

# TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



## **Despite Previous Recommendations, Contract Documentation Issues Persist**

September 16, 2025

Report Number: 2025-108-052

**Why TIGTA Did This Audit**

The Inflation Reduction Act of 2022 (IRA) provided almost \$80 billion to the IRS to transform the way it operates and serves taxpayers. As of March 2025, Congress has reduced IRA funding to \$37.6 billion.

From August 2022 through June 2024, the IRS obligated \$470 million in IRA funds on 193 non-information technology contracts. This audit assessed the effectiveness of management oversight for selected non-information technology IRA contracts.

**Impact on Tax Administration**

Inadequate contract documentation limits transparency, increases the risk that management makes uninformed decisions, and could lead to improperly paid invoices. In addition, without supporting documentation, it is difficult to provide effective oversight as well as identify potential fraud or regulatory noncompliance.

**What TIGTA Found**

Contracting officers' and contracting officer's representatives' pre-award and post-award documentation was incomplete in a judgmental sample of 28 non-information technology IRA contracts, totaling approximately \$309 million. We found that all 28 contracts in our sample were lacking required documentation. As a result, the contracts do not meet quality standards or comply with Federal Acquisition Regulation requirements.

Our prior audits have consistently identified deficiencies in the IRS's documentation in both the pre-award and post-award contract processes. Despite these repeated findings, recommendations, and actions taken to correct them, the deficiencies in the contract documentation have continued. These recurring issues indicate a general lack of proper managerial oversight in the contract documentation processes.

The 28 contracting officers' contract files reviewed were missing pre-award documentation of one or more of the following: market research, acquisition plans, cost estimates, statements of work, and/or tax compliance checks. Also, we reviewed the documentation for a judgmental sample of 69 award payments totaling approximately \$49.4 million from the 28 contracts and determined that none of the files contained evidence of the required quality assurance inspection report.

The quality assurance inspection is required to be performed by the contracting officer's representative, end user, or individual possessing the necessary knowledge to perform the inspection after goods are received or services are rendered. Without any documented evidence that this inspection occurred, there is no assurance that the IRS received acceptable goods or services according to the contract terms.

**What TIGTA Recommended**

We made two recommendations to the Chief Procurement Officer, that included revising the contract file checklists to include a) a certification statement that the contracting officer added all applicable documents to the contract file; and b) managerial approval confirming the completeness of the contract file. We also recommended that the Chief Procurement Officer work with the Chief Financial Officer to develop a form that includes all the elements of the required quality assurance inspection report, provide training to the contracting officer's representatives on its use, and implement a requirement for consistent use.

The IRS agreed with both recommendations. The Chief Procurement Officer plans to revise the contract file checklist, develop a quality assurance inspection form for both goods and services and collaborate with Chief Financial Officer to ensure procurement guidance, mandatory trainings, and platforms are updated to include consistent and proper form usage for receipt and acceptance purposes.



**TREASURY INSPECTOR GENERAL  
FOR TAX ADMINISTRATION**

**U.S. DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20024**

September 16, 2025

**MEMORANDUM FOR:** COMMISSIONER OF INTERNAL REVENUE

**FROM:** Diana M. Tengesdal  
Acting Deputy Inspector General for Audit

**SUBJECT:** Final Audit Report – Despite Previous Recommendations, Contract  
Documentation Issues Persist (Audit No.: 2024108008)

This report presents the results of our review to assess the effectiveness of management oversight for selected non-information technology Inflation Reduction Act (IRA) contracts. This review is part of our Fiscal Year 2025 Annual Audit Plan and addresses the major management and performance challenge of *Managing IRA Transformation Efforts*.

Management's complete response to the draft report is included as Appendix III. If you have any questions, please contact me or LaToya P. George, Acting Assistant Inspector General for Audit (Taxpayer Services and Operational Support).

