

INTERNAL INSPECTION REPORT

LOCATION
Type of Office:

Physical Address:

Prepared by:

Date:

I hereby submit this Internal Inspection Report to the headquarters function of this agency as part of the IRS Safeguards Internal Inspections requirement.

/s/

Official Conducting Internal Inspection

Date

I acknowledge that I reviewed this Internal Inspection Report as part of the IRS Safeguards Internal Inspections requirement and initiated appropriate corrective actions for any deficiencies identified.

/s/

Head of Location Being Reviewed

Date

/s/

Agency Reviewer

Date

INTERNAL INSPECTION TEMPLATE

	Pub 1075 Reference	Pass/ Fail/ N/A	Notes
<u>Overall Objective:</u> To measure the level of compliance with Federal disclosure regulations as defined in Pub 1075 and as documented in agency policies and procedures.			
I. Preliminary			
Objective: To obtain a general understanding of safeguarding of Federal Taxpayer Information (FTI) in areas being reviewed.			
A. Complete the Internal Inspection Document	Section 2.D.3		
B. Obtain and review a copy of last internal inspection report. Follow up on open items from the previous inspection.	Section 2.D.9		
C. Obtain a list of all FTI (paper/electronic) housed at this location <ul style="list-style-type: none">• Paper FTI received/created• Electronic FTI received/created	Section 1.0		
D. Obtain and review a list of <u>all</u> employees/contractors with authorized access to FTI. The list must contain: <ul style="list-style-type: none">• FTI access by individual name• Use of access by individual name	Section 1.2		
E. Obtain and review the policies and procedures for safeguarding FTI.			
II. Record Keeping Requirements (Publication 1075 section 2.A) IRC Section 6103 p 4 A			
Objective: To ascertain that adequate policies, procedures, and systems are in place to identify, store, protect, and track FTI from receipt to destruction.			
A. Is the paper FTI recorded/tracked in accordance with Pub 1075?	Section 2.A.2		

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- B. Is the electronic FTI recorded/tracked in accordance with Pub 1075? **Section 2.A.2**
- C. Does the agency disclose to state auditors? If the agency discloses to state auditors, do the agency log in accordance with Pub 1075? **Section 2.A.4**
- D. Does the agency retain the FTI logs in accordance with Pub 1075? **Exhibit 9**

III. Secure Storage (Publication 1075 section 2.B IRC Section 6103 p 4 B) Section 2.B

Objective: To ascertain adequate security of the building or section of building where the FTI is located.

- A. Does the physical security provide two barriers to prevent unauthorized access to FTI? (in accordance with Pub 1075 requirements for Minimum Protection Standards-MPS) **Section 2.B.2**
- B. Does the agency follow the requirements for visitor access logs in accordance with Pub 1075 for areas containing FTI? Are visitor logs closed and reviewed at least monthly in accordance with Pub 1075? **Section 2.B.3**
- C. Does the agency use an authorized access list (AAL) for access to FTI? Is the AAL maintained in accordance with Pub 1075? **Section 2.B.3.2**
- D. Are non-AAL visitors escorted in accordance with Pub 1075? **Section 2.B.3.2**
- E. Review physical security and key/combination/electronic controls and verify they are in accordance with Pub 1075. **Section 2.B.3.4**
- F. Are records on key/combination/electronic access cards maintained in accordance with Pub 1075? **Sections 2.B.3.3 2.B.3.5**
- G. Are authorized personnel required to wear an identification badge when serving as a secondary barrier for FTI in accordance with Pub 1075? **Section 2.B.2**

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H. Is FTI safeguarded in accordance with Pub 1075 when in transit (offsite storage, other offices, etc.)? **Sections 2.B.4 2.B.7**

I. Is the FTI, sent to an offsite storage facility, protected from access by unauthorized individuals at all times? (If the answer is no, offsite storage facility must be reviewed.) **Section 2.B.6**

J. Are employees allowed to work at an alternate work site? Is the FTI, at the alternate work site, safeguarded in accordance with Pub 1075? **Section 2.B.7**

K. Does the agency retain ownership and control of all hardware, software and end-point equipment receiving, storing, processing or transmitting FTI? If the answer is no, is the agency using Virtual Desktop Infrastructure (VDI)? **Sections 2.B.7.1 3.3.7**

IV. Restricting Access (Publication 1075 section 2.C) IRC Section 6103(p)(4)(C)

Objective: To determine whether access to FTI is adequately controlled and restricted.

