**Management Advisory Report:
Improved Project Management is Needed in
Modernizing the Internal Revenue Service's
Walk-In Program Management Information
System**

**May 2000**

**Reference Number: 2000-40-067**

May 11, 2000

MEMORANDUM FOR COMMISSIONER ROSSOTTI

*Pamela J Gardiner*

FROM:　　　　　　　Pamela J. Gardiner
　　　　　　　　　　Deputy Inspector General for Audit

SUBJECT:　　　　　Final Management Advisory Report - Improved Project
　　　　　　　　　　Management is Needed in Modernizing the Internal Revenue
　　　　　　　　　　Service's Walk-In Program Management Information System

This report presents the results of our review of the Internal Revenue Service's (IRS) Walk-In Program Management Information System. Our review focused on Customer Service's acquisition of the Q-Matic system to improve Walk-In Program management information. We reviewed the investment management process used to implement Q-Matic.

In summary, we found that Customer Service has not met all requirements of a disciplined investment justification process in acquiring the Q-Matic system, including the development of a complete and accurate business case. Specifically, implementation costs have not been fully identified and documented, and funding for the project has not been secured. Plans to address problems identified during a test period have not been formally documented to ensure the problems are monitored and resolved. Our recommendations will assist the IRS in ensuring that the Q-Matic system delivers expected outcomes within expected implementation costs.

IRS management agreed to the findings and recommendations presented in this report. Management's comments have been incorporated into the report where appropriate, and the full text of their comments is included as an appendix.

Copies of this report are also being sent to the IRS managers who are affected by the report recommendations. Please contact me at (202) 622-6510 if you have questions, or your staff may call Walter E. Arrison, Associate Inspector General for Audit (Wage and Investment Income Programs), at (770) 455-2475.

**Management Advisory Report:  Improved Project Management
is Needed in Modernizing the Internal Revenue Service's
Walk-In Program Management Information System**

# Table of Contents

# Executive Summary

This management advisory report provides information about and recommendations for improving the project management of the Internal Revenue Service's (IRS) Walk-In Program Management Information System (MIS).

The IRS Restructuring and Reform Act of 1998[1] resulted in a new IRS mission statement which reflects a shift in tax administration that emphasizes taxpayer service.  The emphasis on service to taxpayers to accomplish the agency's mission has elevated the significance of the IRS' Customer Service programs including the Walk-In Program.  Each year, approximately 10 million taxpayers seek tax assistance at more than 400 walk-in sites.

The General Accounting Office (GAO), IRS Inspection Service (now the Treasury Inspector General for Tax Administration), and Customer Service have reported that the Walk-In Program does not have accurate or sufficient management information to make informed program decisions, and that the Program does not have a system to determine the quality of walk-in service.  We initiated this audit to determine the effectiveness of the Walk-In Program MIS in capturing information needed to produce an effective customer-driven program.  Accurate data regarding the reasons taxpayers seek face-to-face assistance and the quality of that assistance are critical if the Walk-In Program is to support the IRS' mission of providing top quality service to taxpayers.

## Results

Customer Service management implemented a quality review process that should provide management with information needed to measure the quality of service provided to taxpayers at walk-in locations.  Customer Service has also begun implementing the Q-Matic, a technologically advanced MIS to replace the Walk-In Program's current MIS, the Resource Management Information System (RMIS).  However, Customer Service needs to implement the Q-Matic in accordance with Office of Management and Budget requirements to ensure that it delivers all expected outcomes within prescribed costs and time frames.

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[1] IRS Restructuring and Reform Act of 1998, Pub. L. No. 105-206, 112 Stat. 685

## Customer Service Can Better Manage Efforts to Improve the Walk-In Program Management Information System

Customer Service is implementing the Q-Matic at an estimated cost of approximately $5.5 million.  When fully implemented, all individual Q-Matic systems installed at walk-in sites will be electronically linked to form the MIS.

However, this acquisition is not being managed according to all requirements of an investment management process, including the development of a complete and accurate business case.  Implementation costs have not been fully identified and documented, and funding for the Project has not been secured.  Plans to address problems identified during a test period have not been formally documented to ensure the problems are monitored and resolved.  As a result, the $5.5 million cost estimate may be even higher, continued funding for the Project is uncertain, and project management controls are not in place to ensure that the system will deliver the expected outcome of an improved MIS that can replace the RMIS.