# Table of Contents

<a href="#">Background</a> .....	Page 1
----------------------------------	--------

<a href="#">Results of Review</a> .....	Page 2
---	--------

<a href="#">Pre-Award and Post-Award Contract Documentation Is Incomplete</a> .....	Page 2
---	--------

<a href="#">Recommendation 1:</a> .....	Page 5
---	--------

<a href="#">Recommendation 2:</a> .....	Page 6
---	--------

## Appendices

<a href="#">Appendix I – Detailed Objective, Scope, and Methodology</a> .....	Page 7
---	--------

<a href="#">Appendix II – Outcome Measures</a> .....	Page 9
--	--------

<a href="#">Appendix III – Management’s Response to the Draft Report</a> .....	Page 10
--	---------

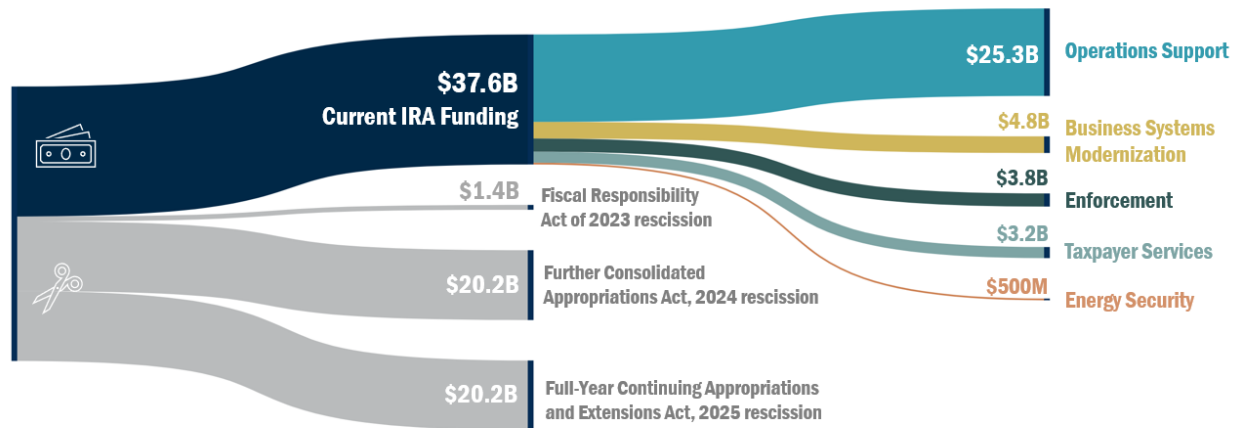
<a href="#">Appendix IV – Glossary of Terms</a> .....	Page 12
---	---------

<a href="#">Appendix V – Abbreviations</a> .....	Page 13
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## Background

The Inflation Reduction Act of 2022 (IRA) provided \$79.4 billion in additional funding to the Internal Revenue Service (IRS) to transform the way it operates and serves taxpayers.<sup>1</sup> As of March 2025, Congress has reduced the IRA funding to \$37.6 billion.<sup>2</sup> Figure 1 provides the IRA funding by category as of March 2025.

**Figure 1: Legislation and IRA Funding by Category**



Source: Analysis of related legislation affecting funding categories.

In April 2023, the IRS published the IRA Strategic Operating Plan, outlining the objectives and initiatives which would be undertaken to implement the IRA.<sup>3</sup> The IRS developed budget guidance which provides directions for spending IRA money on transformation and non-transformation activities. Transformation-related activities include projects and activities using IRA funding to modernize the IRS and support improvements to ongoing IRS operations consistent with the Strategic Operating Plan. Non-transformation activities include ongoing activities which the IRS performs to fulfill statutory and regulatory requirements, effectively administer the tax system, and meet obligations to taxpayers. The IRS's non-information technology IRA funded procurements were used for both transformation and non-transformation activities.

The Office of the Chief Procurement Officer (OCPO) provides acquisition services for the IRS and other bureaus and offices within the Department of the Treasury. The mission of the OCPO is to deliver top-quality acquisition services to ensure effective tax administration.

