



## Treasury Inspector General for Tax Administration

### THE MODERNIZED E-FILE PROJECT CAN IMPROVE ITS MANAGEMENT OF REQUIREMENTS

Issued on July 9, 2007

## Highlights

Highlights of Report Number: 2007-20-099 to the Internal Revenue Service Chief Information Officer.

### IMPACT ON TAXPAYERS

The goal of the Modernized e-File Project (hereafter referred to as the Project) is to replace the Internal Revenue Service's (IRS) current tax return filing technology with a modernized, Internet-based electronic filing platform. The Project's management of requirements development and testing activities can be improved to assure the requirements expected and approved to be deployed are the requirements that are actually deployed. Providing the planned requirements will help to streamline filing processes and reduce the costs associated with the paper-based IRS.

### WHY TIGTA DID THE AUDIT

This audit was initiated as part of TIGTA's Fiscal Year 2006 audit plan for reviews of the IRS' modernization efforts. The overall objectives of this review were to assess the accuracy and completeness of data processed by the Modernized e-File system and to review project development practices to ensure the Project is providing the intended benefits to the IRS and taxpayers.

### WHAT TIGTA FOUND

In a previous report, TIGTA recommended requirements be traced by the Project between the System Requirements Report and the requirements traceability verification matrices to ensure adequate management of requirements development. The IRS' corrective action provided that tracing of the requirements would be completed starting with Release 4 of the Project.

During this review, TIGTA determined the requirements traceability verification matrices for Release 4 did not provide complete bidirectional traceability because the requirements were not always properly traced. The Project team took steps to improve the bidirectional traceability of requirements by performing further requirements tracing between the System Requirements Report and the Release 4 requirements traceability

*Email Address:* [Bonnie.Heald@tigta.treas.gov](mailto:Bonnie.Heald@tigta.treas.gov)  
*Web Site:* <http://www.tigta.gov>

verification matrices. However, these updated versions still did not provide complete bidirectional traceability.

The Project team did not complete bidirectional traceability of the Release 4 requirements because they did not have adequate guidance about how to complete the tracing. Without complete bidirectional traceability, it is difficult for the IRS to assess the adequacy of requirements development and testing activities. In addition, there is no assurance the requirements expected and approved to be deployed are the requirements that are actually deployed.

### WHAT TIGTA RECOMMENDED

TIGTA recommended the Chief Information Officer ensure the Project's System Requirements Report and Release 4 requirements traceability verification matrices are updated to include traceability to valid requirement identification numbers. Further, the Chief Information Officer should ensure the detailed guidance currently being developed by the IRS Business Rules and Requirements Management office includes specifics about how projects should maintain and report bidirectional traceability, to ensure traceability is complete and consistent for all projects.

In their response to the report, IRS officials stated they agreed with the recommendations and plan for the IRS to complete the traceability of the requirements for Releases 4 and 5 using the System Requirements Report manual process that is currently in place. Further, the Business Rules and Requirements Management office plans to review its guidance to ensure proper information is included to help projects understand how to perform bidirectional traceability. However, the IRS indicated full bidirectional traceability will not be possible until the Project is able to consolidate all requirements, change requests, work requests, test cases, and defects into one related system.

Bidirectional traceability is an Enterprise Life Cycle requirement. During the review, TIGTA was able to perform bidirectional traceability through the manual processes used by the Project team. Delaying implementation of bidirectional traceability until 2009 increases the risk that requirements may not be properly developed, tested, and deployed. Therefore, TIGTA continues to believe the IRS could implement bidirectional traceability using existing manual processes.

### READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2007reports/200720099fr.pdf>

*Phone Number:* 202-927-7037