TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

Despite Progress Made Onboarding New Employees, Many Did Not Timely Receive Equipment and Performance Expectations

February 19, 2026

Report Number: 2026-108-005

HIGHLIGHTS: Despite Progress Made Onboarding Employees, Many Did Not Timely Receive Equipment and Performance Expectations

Final Audit Report issued on February 19, 2026   Report Number 2026-108-005

Why TIGTA Did This Audit

The IRS received funding from the Inflation Reduction Act of 2022 to improve its administration of the tax system and the services provided to taxpayers. We assessed how the IRS planned to use this additional funding to redesign the hiring and onboarding processes and improve the employee experience.

We also evaluated efforts to deliver more effective employee onboarding programs.

Impact on Tax Administration

The onboarding process includes a five-day new employee orientation and continues throughout the new employees' first year, equips them with the necessary tools and resources, and provides resources to managers for onboarding their new employees.

In addition, training during the onboarding period provides employees with a better understanding of their responsibilities and the knowledge and skills they need to do their job. Trained employees have better skills and confidence, which can positively impact service for taxpayers.

When the onboarding process is effective, it can improve employee productivity, performance, retention, and engagement.

Even though the IRS is under a hiring freeze, our recommendations, if implemented, can help improve the onboarding experience for new employees when hiring resumes.

What TIGTA Found

In Fiscal Year 2024, the IRS onboarded nearly 19,000 external hires. The IRS's efforts to improve the onboarding process were generally successful. The Human Capital Office developed and delivered a comprehensive new employee orientation program that reduces managerial burden and resolves new employee concerns in-person. However, new employees did not always receive required equipment timely or receive their critical job elements (*e.g.*, performance expectations) within 30 calendar days of their start date.

We reviewed a statistically valid sample of employees hired in Fiscal Year 2024 and determined that:

- 40 percent of the employees in our sample received their laptop more than 5 workdays after their start date. Based on a sample we reviewed, we estimate that 7,505 employees hired in Fiscal Year 2024 received their laptop more than 5 workdays after their start date. As a result, employees may be unable to perform job duties, participate in online training, access agency systems, connect with colleagues, or complete necessary onboarding tasks.

- 44 percent did not receive their critical job elements within 30 calendar days of their start date. Based on these results, we estimate that 8,253 employees hired in Fiscal Year 2024 did not receive their critical job elements within 30 calendar days of their start date. Critical job elements are important because they are how a supervisor assesses an employee against their performance plan.

IRS management also acknowledged that not all managers completed quarterly touchpoint activities. The Quarterly Touchpoint Program is designed to guide managers' discussions with new employees during the first year, and covers topics such as training, employee development, and performance. Quarterly touchpoint meetings can help reveal issues that, if addressed, can lead to broader positive outcomes.

What TIGTA Recommended

We made five recommendations to the IRS including to determine when managers must request new laptops and formalize standard new employee orientation guidance with the requirements; alert managers when the performance plan is past due; and establish guidance requiring managers to hold quarterly touchpoint meetings.

IRS management agreed with four recommendations and partially agreed with one stating they will require managers to conduct a minimum of three touchpoints during each annual appraisal period. This planned corrective action meets the intent of our recommendation.

U.S. DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20024

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

February 19, 2026

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

FROM: Diana M. Tengesdal
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Despite Progress Made Onboarding New Employees, Many Did Not Timely Receive Equipment and Performance Expectations (Audit No.: 2024108010)

This report presents the results of our review to evaluate efforts to deliver more effective employee onboarding programs. This review was part of our Fiscal Year 2025 Annual Audit Plan and addresses the major management and performance challenge of *Managing a Reduced Workforce and Budget*.

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

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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 improve its administration of the tax system and the services provided to taxpayers.[1] However, as of March 2025, Congress reduced the IRA funding to $37.6 billion.[2] The IRS used some of the additional IRA funding to expand its hiring efforts.

Further, the IRS's IRA Strategic Operating Plan includes an objective to redesign the hiring and onboarding process to promote consistency and improve the employee experience.[3] The goal is to equip them with the necessary tools and resources to be successful and provide resources to managers for onboarding their new employees. The Human Capital Office (HCO) reported that the IRS onboarded 7,211 employees in Fiscal Year (FY) 2023, 18,901 employees in FY 2024, and 4,536 employees during the first four months of FY 2025. As of January 2025, the IRS is under a hiring freeze (with limited exceptions). Our recommendations, if implemented, can help improve the onboarding experience for new employees when hiring resumes.