According to the IRS, the OCPO has lost 48 percent of its personnel, down from 585 employees in January 2025 to 306 employees as of June 2025. Additionally, the OCPO is part of an IRS

<sup>1</sup> Pub. L. No. 117-169, 136 Stat. 1818.

<sup>2</sup> The Fiscal Responsibility Act of 2023 (Pub. L. No. 118-5, 137 Stat. 10) rescinded \$1.4 billion; The Further Consolidated Appropriations Act, 2024 (Pub. L. No. 118-47, 138 Stat. 460) rescinded \$20.2 billion; and the Full-Year Continuing Appropriations and Extensions Act, 2025 (Pub. L. No. 119-4) rescinded another \$20.2 billion.

<sup>3</sup> Publication 3744, *Internal Revenue Service Inflation Reduction Act Strategic Operating Plan Fiscal Years 2023 – 2031* (Rev. 04-2023).

Information Technology priority initiative called the Contract Rationalization project. The goal of the project is to reduce IRS total costs and inefficiencies through the reduction of unnecessary contracts and expenditures. To accomplish this, contracts will be analyzed and decisions will be made based on duplication or inefficiency. The team will collaborate with the Treasury department on assessment and resolution.

This review focuses on the IRS's acquisition life cycle, which is the documented process of required activities to procure products or services. It includes three main phases: pre-award, award, and post-award. Figure 2 highlights the key activities during each phase of the acquisition life cycle.

**Figure 2: Summary of the Acquisition Life Cycle Phases**

<b>Pre-Award</b>	<b>Planning</b>	Define the requirement(s), conduct market research, and develop the acquisition strategy and acquisition package.
	<b>Pre-Solicitation</b>	Draft the solicitation, conduct a procurement review, and finalize the solicitation.
	<b>Solicitation</b>	Post the solicitation, receive and address comments from industry, and obtain quotes/proposals.
	<b>Evaluation</b>	Conduct an evaluation of the quotes/proposals and conduct negotiations (as appropriate).
<b>Award</b>		Award the contract, appoint a contracting officer's representative, conduct debriefs/feedback, and address any protests (as appropriate). <sup>4</sup>
<b>Post-Award</b>		Monitor and modify the contract as needed and perform closeout activities.

Source: Summary of the IRS's acquisition life cycle.

## Results of Review

### Pre-Award and Post-Award Contract Documentation Is Incomplete

Pre-award and post-award documentation was incomplete for a judgmental sample of 28 contracts, totaling approximately \$309 million.<sup>5</sup> From August 2022 through June 2024, the IRS obligated \$470 million in IRA funds on 193 non-information technology contracts. We found that the contracting officers' contract files for all 28 contracts were lacking required documentation. As a result, the contracts do not meet quality standards nor comply with the Federal Acquisition Regulation (FAR) requirements.<sup>6</sup>

<sup>4</sup> See Appendix IV for a glossary of terms.

<sup>5</sup> A judgmental sample is a nonprobability sample, the results of which cannot be used to project to the population.

<sup>6</sup> In April 2025, the President issued an Executive Order 14275, *Restoring Common Sense to Federal Procurement*, to simplify and streamline the FAR to ensure it contains only provisions required by statute or essential to efficient, secure, and cost-effective procurement. As of July 2025, updates to overhaul portions of the FAR were still being determined.