## Summary of Recommendations

To ensure that the Q-Matic will be an effective Walk-In Program MIS, Customer Service should update the Q-Matic business case or project plan to reflect complete and accurate implementation costs and to secure full funding for the Project.  Management needs to determine and document how the individual Q-Matic systems will be networked, whether crucial consolidated reports can be delivered, and who will be responsible for these tasks, the IRS or the vendor.  Additionally, management needs to identify the type of system to be used for small walk-in offices and ensure that accurate data on all taxpayer assistance are entered into the Q-Matic.

Management's Response:  Customer Service management agreed with the findings and recommendations in this report and has implemented or planned corrective actions.  The Q-Matic project plan will be updated with the necessary revisions.  Customer Service is working with Information Systems and has prepared a Request for Information Services to develop a network solution.  Once the network has been established, Q-Matic will be able to provide consolidated reports.  Customer Service will identify and test an appropriate Q-Matic system for the small walk-in offices.

To improve the accuracy of taxpayer assistance data, Customer Service will continue to explore ways to use Q-Matic to capture information for taxpayers served at workstations located away from the area where the Q-Matic equipment is located.  They have created a training class to instruct all Customer Service Representatives (CSR) on the proper use of Q-Matic closing codes.  Customer Service will also establish a process of examining

monthly closing code reports and contacting CSR managers to determine reasons for using the "Other Issues" code and if additional closing code(s) should be established.

## Objective and Scope

*We evaluated the effectiveness of the Walk-In Program MIS in capturing information needed to produce an effective customer-driven program.*

Our overall objective was to evaluate the effectiveness of the Internal Revenue Service's (IRS) Walk-In Program Management Information System (MIS) in capturing information needed to produce an effective customer-driven program.  Accurate data regarding the reasons taxpayers seek face-to-face assistance and the quality of that assistance are critical if the Walk-In Program is to support the IRS' mission of providing top quality service to taxpayers.

To accomplish this objective, we evaluated the effectiveness of management actions to:

- Implement a quality review process for the Walk-In Program.

- Replace the Resource Management Information System (RMIS) with the Q-Matic system, a technologically advanced MIS.

We conducted the audit at the Customer Service Office of the National Director, Education, Walk-In and Correspondence Improvement Division, and the Upstate New York District Office.  The audit was performed from December 1998 to October 1999.  We interviewed Walk-In Program analysts and reviewed documentation available at the National Office related to the quality review process and the acquisition and testing of the Q-Matic system.  This included key documents titled, "Q-Matic Business Case," "FY 98 Q-Matic Test Report," and "Walk-In Q-Matic Project Scope."

Details of our audit objective, scope, and methodology are presented in Appendix I.  Major contributors to this report are listed in Appendix II.

## Background

Each year approximately 10 million taxpayers seek tax
assistance at more than 400 IRS walk-in sites.  General
Accounting Office (GAO) and IRS Inspection Service
(now the Treasury Inspector General for Tax
Administration) reports as well as Customer Service's
own initiatives have shown that the IRS cannot deliver
the most effective customer service at its walk-in sites
unless it can measure the quality of service and improve
the accuracy and completeness of its management
information regarding customer needs.  In response to
this assessment, Customer Service management
(hereafter referred to as Customer Service), is
developing a Walk-In Quality Review Program.
Customer Service is also implementing the Q-Matic, a
technologically advanced MIS to replace the RMIS.

The Q-Matic system is designed to provide more
accurate and detailed data than the RMIS regarding
taxpayers served and the type of service provided.  This
is critical for identifying customer needs and the ability
to tailor a customer-driven program.  The Q-Matic also
has other features beneficial to improving customer
service that are not provided by the RMIS.  These
include real-time management reports of walk-in site
activity, remote monitoring of several walk-in sites
simultaneously, informing customers of their expected
wait time, and calling them at the appropriate time.  As
of the end of Fiscal Year (FY) 1999, the Q-Matic system
had been placed in 33 walk-in sites.

## Results

This management advisory report provides information
about and recommendations for improving the project
management of the IRS' Walk-In Program MIS.

Customer Service has taken significant actions to begin
measuring the quality of service provided to taxpayers at

walk-in sites.  Customer Service has developed a quality review process consisting of filing season Walk-In Readiness Visits and Customer Simulation Visits. Continued efforts to formulate and refine the quality review process should enable the IRS to fill the gap that has existed in evaluating the quality of its walk-in service.

A properly implemented Q-Matic system should result in improved management information.  However, Customer Service's management of the implementation of this system needs improvement.  Specifically, an adequate business case was not prepared to accurately identify the Q-Matic implementation costs and to identify and correct problems encountered during the implementation.  Additionally, funding for the complete implementation of the Q-Matic has not been secured.