New employee onboarding program

Onboarding begins once the employee accepts the job and continues through the end of the first year of employment. An effective onboarding process can improve employee productivity, performance, retention and engagement. The IRS has several resources available to managers to assist with onboarding, including an internal virtual community site, an orientation program, and a Quarterly Touchpoint Program.

The virtual community site, located on the IRS's intranet, contains targeted information, advice, and interactive features to help managers work more efficiently. For example, the Hiring and Transition section of the site provides procedures and guidance to assist managers with onboarding new employees. This section also outlines the activities, detailed tasks, website links, and due dates that IRS managers should follow in each of the three phases of onboarding: pre-arrival, orientation, and acclimating new employees.

- **Pre-arrival** provides information on first day logistics, including a welcome letter, request for building access, and basic computer applications and equipment. It also instructs managers to prepare the employee performance folder.[4]

- **Orientation** sets the tone for first impressions including the oath of office, the welcome and overview briefing, and a payroll and benefit presentation.

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[1] Pub. L. No. 117-169, 136 Stat. 1818.

[2] 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.

[3] Publication 3744, *Internal Revenue Service Inflation Reduction Act Strategic Operating Plan Fiscal Years 2023 – 2031* (April 2023).

[4] The employee performance folder, which is used to assemble significant data such as the employee's position description, current critical job elements, and official rating of record, must be maintained and secured by the manager of record for each employee.

- **Acclimating New Employees** recommends IRS managers communicate performance expectations, identify and schedule essential training, implement career learning plans, and complete annual appraisals.[5]

The HCO's Human Resources Shared Services (HRSS) Orientation Center team is responsible for coordinating the orientation program and providing a five-day orientation. During orientation, new employees obtain their access card, receive their laptop, meet with their manager, and learn about IRS policies. Following orientation, critical job elements (CJE) must be discussed with the employee. CJEs are performance expectations that managers use to rate their employees. In addition, Form 6774, *Receipt of Critical Job Elements and Fair and Equitable Treatment of Taxpayers Retention Standard* (hereafter referred to as the CJE form) must be completed, signed, and filed in the employee's performance folder within 30 calendar days of their start date.

HRSS also administers a Quarterly Touchpoint Program to promote consistency for all new employees at the IRS and enhance their experience. The Quarterly Touchpoint Program is designed to guide managers' discussions with new employees during the first year, and covers topics such as training, employee development, and performance. The Quarterly Touchpoint Program activities are tracked and managed in the Integrated Talent Management (ITM) system, which helps with the completion of required discussions between managers and new employees.[6] In August 2025, the Department of the Treasury announced the establishment of the Treasury Common Services Center, which centralized common administrative services, such as hiring, across the entire Treasury Department. The impact of the Treasury Common Services Center activities on the IRS's onboarding processes is unknown.

IRS workforce reductions

Since January 2025, the IRS has taken steps to reduce the size of its workforce to comply with the President's executive orders and Office of Personnel Management guidance, including the termination of recently hired employees still in their probationary period.[7] The National Taxpayer Advocate reported that between January 2025 and December 2025, the number of IRS employees decreased from more than 102,000 to about 74,000 (27 percent).[8] These employees either separated or accepted a Deferred Resignation Program offer or another incentive to leave. The President also issued a memorandum freezing the hiring of Federal civilian employees with additional restrictions for IRS's hiring. The hiring freeze will remain in effect for the IRS until the Secretary of the Department of the Treasury determines that it is in the national interest to lift the freeze. However, during the freeze the IRS was allowed limited hiring exceptions. For example, the agency was able to pursue hiring customer service staff to help with filing season and Criminal Investigators to assist with other governmentwide initiatives.

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[5] The Career Learning Plan documents accomplishments and goals, identifies training needs, and informs new employees about career opportunities, self-development, and their career plans.

[6] The ITM consolidates several human resource systems and includes four primary human resource management modules: Learning, Performance Management, Succession Planning, and Workforce Planning.