This is not an isolated occurrence. Our prior audits and reviews have consistently identified deficiencies in the IRS's documentation in both the pre-award and post-award contract processes. These recurring issues indicate a general lack of proper managerial oversight in the contract documentation processes. For example:

- In March 2025, we reported that our review of a judgmental sample of seven IRA Business Systems Modernization funded information technology contracts found that none of the seven contract files maintained final pre-award and post award documentation to support the complete history of the contract or met quality standards as required.<sup>7</sup> The IRS agreed to develop a quality review process to ensure that all final pre-award and post-award documentation is properly maintained, stored, and meets quality standards. The IRS plans to implement these corrective actions by December 2025.
- In September 2023, we reported that our review of 27 expert witness contract files awarded during Fiscal Years (FY) 2019 through 2021, found that documentation supporting key required actions taken to award the contracts were either not included in the contract files or the IRS was unable to provide the documentation when requested.<sup>8</sup> The IRS created a job aid for contracting officer representatives that includes a checklist of all required documentation that is to be included in the expert witness contract files.
- In August 2021, we reported that there was insufficient receipt and acceptance (R&A) documentation in the IRS's contract files.<sup>9</sup> To mitigate this issue, the IRS implemented an R&A Supporting Documentation Upload Tool in the Procurement for Public Sector (PPS) application in February 2021.
- In June 2019, we reported an estimated 91 pre-award and award procurement documentation were missing from the contract files.<sup>10</sup> The IRS reminded assigned OCPO management to verify compliance during their contract reviews. However, we noted that the IRS's corrective action did not specifically address our recommendation to ensure that contract file reviews are conducted timely and regularly.

We are increasingly concerned that despite these repeated findings, recommendations, and actions taken to correct them, the deficiencies in the contract documentation have continued. These ongoing problems risk non-compliance with the FAR.

### Pre-award documentation is missing or incomplete

We determined that the contracting officers' contract files for all 28 sampled non-information technology IRA contracts had one or more missing or incomplete key documents that would be needed to support the completion of the pre-award activities. We reviewed a judgmental sample of 28 contract files to verify the following key documents were retained: 1) market

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<sup>7</sup> TIGTA, Report No. 2025-208-008, [Inflation Reduction Act: Contract Performance Oversight and Compliance With Expenditure Restrictions Need Improvement](#) (March 2025).

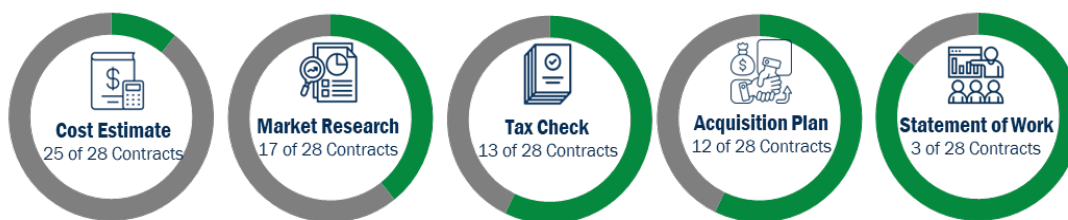
<sup>8</sup> TIGTA, Report No. 2023-IE-R012, [Federal Acquisition Regulation Requirements Were Either Not Performed or Documented When Awarding and Administering Expert Witness Contracts](#) (September 2023).

<sup>9</sup> TIGTA Report No.: 2021-20-046, [Select Post-Award Financial Management and Documentation Controls for Information Technology Service Contracts Need Improvement](#) (August 2021).

<sup>10</sup> TIGTA, Report No. 2019-20-038, [Controls Over Information Technology Procurements Need Improvement](#) (June 2019).

research, 2) acquisition plan, 3) independent government cost estimate (IGCE), 4) statement of work, and 5) vendor tax compliance check documentation. We also reviewed the pre-award documentation that was found in the PPS application or provided by the IRS to determine whether it met quality standards. Quality standards include, but are not limited to, the reviewer's and approver's signature, documenting all required elements of the market research, an IGCE, and a vendor tax compliance check review conducted no more than 20 business days prior to awarding the contract. Figure 3 shows the required pre-award documentation that was missing or incomplete.

