



Treasury Inspector General for Tax Administration

THE TAXPAYER ASSISTANCE BLUEPRINT PHASE 2 WAS GENERALLY RELIABLE, BUT OVERSIGHT OF THE SURVEY DESIGN NEEDS IMPROVEMENT

Issued on February 5, 2008

Highlights

Highlights of Report Number: 2008-40-059 to the Internal Revenue Service Commissioner for the Wage and Investment Division.

IMPACT ON TAXPAYERS

The Taxpayer Assistance Blueprint (TAB) Phase 2 report outlines the Internal Revenue Service (IRS) strategic plan to enhance the services it provides to taxpayers. The IRS developed and implemented a Quality Assurance process that helped ensure the accurate and reliable reporting of information contained in the TAB Phase 2 report. However, improvements are needed to ensure that taxpayer survey results are reliable and consistent. As the IRS moves forward with its 5-year service delivery plan, inconsistencies in the surveys will put the plan at risk of improperly aligning service content, delivery, and resources with taxpayer and partner expectations.

WHY TIGTA DID THE AUDIT

This audit was initiated to assess the accuracy and reliability of the data used to develop the TAB Phase 2 report. Issued in April 2007, the TAB Phase 2 report details the IRS' research and analyses efforts and outlines the TAB Strategic Plan, which is the future of service delivery as envisioned collaboratively by the IRS, the Oversight Board, and the National Taxpayer Advocate.

Within the scope of the TAB Strategic Plan, portfolios of service improvements, performance measures, and additional research projects comprise a solid foundation for the future of service at the IRS. The research results presented are not exhaustive or all-inclusive but instead focus on presenting baselines, trends, and tendencies. The work started with the TAB will continue as the IRS works to expand and refine its knowledge.

WHAT TIGTA FOUND

TIGTA found that in response to inaccuracies and inconsistencies identified during our review of the TAB Phase 1 report, the IRS developed and implemented a Quality Assurance process that

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helped ensure the accurate and reliable reporting of information for the TAB Phase 2 report. In addition, the process facilitated an independent third-party assessment.

More than 100 data sources were developed to support information contained in the TAB Phase 2 report. A review of 29 judgmentally selected statements identified 7 (24 percent) as inaccurate. However, none of the inaccuracies were significant.

Much of the IRS' understanding of taxpayer needs, preferences, and behaviors was developed from responses to four surveys. The methods in which the surveys were conducted, sampling methodologies, number of respondents, and time periods of the surveys differed. Therefore, at times the surveys produced very different estimates on closely related questions, making comparison among the four surveys difficult.

The IRS acknowledged this and stated that it generally selected results from a single survey when illustrating a predominant pattern and reporting results. Testing did not show that the IRS drew incorrect conclusions based on the survey results included in the TAB Phase 2 report. Nevertheless, as the IRS moves forward with additional research and surveys, it should ensure that the survey designs and survey questions are more comparable so the results can be more effectively and efficiently analyzed and used to draw conclusions and make decisions.

In addition, the surveys were conducted with the assistance of outside contractors. Although one of the contracts awarded included specific steps the contractor must follow to ensure the completeness and accuracy of documentation compiled, the IRS did not ensure that these required steps were followed. There was no documentation that indicated the contractor ensured that data were accurate and complete.

WHAT TIGTA RECOMMENDED

TIGTA recommended the IRS ensure that the Quality Assurance process and requirements are thoroughly documented and formalized, survey instruments are consistent to enable comparisons of results and reliable conclusions, and contractors maintain adequate documentation supporting the results of the survey and have a process in place to ensure the accuracy of the information being compiled and provided to the IRS.

In their response to the report, IRS officials agreed with all of our recommendations. Management noted that the corrective actions planned will further improve their service to taxpayers through a more sophisticated understanding of taxpayer needs and preferences.

READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2008reports/200840059fr.pdf>

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