[7] After federal court rulings, some probationary employees were reinstated.

[8] Taxpayer Advocate Service, *2025 Annual Report to Congress* (December 2025).

Results of Review

Improvements Were Made to the New Employee Onboarding Process, Though Not All Requirements Were Met

The IRS's efforts to improve the onboarding process were generally successful. The HCO developed and delivered a comprehensive new employee orientation program that reduced managerial burden and allowed for resolving new employee concerns in-person. In response to our survey, managers stated that the in-person new employee orientation saves time since all essential onboarding activities, including badging, laptop distribution, and onboarding paperwork were centralized and completed in one location.[9] The HCO also developed an onboarding program that continues throughout the first year of employment. The onboarding program provides resources to integrate new employees, enhances their experience, and emphasizes regular interactions between the new employee and their manager.

In addition, the IRS established centralized internal resources to assist managers with the onboarding of new employees. For example, the IRS created a virtual community site for managers on its intranet, developed a Manager's Onboarding Checklist, and developed a new employee orientation playbook. These resources streamlined the process to assist managers with ensuring that employees timely received their access cards and basic system access.

While the IRS made some improvements to the onboarding process, we determined that new employees did not always receive their laptops within five workdays of their start date. In addition, managers did not always discuss CJEs within 30 calendar days and did not consistently conduct quarterly touchpoint meetings. These activities are important for ensuring that new employees understand their responsibilities and become fully productive once they onboard. According to the IRS, the average cost to recruit, hire, and train an employee is $10,350. Thus, it is important that the IRS have an effective onboarding program to improve employee retention and ensure the efficient use of taxpayer dollars.

More than a third of new employees received their laptops late

Based on the results of a sample we reviewed, we estimate that 7,505 (40 percent) of the 18,901 employees hired in FY 2024 received their laptop more than 5 workdays after their start date.[10] Without their laptop, an employee cannot effectively perform their work. For example, a tax examining technician may be unable to review and analyze internal documents and taxpayer returns, one of their major duties.

We reviewed a statistically valid random sample of 76 out of 18,901 employees hired in FY 2024. There were eight employees that did not require a laptop or their laptop request was not processed through the Internal Revenue Workflow, Optimization, Requests, and Knowledge

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[9] We developed and sent a survey in December 2024 to solicit onboarding feedback from over 4,000 IRS managers. The survey closed in February 2025, and we received over 1,000 narrative responses commenting on how the onboarding experience for future new employees can be improved.

[10] Our sample was selected using a 95 percent confidence interval, 5 percent error rate, and ±5 percent precision factor. When projecting the results of our statistical sample, we are 95 percent confident that the actual total amount is between 5,299 and 9,886. See Appendix I for the sampling details.

System (IRWorks).[11] Of the remaining 68 employees, we determined that 27 employees (40 percent) received their laptop more than 5 workdays after their start date. Of those 27 employees, 24 received a laptop up to 20 workdays late and 1 employee received a laptop 26 workdays late. IRS Information Technology (IT) personnel could not provide a date that the laptops were provided for the two additional employees because they could not locate the documentation. The remaining 41 employees in our sample received their laptop within 5 workdays of their start date.

There is no formal guidance mandating the time frame when new employees should receive their laptop. However, the new employee orientation playbook states that employees should receive their laptop and any other equipment on the third day of new employee orientation. We chose five workdays because it is the typical orientation period.

Additionally, the time frame for when managers should initiate a request for information technology equipment is conflicting. According to IT personnel, managers should submit laptop requests *four weeks* in advance of an employee's start date. This allows the IRS to purchase, configure, and ship the laptop. However, the HCO Manager's Onboarding Checklist states that computer equipment requests should be submitted 10 workdays before the employee's start date.

Further, almost half of respondents to our survey reported encountering obstacles or delays with the receipt of new employee laptops. These managers often cited a lack of communication on changes to the onboarding process, including the responsibilities for ordering laptops. Managers also faced difficulty contacting a designated IT liaison to address onboarding issues, particularly those related to receiving information technology equipment and system access.