## Customer Service Can Better Manage Efforts to Improve the Walk-In Program Management Information System

Customer Service has not prepared an adequate business case for the Q-Matic acquisition.  Specifically, the Customer Service document entitled, "Q-Matic Business Case" does not meet the Office of Management and Budget's (OMB) business case requirements as stated in the IRS Investment Handbook.  It does not provide adequate data needed by Customer Service to make informed business decisions.  The "Walk-In Q-Matic Project Scope" document also lacks specific costs and details concerning resolutions to identified problems.

The IRS Investment Handbook states that the OMB requires sufficient justification be provided for major acquisitions.  A business case is the vehicle for documenting the justification.  It is a structured proposal for business improvement and forms the basis for understanding all potential costs, benefits, alternatives, and risks.  A properly developed business case should:

- Justify the selection of the proposed asset in the context of the IRS' mission and vision.

- Verify funding availability and demonstrate compliance with sound principles of financing.

- Define cost, schedule and performance goals, and identify the strategies for achieving them through risk mitigation.

The lack of an adequate business case for the Q-Matic acquisition occurred because Customer Service did not follow guidelines contained in the IRS Investment Handbook, which is the IRS' guide for initiating, analyzing, and managing all major investments.

As stated below, insufficient documented data pose specific risks to the successful implementation of the Q-Matic system.

### Costs identified in the business case were not complete

The business case states that the estimated cost to equip walk-in offices with the Q-Matic system is approximately $5.5 million. This figure included only the hardware and software costs of the Q-Matic systems. The estimate does not include telecommunications costs, furniture and office redesign costs, the cost of interconnecting the systems, operations and maintenance costs, and labor costs. Labor costs include Information Systems (IS) field function costs, contractor costs, and training and travel.

*Implementation costs through the end of FY 2000 will exceed $4.7 million for approximately one third of the walk-in sites that will require a Q-Matic system.*

Implementation costs through the end of FY 2000 will exceed $4.7 million for 148 sites, or approximately one third of the walk-in sites that will require a Q-Matic system. Estimated costs have not been identified for 46 sites that management has determined will require major office redesign to install the Q-Matic, and for more than 200 small walk-in sites with fewer than three assistors that will also require Q-Matic systems. The particular system to be acquired for the small walk-in sites, those that do not require full-scale Q-Matic

systems, has not yet been identified.  Therefore, the costs are unknown as well as the manner in which they will be networked with the other Q-Matic systems.

For proper monitoring, the total cost of implementing the system through the expected project completion date of December 31, 2002, should be identified and updated as necessary.

### A formal documented plan for resolving problems identified during the implementation of the Q-Matic system does not exist

The Q-Matic system is expected to help Customer Service deliver its commitment to provide an accurate accounting of customers' issues.  However, during the 1998 filing season, at five walk-in offices, Customer Service conducted a test of the Q-Matic that identified problems that resulted in incomplete and inaccurate Q-Matic data.  There is no formal, documented plan for addressing these still unresolved problems.  Three of these problems are discussed below.

**The system cannot produce necessary management information reports.**  During the test, management discovered that the Q-Matic could not produce critical management information reports.  At present, the Q-Matic can only provide daily closing code reports of walk-in activity for individual walk-in sites, but cannot consolidate the closing code report into weekly, monthly, or yearly reports.

The vendor informed Customer Service that it can develop the reports for an additional fee.  Information Systems management informed Customer Service that National Office programmers can provide the assistance to produce the necessary reports, but they do not have the resources at this time due to Year 2000 computer programming priorities.  Customer Service has no documented plan in place for resolving this issue, is not yet certain whether the vendor or IRS personnel will assist with the programming tasks, and at what cost to Customer Service and the time frame.

In addition, until the individual Q-Matic systems are installed in each walk-in site with assistors, including part-time offices and those offices with only one or two assistors, comparative reports produced by the Q-Matic will be incomplete for use in evaluating the Walk-In Program on a district, regional, or national level.