**Figure 3: Summary of Pre-award Documents Not Meeting Quality Standards**



*Source: Analysis of pre-award documentation for 28 sampled non-information technology IRA contracts.*

More specifically, we found:

- 17 of the 28 (61 percent) contract files had missing (5 files) or incomplete (12 files) market research. Market research is needed to collect and analyze information about capabilities within the market to satisfy an agency's needs. The market research documentation did not always include information on the capabilities of potential vendors when the research was performed or was not signed by the contracting officer. Without proper market research, there is no assurance that an optimal vendor was selected for a contract.
- 12 of the 28 (43 percent) contract files had missing (6 files) or incomplete (6 files) acquisition plans. Acquisition plans contain strategies that coordinate the efforts of all personnel involved in an acquisition to fulfill an agency's needs efficiently and cost-effectively. Failure to complete an acquisition plan can lead to an unclear procurement strategy, which could increase costs and cause delays in acquiring the goods or services. Incomplete acquisition plans had missing signatures by the reviewer and/or approver. Without these signatures, there is no assurance that the acquisition plans were reviewed and approved or whether they complied with federal regulations.
- 25 of the 28 (89 percent) contract files had a missing (2 files) or incomplete (23 files) IGCE. An IGCE is an estimate of the projected price or cost that a contractor would incur in the successful performance of a contract. Incomplete estimates did not include all required elements, such as a sufficient narrative to describe the estimating methodology, sources, assumptions, rationale, and other information used in developing the estimate. Without a complete IGCE with a sufficient narrative, there is no justification for cost estimates, which can make it difficult to assess price reasonableness and can lead to inconsistencies in cost assumptions.



- 3 of the 28 (11 percent) contract files had an incomplete statement of work. A statement of work describes the work or services and required results in clear, specific and objective terms with measurable outcomes. Incomplete statements did not include all required elements such as a background, a period of performance, and the performance standards. An incomplete statement of work can lead to unclear expectations and potential contract disputes.
- 13 of the 28 (46 percent) contract files were missing documentation to support that either a tax compliance check was completed or was conducted no more than 20 business days prior to the contract award date. A proper tax compliance check is necessary to ensure that only vendors who are tax compliant are awarded contracts.

FAR subpart 4.8 requires that the documentation in the files shall be sufficient to constitute a complete history of the transaction for the purpose of providing a complete background as a basis for informed decisions at each step in the acquisition process. IRS Acquisition Policy also requires that official contract files contain complete documentation to establish a complete history of the acquisition, and that the contracting officer shall include the final and approved version of the documentation in the contract file.<sup>11</sup>

The OCPO management attributed the missing documentation in the files to personnel oversight, noting that staff failed to include the required documents in the contract files. Because pre-award documentation is missing or incomplete, the complete history of the contract is not documented in the contract file. This increases the risk of management making uninformed decisions, not having effective oversight, or not identifying regulatory non-compliance. In addition, inadequate contract documentation limits transparency and could lead to improperly paid invoices.

**Recommendation 1:** The Chief Procurement Officer should revise the contract file checklists to include the following: a) a certification statement that the contracting officer added all applicable documents to the contract file; and b) managerial approval confirming the completeness of the contract file.

**Management's Response:** IRS management agreed with our recommendation. The OCPO will add a checkbox and certification statement to the contract file checklists for Contracting Officers and managerial confirmation that final documents have been uploaded to the contract file.

### Post-award documentation is missing

We also reviewed the documentation for a judgmental sample of 69 award payments totaling approximately \$49.4 million from the 28 sampled contracts and determined that some required documentation was missing.<sup>12</sup> Payments are required to have a supporting invoice and documentation for both the R&A of goods and services, including evidence of a quality assurance inspection report.

<sup>11</sup> IRS Acquisition Policy, FY 2024 Edition, Version 1.0, Effective June 28, 2024 – See Subpart 1004.8.

<sup>12</sup> The IRS provided us an Integrated Financial System billing report for the 28 non-information technology IRA contracts that we reviewed to identify invoice payments made using IRA funding as of December 16, 2024. One of the 28 sampled contracts did not have any payments as of December 16, 2024; therefore, it was excluded from our post-award testing.