Without formal guidance that consistently specifies when laptop requests for new employees must be submitted, managers and their employees may continue to experience delays in receipt. As a result, employees may be unable to perform job duties, participate in online training, access agency systems, connect with colleagues, or complete necessary onboarding tasks. Such delays disrupt the onboarding process, including the time it takes for employees to become fully functional in their roles.

Recommendation 1: The Human Capital Officer should coordinate with IT to determine the time frame when managers must request laptops for new employees. Once determined, formalize the requirement in the standard new employee orientation guidance and update the Manager's Onboarding Checklist.

> **Management's Response:** IRS management agreed with this recommendation, coordinated with IT to determine laptop request time frames, and updated the Manager's Onboarding Checklist. In addition, HCO plans to develop, test, and implement an automated version of the checklist.

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[11] IRWorks is a self-service system that helps users get the IRS information technology services they need.

Critical job elements were not timely discussed with employees

Based on the results of our sample, we estimate that 8,253 (44 percent) of the 18,901 employees hired in FY 2024 did not receive their CJE form within 30 calendar days of their start date.[12] When managers delay the discussion and completion of the CJE form, the employee may not clearly understand the supervisor's expectations and the level of performance needed to achieve a specific rating.

We again reviewed a statistically valid random sample of 76 out of 18,901 employees hired in FY 2024. There were 5 employees that did not require the standard CJE form because they resigned within the first 30 calendar days of employment and before the deadline to receive the CJE form, or they were management officials. Of the remaining 71 employees, we determined that 31 employees (44 percent) did not receive their CJE form within 30 calendar days of their start date. Of this amount, 29 employees received their CJE form an average of 147 calendar days late, and up to 350 calendar days late. IRS management could not locate documentation for the two additional employees. The remaining 40 employees in our sample received their CJE form within 30 calendar days of their start date.

IRS guidance requires that the employee complete and sign the CJE form within 30 calendar days of the employee's start date. However, the Manager's Onboarding Checklist does not include a step to issue the CJE form within 30 calendar days of the employee's start date. Managers reported that some new employees, such as those that process tax returns, may work in temporary areas and are assigned to different managers, while waiting to receive training. Further, the new employees' permanent manager may not be determined until after the employee completes training. This could make it difficult for managers to consistently verify whether new employees did or did not discuss their CJEs and/or have a completed CJE form in their employee performance folder.

CJEs are performance expectations supervisors use to assess an employee against their performance plan. The conversation between a manager and employee to discuss performance plan expectations serves as the basis for several employment-related actions, including within-grade increases, promotions, recognizing and rewarding the employee, and determining employee development needs. Thus, it is critical that managers discuss CJEs with their new employee in a timely manner.

According to IRS management, the HCO is developing an automated performance management module in ITM to comply with a June 2024 Treasury Department Policy.[13] The ITM module for all managers and management officials was implemented on October 1, 2025. The ITM module for non-managerial bargaining unit and non-bargaining unit employees is expected to be completed by October 1, 2026. Once implemented, this will automate the end-to-end issuance of performance plans and employee acknowledgment of receipt, and the CJE form will become obsolete.

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[12] Our sample was selected using a 95 percent confidence interval, 5 percent error rate, and ±5 percent precision factor. When projecting the results of our statistical sample, we are 95 percent confident that the actual total amount is between 6,032 and 10,576. See Appendix I for the sampling details.

[13] Treasury Policy, TN-24-002, *Human Capital Issuance System* (June 2024). This policy requires bureaus to use the ITM system for establishing performance plans and evaluating, monitoring, and recording employee performance.

The Human Capital Officer, should:

Recommendation 2: Update the Manager's Onboarding Checklist with a step to issue the performance plan within 30 calendar days of the employee's start date.

> **Management's Response:** IRS management agreed with this recommendation and updated the Manager's Onboarding Checklist with a step to issue the performance plan within 30 calendar days of the employee's start date. In addition, HCO plans to develop, test, and implement an automated version of the checklist.

Recommendation 3: Work with the ITM administrator to ensure that processes are put in place to alert managers when important due dates pass; for example, if the performance plan is past due.

> **Management's Response:** IRS management agreed with this recommendation and will coordinate with the ITM administrator to issue reminders to all managers to notify them of past due items.