**Space limitations at walk-in sites cause incomplete Q-Matic data.**  Space limitations at one of the five test sites resulted in assistance being given to taxpayers in another area of the building not connected to the Q-Matic system hardware.  As a result, data for approximately 25 to 30 percent of the walk-in customers were not entered into the Q-Matic system.  Subsequent to the test, additional Q-Matic equipment was purchased and the problem at this site was resolved.  However, during a concurrent audit, we observed the same condition at another high volume walk-in site that was not part of the Q-Matic test.  The condition at this site remains, and is not easily corrected due to the number of floors that separate the walk-in office from the location where additional assistance is provided during the filing season.  The "Walk-In Q-Matic Project Scope" document does not address this problem.  Therefore, the extent to which it may exist is not known, nor are any possible solutions and associated costs.

**Excessive use of the "Other Issues" closing code diminishes the accuracy of Q-Matic data**.  After assisting a taxpayer, the Walk-in employee will enter one or more closing codes into the Q-Matic, to reflect the type of assistance provided.  One test site reported that the "Other Issues" closing code was used for a large number of taxpayers assisted.  This code should be used only when none of the descriptive closing codes match the assistance given to the taxpayer.  The more these codes are used, the less accurate Q-Matic data are in reflecting the assistance actually provided to taxpayers.  Frequent use of the "Other Issues" code could indicate a need for additional closing codes or that assistors are choosing it for convenience rather than selecting the proper code.

Roll-out of additional Q-Matic systems to other walk-in sites continues even though no formal plan was developed to address how, or if, the limitations identified during the test report will be resolved, by whom, and at what cost.

### The Q-Matic implementation has not been fully funded

Funding for the complete implementation of the Q-Matic has not been secured. The "Walk-In Q-Matic Project Scope" document lists funding concerns as a project constraint.

We were advised by National Office Walk-In Program management that the FY 1999 budget of $5 million for the Q-Matic was reduced to $1.2 million in order to fund other IRS budget shortfalls. As a result, Customer Service will use these funds to purchase software upgrades and networking software for the 33 existing systems, and to purchase the Q-Matic systems for 43 additional sites. Beyond this requisition, funding for the more than 300 remaining walk-in sites, including office redesign costs, is uncertain.

Several of the 33 systems already in place were funded not by the National Office as is assumed in the business case estimate, but by regional and district offices that did not want to rely on the uncertainty of National Office funding. The National Office did not have data on the costs to the offices that purchased their own systems. Such a tentative method of funding places the IRS at risk of time and cost overruns in implementing the Q-Matic system.

Until all of the issues raised in this report are resolved, the Q-Matic cannot replace the RMIS. Customer Service will continue expending resources to manually input inaccurate data into the RMIS, while National Office management still will not have the detailed, accurate information necessary to analyze customer needs and improve customer service at the walk-in sites. A properly prepared business case or project plan would

document all of these issues as well as the planned
solutions.  Without such documentation, Customer
Service cannot ensure that the cost estimate is accurate
or that the Q-Matic will deliver the expected
improvements to the current Walk-In Program MIS.

## Recommendations

To better manage the implementation of the Q-Matic
and to ensure that the Q-Matic will be an effective
Walk-In Program MIS, Customer Service should:

1. Update the business case or project plan to reflect
   complete and accurate costs for the full
   implementation of the Q-Matic.  Use the business
   case to secure a commitment for full funding of the
   system and all necessary resources.

Management's Response:  Customer Service agreed to
update the project plan making the necessary revisions.

2. Determine, with certainty, how the networking of the
   systems will be accomplished and if the Q-Matic can
   be enhanced to provide crucial consolidated reports
   of walk-in activity.  Specify who will accomplish
   this work, the vendor or IRS personnel, and the
   related costs.

Management's Response:  Customer Service prepared a
Request for Information Services (RIS) to develop a
network solution.  Once the network has been
established, the software will be able to provide
consolidated national reports.

3. Identify and test the type of system that will be
   installed in the small offices that will require a
   scaled-down Q-Matic system.  Determine the
   number of scaled-down systems required and the
   related cost.

Management's Response:  Customer Service will meet
with members of a modernization redesign team to
determine the number of small walk-in offices and the
number of employees staffing them.  Once they know

the smallest offices and where they will be located, Customer Service will test a Q-Matic system that meets their needs.

4.  Determine how to eliminate circumstances where assistance to customers is not entered into the Q-Matic due to service being provided in a location not connected to the Q-Matic hardware.

Management's Response:  As part of the modernization reorganization, Customer Service will be assessing and redesigning space and office locations.  They will consider the need to provide for Q-Matic as part of that process.  In the interim, in buildings where the Q-Matic system is located in another area, Walk-In personnel will use a manual system to count the number of taxpayers served.

