable given past performance and available resources.

d) Adequate performance measures exist for all significant drug control activities

The IRS established at least one acceptable performance measure for each Drug Control Decision Unit identified in its Detailed Accounting of FY 2015 Drug Control Funds as required by § 6a(1)(A) for which a significant amount of obligations were incurred in the previous year.

2) Criteria for Assertions

a) Data

The sources of the data used are well documented and the data used in the report is clearly identified and is the most recent available.

b) Estimation Methods

Not applicable.

c) Reporting Systems

The reporting system supporting the above assertions is current, reliable, and an integral part of the agency's budget and management processes.