Opportunities to strengthen the Quarterly Touchpoint Program

We determined that 13 (65 percent) of the 20 employees in a separate judgmental sample of FY 2023 new employees did not participate in quarterly touchpoint meetings in their first year.[14] The remaining seven employees participated in quarterly touchpoint meetings, but not all meetings were completed within the established time frames. IRS management confirmed that these meetings are required but acknowledged that not all managers are completing them, and there is no formal policy for this program. Instead, there are informal guidelines and process documentation, such as the March 2024 Manager's Quarterly Touchpoint Activities training.[15] This training noted that managers should complete quarterly touchpoint activities in the ITM system. According to the training documentation, managers should meet with new employees at the following established intervals after entering on duty:

- 3 Months – See how things are going, answer questions, address concerns, and review the Manager's Onboarding Checklist.

- 6 Months – Assess the effectiveness of training and discuss training needs with the employee.

- 9 Months – Review the new employee's Career Learning Plan and provide information on self-development opportunities.

- 12 Months – Complete a formal performance review.

A survey that approximately 2,000 first year employees responded to shows they were satisfied with the work environment but felt that certain professional development areas needed improvement.[16] For example,

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[14] A judgmental sample is a nonprobability sample, the results of which cannot be used to project to the population.

[15] This training is currently being updated and has been taken offline.

[16] *IRS FY 2024 New Hire First Year on the Job Survey.* The HCO received 2,112 responses from first year employees from October 2023 through September 2024. Employees did not respond to every question in the survey.

- 22 percent of employees felt that managers did not provide sufficient constructive suggestions.

- 30 percent of employees were dissatisfied with the training they received.

- 61 percent of employees felt that managers did not help them with creating a Career Learning Plan for their long-term career goals.

These results show that quarterly touchpoint meetings can help reveal issues that if addressed, can lead to broader positive outcomes. For example, if employees receive better training, they will have increased skills and confidence, which can improve employee retention and the service they provide to taxpayers.

As previously stated, one of the objectives for redesigning the onboarding process was to provide resources to managers that facilitate this process. This includes the HCO providing managers with clear expectations and policies to ensure consistency with the onboarding process. This can be accomplished by issuing a formal policy that outlines the requirements and purpose of quarterly touchpoint discussions with employees. In addition, since the IRS is required to use ITM, the HCO can use that system to ensure that managers are consistently meeting this requirement. HRSS management stated that responsibility for the Quarterly Touchpoint Program may be moving to the HCO Employee Engagement and Retention Department, as their mission is to provide employee and manager support after the new employee orientation.

The Human Capital Officer, should:

Recommendation 4: Establish a formal written policy that requires managers to conduct quarterly touchpoint discussions with new employees in their first year and require that managers attend the updated training on conducting quarterly touchpoint activities.

> **Management's Response:** IRS management partially agreed with this recommendation. HCO updated guidance to require managers to conduct a minimum of three touchpoint/progress reviews during each employee appraisal period. In addition, HCO plans to require managers to attend updated training on conducting quarterly touchpoint activities.

> > **Office of Audit Comment:** The IRS's planned corrective action of conducting a minimum of three touchpoint/progress reviews meets the intent of our recommendation. As previously noted, managers should complete a formal performance review at 12 months (*i.e.*, the final quarter).

Recommendation 5: Work with the ITM administrator to add quarterly touchpoint activities to the manager's ITM module as part of the new employee onboarding, send managers notifications of upcoming due dates for quarterly touchpoint activity discussions and alert managers if the discussions are past due.

> **Management's Response:** IRS management agreed with this recommendation and notified the ITM Program Administrator of the requirement to add quarterly touchpoint/progress review activities to the ITM Performance Management Module. In addition, HCO plans to coordinate with the ITM Program Administrator to issue quarterly reminders to all onboarding managers to notify them of upcoming due dates for

quarterly touchpoint activity discussions. HCO also plans to coordinate with the ITM Program Administrator to alert managers if discussions are past due.

Detailed Objective, Scope, and Methodology

The overall objective of this audit was to evaluate efforts to deliver more effective employee onboarding programs. To accomplish our objective, we:

- Obtained an understanding of the policies and procedures used by the HCO to ensure that onboarding is standardized, comprehensive, and based on the human capital needs of the IRS.