A. Is access to FTI restricted to only authorized personnel who have a need to know? **Section 2.C.1**

B. Is all FTI clearly labeled “Federal Tax Information” in accordance with Pub 1075 (paper and electronic)? **Section 2.C.1**

C. Has the agency initiated background investigations for all employees and contractors with access to FTI in accordance with Pub 1075? **Section 2.C.3**

D. Is FTI commingled with other information? Can FTI within agency records be located and separated easily? **Sections 2.C.5 2.C.5.1 2.C.6**

E. Is FTI disclosed to personnel outside of the agency (contractors, other agencies, etc.)? Are the disclosures tracked in accordance with Pub 1075? List personnel/offices (which FTI is disclosed). **Section 2.C.6**

F. Are personnel following the agency policy for transmitting FTI via email? (policy in preliminary section) **Section 3.3.2**

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G. Are personnel following the agency policy for transmitting FTI via fax? (policy in preliminary section) **Section 3.3.3**

V. Disposing Federal Taxpayer Information **Section**
Publication 1075 section 2.F IRC Section 6103 p 4 F **2.F**

Objective: To determine if FTI is disposed of properly.

A. Does the agency return FTI to the IRS when no longer needed? **Sections 2.F.1 2.F.2**

B. Does the agency destroy paper FTI in accordance with Pub 1075? **Sections 2.F.3 2.F.4**

C. Does the agency destroy electronic FTI in accordance with Pub 1075? **Sections 2.F.3 2.F.4**

D. Does the agency sanitize physical media containing FTI before it leaves the physical or systemic control of the agency? **Section 2.F.3**

E. Does the agency ensure FTI is not disclosed during disposal processes? **Section 2.F.4**

VI. Cybersecurity Requirements **Section 3.0**

Objective: To determine if information technology security and privacy requirements are met to adequately protect FTI.

A. Does the agency perform vulnerability assessments in accordance with Pub 1075? **Section 4.16 RA-5**

B. Does the agency require multi-factor authentication for remote access in accordance with Pub 1075? **Section 4.1 AC-17 4.7 IA-2 4.9 MA-4 3.3.7**

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| C. Does the agency encrypt FTI in the LAN in accordance with Pub 1075? Provide a description of how the FTI is encrypted. | Section
4.18 SC-13
4.18 SC-28 |
| D. Does the agency follow the process for changes to information systems in accordance with Pub 1075? | Section
4.5 CM-3 |
| E. Does the agency manage their information accounts in accordance with Pub 1075? | Section
4.2 AC-2 |
| F. Does the agency implement auditing procedures on information systems in accordance with Pub 1075? | Section
4.3 |
| G. Does the agency manage information system authenticators in accordance with Pub 1075? | Section
4.7 IA-5 |
| H. Does the agency have standard baseline configurations for information systems processing FTI in accordance with Pub 1075? | Section
4.5 CM-2 |
| I. Does the agency maintain active vendor support for all devices on its network? | Section
4.17 SA-22 |
| J. Does the agency have a current inventory of all information system components in accordance with Pub 1075? | Section
4.5 CM-8 |
| K. Does the agency maintain a Plan of Action and Milestones (POA&M) in accordance with Pub 1075? | Section
4.4 CA-5 |
| L. Does the agency assess the security controls in the information system and its environment in accordance with Pub 1075? | Section
4.4 CA-2 |

VI. Conclusion

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| A. The agency must implement a process for ensuring that a POA&M is developed and monitored in accordance with Pub 1075. | Section
2.D.9 |
| B. Complete Internal Inspection Report | Section
2.D |
| C. Retain Internal Inspection Report for 5 years | Section
2.D.3 |