According to the Internal Revenue Manual, the quality assurance inspection is the most critical internal control in the R&A process and it must be completed before acceptance of goods and services. Additionally, IRS acquisition policy states that the contracting officer shall designate a contracting officer's representative (COR) as responsible for acceptance of supplies or services. However, we found that none of the CORs' files reviewed contained evidence of the required quality assurance inspection report.

IRS procurement guidance states that a quality assurance inspection is required to be performed by the COR, end user, or individual possessing the necessary knowledge to perform an inspection after the goods are received or the services are rendered.<sup>13</sup> It should include a review of the contract deliverables and show when the review took place, and the review results. Without any documented evidence that this inspection occurred, there is no assurance that the IRS received acceptable goods or services according to the contract terms.

OCPO management agreed that the required documentation was missing but stated that the Office of the Chief Financial Officer is responsible for developing R&A policy. Chief Financial Officer management stated that while they have responsibility for the Internal Revenue Manual, they do not have oversight responsibility for the R&A process, which includes the quality assurance inspection. They further stated that the CORs in the business units are responsible for completing the quality assurance inspection prior to acceptance of goods and services.

When supporting invoices for payments and R&A supporting documentation is not maintained, there is a higher risk that potential fraud will not be detected. Additionally, the IRS cannot ensure that vendors fulfilled their contractual obligations and met quality standards without a quality assurance inspection.

**Recommendation 2:** The Chief Procurement Officer should work with the Chief Financial Officer to develop a form that includes all the elements of the required quality assurance inspection report, provide training to the CORs on its use, and implement a requirement for consistent use.

**Management's Response:** IRS management agreed with our recommendation. The OCPO will develop a quality assurance inspection form that will be required for both goods and services. The Chief Procurement Officer will collaborate with the Chief Financial Officer to ensure that existing COR procurement guidance, mandatory trainings, and platforms are updated to include consistent and proper form usage for R&A purposes. The Chief Financial Officer will also update the Internal Revenue Manual with more clarity as to the quality assurance inspection process.

<sup>13</sup> Instructions issued by the Office of Procurement Policy to provide direction, information, or procedures for implementing IRS Acquisition Policy.

## Appendix I

### **Detailed Objective, Scope, and Methodology**

The overall objective of this audit was to assess the effectiveness of management oversight for selected non-information technology IRA contracts. To accomplish our objective, we:

- Determined whether OCPO personnel complied with applicable regulations, policies, and procedures on selected non-information technology IRA contracts.
- Determined whether required pre-award documentation was maintained in the contract files by reviewing a judgmental sample of 28 contracts from a population of 193 non-information technology IRA contracts.<sup>1</sup> The judgmental sample of 28 contracts was selected by stratifying the population into six strata based on contract value. We limited our sample to 15 percent of the population, while selecting all of the contracts totaling over \$10 million.
- Determined whether contracting officer's representatives were verifying receipt of products and services prior to authorizing payments on vendor invoices by reviewing a judgmental sample of 69 out of 540 payments provided by the OCPO as of December 16, 2024, from our judgmental sample of 28 non-information technology IRA contracts. The judgmental sample was selected by number of payments, the payment amount, and the payment date. We limited our sample to three payments per contract.

### **Performance of This Review**

This review was performed with information obtained from the OCPO located at the New Carrollton Federal Building in Lanham, Maryland, during the period October 2024 through May 2025. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective.

### **Data Validation Methodology**

During this review, we relied on data extracted from the PPS application provided by TIGTA's Applied Research and Technology Team. In addition, we relied on payment data extracted by the IRS from the Integrated Financial System. To assess the reliability of the computer-processed data, we evaluated the data by: 1) tracing a sample of non-information technology IRA contracts to the PPS application, 2) verifying the Integrated Financial System data included payment information related to the selected non-information technology IRA contracts and was within the expected date range, and 3) reviewing documentation about the data. We determined that the data were sufficiently reliable for the purposes of this report.