- Reviewed a statistically valid random sample of 76 new employees from a population of 18,901 employees that onboarded in FY 2024 and determined when employees received their access card, laptop, and basic system access, and whether they received and completed the CJE form within 30 calendar days of their start date. We used statistically valid sampling because we planned to project to the population. Upon review, we determined that the laptop requirement was not applicable for eight employees and the CJE form was not applicable for five. TIGTA's contracted statistician assisted with developing the sampling plan and in-house statistician assisted with developing the projections.[1]

- Reviewed a judgmental sample of 20 new employees from a population of 7,211 employees that onboarded in FY 2023 and assessed how the IRS measured and monitored the success of its onboarding program through quarterly touchpoint activities.[2] We originally selected a statistically valid random sample; however, we reduced testing to the first 20 sample items because IRS management acknowledged that not all managers were completing quarterly touchpoint activities. The judgmental sample of 20 was enough to confirm the deficiency.

Performance of This Review

This review was performed with information obtained from the HCO in Washington, D.C.; Austin, Texas; and Dallas, Texas, during the period October 2024 through August 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 findings and conclusions based on our audit objective.

Data Validation Methodology

We performed tests to assess the reliability of data from IRWorks, ITM, and the HRSS listings of FY's 2023 and 2024 new employees. We evaluated the data by (1) performing electronic testing of required data elements, (2) reviewing existing information about the data and the system that

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[1] Our sample was selected using a 95 percent confidence interval, 5 percent error rate, and ±5 percent precision factor.

[2] A judgmental sample is a nonprobability sample, the results of which cannot be used to project to the population.

produced them, and (3) interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purpose of this audit.

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: IRS policies and procedures, including the virtual community site for managers. We evaluated these controls by reviewing source documentation for a statistically valid random sample of FY 2024 new employees and a judgmental sample of FY 2023 new employees, interviewing HCO officials, and attending two new employee orientation sessions in November 2024.

Management's Response to the Draft Report

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

HUMAN CAPITAL OFFICE

January 30, 2026

MEMORANDUM FOR DIANA M. TENGESDAL
                  DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Alex Kweskin
                 IRS Human Capital Officer

Alexander C. Kweskin
Digitally signed by Alexander C. Kweskin
Date: 2026.01.30 16:16:03 -05'00'

SUBJECT: Draft Audit Report – TIGTA Audit 2024108010 Despite Progress
                  Made Onboarding New Employees, Many Did Not Timely
                  Receive Equipment and Performance Expectations

Thank you for the opportunity to review and comment on the Treasury Inspector General for Tax Administration (TIGTA) draft report, Despite Progress Made Onboarding New Employees, Many Did Not Timely Receive Equipment and Performance Expectations, Audit #2024108010. In general, we agree with the report language and audit findings.

The IRS is committed to improving employee productivity, performance, retention, and engagement. We appreciate TIGTA acknowledging that the IRS's efforts to improve the onboarding process were generally successful. The TIGTA auditors recognized the IRS's development and delivery of a comprehensive new employee orientation program that reduces managerial burden and resolves new employee concerns. The TIGTA audit report also highlighted IRS's establishment of centralized internal resources to assist managers with the onboarding of new employees.

However, TIGTA identified areas of concern in the report, including the timeliness of laptop receipt, discussions with employees on critical job elements, and opportunities to improve the Quarterly Touchpoint Program.

The IRS's detailed response to the recommendations is attached. Please note, future alignment of resources and program responsibilities may alter our implementation of these specific recommendations.

If you have any questions, please contact me at Alex.Kweskin@irs.gov, or a member of your staff may contact Heyward Stackhouse, Director, Human Resources Shared Services, at Heyward.Stackhouse@irs.gov.

Attachment

Attachment

TIGTA AUDIT 2024108010

RECOMMENDATION 1: The Human Capital Officer should coordinate with IT to determine the time frame when managers must request laptops for new employees. Once determined, formalize the requirement in the standard new employee orientation guidance and update the Manager's Onboarding Checklist.

- **CORRECTIVE ACTIONS:** Agree. The Human Capital Office coordinated with Information Technology to determine the timeframe necessary to process laptop requests. The current version of the Manager's Onboarding Checklist (Excel-based) was updated January 7, 2025, to include the timeframe in which managers must request laptops for new employees. An automated version of the Manager's Onboarding Checklist will be developed, tested, and implemented by July 15, 2026, and will include this information.

- **IMPLEMENTATION DATE:** July 15, 2026

- **RESPONSIBLE OFFICIAL(S):** Director, Human Resources Shared Services

- **CORRECTIVE ACTION(S) MONITORING PLAN:** The IRS will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 2: The Human Capital Officer should update the Manager's Onboarding Checklist with a step to issue the performance plan within 30 calendar days of the employee's start date.

- **CORRECTIVE ACTIONS:** Agree. The current version of the Manager's Onboarding Checklist (Excel-based) was updated January 7, 2025, to include a step to issue the performance plan within 30 calendar days of the employee's start date. An automated version of the Manager's Onboarding Checklist will be developed, tested, and implemented by July 15, 2026, and will include this information.

- **IMPLEMENTATION DATE:** July 15, 2026

- **RESPONSIBLE OFFICIAL(S):** Director, Human Resources Shared Services

- **CORRECTIVE ACTION(S) MONITORING PLAN:** The IRS will monitor this corrective action as part of our internal management control system.

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RECOMMENDATION 3: The Human Capital Officer should work with the ITM administrator to ensure that processes are put in place to alert managers when important due dates pass; for example, if the performance plan is past due.

- **CORRECTIVE ACTIONS:** Agree. The Human Capital Office will coordinate with the Integrated Talent Management (ITM) Program Administrator to issue reminders to all managers to notify them of past due items.

- **IMPLEMENTATION DATE:** July 15, 2026

- **RESPONSIBLE OFFICIAL(S):** Director, Labor/Employee Relations and Negotiations

- **CORRECTIVE ACTION(S) MONITORING PLAN:** The IRS will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 4: The Human Capital Officer should establish a formal written policy that requires managers to conduct quarterly touchpoint discussions with new employees in their first year and require that managers attend the updated training on conducting quarterly touchpoint activities.

- **CORRECTIVE ACTIONS:** Partially Agree. The Human Capital Officer issued "Revisions to IRM 6.430.1, Performance Management Program" memorandum on October 7, 2025, which requires managers to conduct a minimum of three touchpoint/progress reviews during each employee appraisal period. The Human Capital Office agrees with the recommendation to require managers attend an updated training on conducting quarterly touchpoint activities. The HCO will coordinate training for managers on conducting quarterly touchpoint activities.

- **IMPLEMENTATION DATE:** November 15, 2026

- **RESPONSIBLE OFFICIAL(S):** Director, Labor/Employee Relations and Negotiations

- **CORRECTIVE ACTION(S) MONITORING PLAN:** The IRS will monitor this corrective action as part of our internal management control system.

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RECOMMENDATION 5: The Human Capital Officer should work with the ITM administrator to add quarterly touchpoint activities to the manager's ITM module as part of the new employee onboarding, send managers notifications of upcoming due dates for quarterly touchpoint activity discussions and alert managers if the discussions are past due.

- **CORRECTIVE ACTIONS:** Agree. On December 29, 2025, the Human Capital Office notified the ITM Program Administrator of the requirement to add quarterly touchpoint/progress review activities to the ITM Performance Management Module. (1) HCO will coordinate with the ITM Program Administrator to issue quarterly reminders to all onboarding managers to notify them of upcoming due dates for quarterly touchpoint activity discussions. (2) HCO will coordinate with the ITM Program Administrator to alert managers if discussions are past due.

- **IMPLEMENTATION DATE:** November 15, 2026

- **RESPONSIBLE OFFICIAL(S):** Director, Labor/Employee Relations and Negotiations

- **CORRECTIVE ACTION(S) MONITORING PLAN:** The IRS will monitor this corrective action as part of our internal management control system.

Abbreviations

CJE	Critical Job Elements
FY	Fiscal Year
HCO	Human Capital Office
HRSS	Human Resources Shared Services
IRA	Inflation Reduction Act
IRS	Internal Revenue Service
IRWorks	Internal Revenue Workflow, Optimization, Requests, and Knowledge System
IT	Information Technology
ITM	Integrated Talent Management
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.**

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