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<sup>1</sup> A judgmental sample is a nonprobability sample, the results of which cannot be used to project to the population.

## **Internal Controls Methodology**

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: the FAR and IRS policies, procedures, and guidelines related to managing and approving contracts. We evaluated these controls by interviewing OCPO personnel and by reviewing pre-award and post-award documentation.

## Appendix II

### Outcome Measures

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. These benefits will be incorporated into our Semiannual Report to Congress.

#### **Type and Value of Outcome Measure:**

- Reliability of Information – Potential; 28 non-information technology IRA contract files that did not maintain pre-award documentation to support the complete history of the contract or meet quality standards (see Recommendation 1).

#### **Methodology Used to Measure the Reported Benefit:**

We selected and reviewed a judgmental sample of 28 contracts from a population of 193 non-information technology IRA contracts.<sup>1</sup> Contract files must document the complete history of the contract throughout its acquisition life cycle. The documents must be finalized and meet quality standards. To determine whether pre-award documentation is maintained in the respective contract file, we requested the following documents: 1) market research, 2) acquisition plan, 3) an IGCE, 4) statement of work, and 5) vendor tax compliance check documentation. We determined that none of the contract files for the 28 non-information technology IRA contracts maintained pre-award documentation to support the complete history of the contract or met quality standards.

#### **Type and Value of Outcome Measure:**

- Protection of Resources – Potential; \$49,369,483 in non-information technology IRA contract vendor invoice payments that did not have complete post-award documentation to support that the IRS received and accepted the products or services (see Recommendation 2).

#### **Methodology Used to Measure the Reported Benefit:**

We selected and reviewed a judgmental sample of 69 out of 540 vendor invoice payments totaling approximately \$49.4 million from the same judgmental sample of 28 non-information technology IRA contracts noted in the previous outcome measure. We determined that the post-award documentation for none of the 69 payments were complete as none of the payments were supported by a quality assurance inspection report. The quality assurance inspection is the most critical internal control of the R&A process. This is where the contracting officer's representative or end user with the requisite knowledge of the goods and services and the contract terms conducts a review to ensure that the goods and services received are acceptable to the IRS.

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<sup>1</sup> A judgmental sample is a nonprobability sample, the results of which cannot be used to project to the population.

## Appendix III

### Management's Response to the Draft Report



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, DC 20224

September 04, 2025

MEMORANDUM FOR DIANA M. TENGESDAL  
ACTING DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Troy Rosenlieb  
Acting Chief Procurement Officer (CPO)

Troy L. Rosenlieb  
Digitally signed by Troy L. Rosenlieb  
Date: 2025.09.04 11:52:45 -04'00'

Anthony S. Chavez  
Chief Financial Officer (CFO)

Anthony S. Chavez  
Digitally signed by Anthony S. Chavez  
Date: 2025.09.04 11:39:48 -04'00'

SUBJECT: Draft Audit Report – *Despite Previous Recommendations, Contract Documentation Issues Persist* (Audit No.: 2024108008)

Thank you for the opportunity to review and comment on the subject draft report and address the observations with the audit team. The Internal Revenue Service (IRS) appreciates all opportunities to improve internal controls and processes related to procurement activities.

The Treasury Inspector General for Tax Administration's (TIGTA) overall objective of this review was to assess the effectiveness of management oversight for selected non-information technology Inflation Reduction Act (IRA) contracts. This review was part of their Fiscal Year 2025 Annual Audit Plan and addresses the major management and performance challenge of *Managing IRA Transformation Efforts*.

The Office of the Chief Procurement Officer (OCPO) agrees with TIGTA's findings that 28 sampled non-information technology IRA contracts had one or more missing, or incomplete key documents required to support completion of the pre-award activities.

OCPO's corrective action plan is included below; wherein, we are committed to maintaining the integrity of IRS's acquisition process and value TIGTA's continued support.

Our response to TIGTA's recommendations is attached.

If you have any questions, please contact our office.

Attachment

### **RECOMMENDATION 1**

The Chief Procurement Officer should revise the contract file checklists to include the following: a) a certification statement that the contracting officer added all applicable documents to the contract file and b) managerial approval confirming the completeness of the contract file.

### **CORRECTIVE ACTION**

The CPO agrees with this Recommendation.

### **IMPLEMENTATION DATE**

December 15, 2025

### **RESPONSIBLE OFFICIAL**

Office of the Chief Procurement Officer

### **PLANNED CORRECTIVE ACTION (PCA)**

The Office of Chief Procurement Officer (OCPO) will add a checkbox and certification statement to the contract file checklists for Contracting Officers and managerial confirmation that final documents have been uploaded to the contract file.

### **RECOMMENDATION 2**

The Chief Procurement Officer should work with the Chief Financial Officer to develop a form that includes all the elements of the required quality assurance inspection report, provide training to the CORs on its use, and implement a requirement for consistent use.

### **CORRECTIVE ACTION**

The CPO agrees with this Recommendation.

### **IMPLEMENTATION DATE**

September 30, 2026

### **RESPONSIBLE OFFICIAL**

Office of the Chief Procurement Officer

### **PLANNED CORRECTIVE ACTION (PCA)**

The **Office of Chief Procurement Officer (OCPO)** will develop a Quality Assurance Inspection Form that will be required for both goods and services, for both goods and services, required for the quality assurance inspection report.

The **Chief Procurement Officer (CPO)** will collaborate with CFO to ensure that existing Contracting Officer Representative (COR) procurement guidance, mandatory trainings, and platforms are updated to include consistent and proper form usage for receipt and acceptance purposes.

The **Chief Financial Officer (CFO)** will update IRM 1.35.3.1 with more clarity as to the quality assurance inspection process.



## Appendix IV

### Glossary of Terms

Term	Definition
Contracting Officer	An agent of the federal government, empowered to execute contracts and obligate government funds.
Contracting Officer's Representative	A government representative who ensures that contractors meet the requirements of their contracts.
End User	A person or entity that makes use of goods or services rendered.
Federal Acquisition Regulation	The primary regulation for use by all executive branch agencies in their acquisition of supplies and services with appropriated funds.
Integrated Financial System	The IRS's administrative accounting system.
Internal Revenue Manual	The primary official compilation of instructions to staff that relate to the administration and operation of the IRS.
Invoice	A vendor's bill or written request for payment under the contract for supplies delivered or services performed.
Post-Award Documents	Documents produced after a contract is awarded. They include, but are not limited to R&A documents, supporting memoranda, price negotiation memoranda, option justifications, modifications, determination of responsibility, waivers, award documents, and termination documents, as applicable.
Pre-award Documents	Documents required to support completed tasks during the group of phases in the acquisition life cycle that occur prior to a contract being awarded.
Procurement for Public Sector	A system used by the IRS to track obligations, create solicitations and awards, maintain contractor files, and generate reports.
Receipt and Acceptance	Documentation for both receipt and acceptance, <i>e.g.</i> , quality assurance inspection reports, of products or services.



## Appendix V

### Abbreviations

COR	Contracting Officer's Representative
FAR	Federal Acquisition Regulation
FY	Fiscal Year
IGCE	Independent Government Cost Estimate
IRA	Inflation Reduction Act
IRS	Internal Revenue Service
OCPO	Office of the Chief Procurement Officer
PPS	Procurement for Public Sector
R&A	Receipt and Acceptance
TIGTA	Treasury Inspector General for Tax Administration



**To report fraud, waste, or abuse,  
contact our hotline on the web at  
<https://www.tigta.gov/reportcrime-misconduct>.**

**To make suggestions to improve IRS policies, processes, or systems  
affecting taxpayers, contact us at [www.tigta.gov/form/suggestions](http://www.tigta.gov/form/suggestions).**

Information you provide is confidential, and you may remain anonymous.