5.  Devise a method to minimize the use of the "Other Issues" closing code and to identify reasons for its use.

Management's Response:  Customer Service created a training class for Customer Service Representatives (CSR) which includes the proper use of Q-Matic closing codes.  Customer Service will establish a process of examining monthly closing code reports and contacting CSR managers to determine reasons for using the "Other Issues" code and if additional closing code(s) should be established.

## Conclusion

The IRS has made commitments to provide top quality customer service to taxpayers and to better manage information technology investments.  Customer Service can show its support of these commitments by following an investment management process, including preparing an adequate business case document, in implementing the Q-Matic system.

An adequate business case will address the cost identification issues, plans to resolve identified problems, and funding constraints.

## Detailed Objective, Scope, and Methodology

Our overall objective was to evaluate the effectiveness of the Internal Revenue Service's (IRS) Walk-In Program Management Information System (MIS) in capturing information needed to produce an effective customer-driven program. To accomplish this objective, we performed the following audit tests:

I.   Determined the effectiveness of the MIS in providing information on whether Walk-In Program goals are being met.

    A.  Identified Walk-In Program goals.

        1.  Interviewed a Walk-In Program analyst at the National Office to discuss the Fiscal Year (FY) 1999 Walk-In Program Letter and the goals and measurement systems in place to monitor the Program.

        2.  Determined if there were any other goals for the Walk-In Program other than wait-time goals such as quality goals, similar to the tax law accuracy goals for the Toll-Free Telephone Assistance Program.

    B.  Evaluated management's system for evaluating the quality of service provided by the Walk-In Program.

        1.  Reviewed Resource Management Information System (RMIS) reports and discussed the System with program analysts to determine if the MIS captures information for management to measure and assess the quality of walk-in service.

        2.  Determined if the System provides data on accuracy of responses to questions, quality of prepared returns, and resolution of account problems.

    C.  Evaluated the effectiveness of the Q-Matic and the RMIS in providing sufficient data to identify customer expectations, assess quality and make data-driven decisions regarding staffing and services to be provided.

        1.  Reviewed the RMIS and the Q-Matic output to identify the data provided by each of the two systems.

        2.  Analyzed the output to identify gaps in information provided by the RMIS that will not be provided by the Q-Matic. Determined if the Q-Matic would be the complete MIS that management expected.

3.  Interviewed a National Office Walk-In Program analyst and an Upstate New York District walk-in site manager, and reviewed all Q-Matic test result documentation to determine the benefits and possible shortcomings of the Q-Matic system, including the review of the "FY 98 Q-Matic Test Report."

4.  Discussed with a National Office walk-in site analyst the timeline and action plan for implementing the Q-Matic at all walk-in sites.  Reviewed and evaluated project documentation in the "Q-Matic Business Case" and the "Walk-In Q-Matic Project Scope."

5.  Discussed with a National Office walk-in site analyst the feasibility of the Q-Matic replacing the RMIS.

## Major Contributors to This Report

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**Management Advisory Report: Improved Project Management
is Needed in Modernizing the Internal Revenue Service's
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**Appendix III**

# Report Distribution List

Deputy Commissioner Operations  C:DO
Chief Operations Officer  OP
Assistant Commissioner (Customer Service)  OP:C
National Director, Education, Walk-In, and Correspondence Improvement  OP:C:E
National Director for Legislative Affairs  CL:LA
Director, Office of Program Evaluation and Risk Analysis  M:O
Office of the Chief Counsel  CC
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Audit Liaison (Customer Service)  OP:C:E:L

## Management's Response to the Draft Report

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON. D.C. 20224

COMMISSIONER

April 12, 2000

MEMORANDUM FOR TREASURY INSPECTOR GENERAL FOR
TAX ADMINISTRATION

FROM:              Charles O. Rossotti
                   Commissioner of Internal Revenue

SUBJECT:           Treasury Inspector General for Tax Administration
                   (TIGTA) Draft Report – Management Advisory Report:
                   Improved Project Management is Needed in Modernizing the
                   Internal Revenue Service's Walk-In Program Management
                   Information System (Audit No. 19990003)

I am writing to give you our comments on your report on our Walk-In Program
Management Information System.  Thank you for recognizing the actions we have
taken to improve this program.

Before addressing the recommendations of the report to improve the Walk-In Program
Management Information System, I want to describe the larger plan to significantly
improve tax help for the 10 million taxpayers who seek assistance at over 400 IRS
walk-in sites.

One of the most important changes of the IRS modernization reorganization scheduled
to begin operations October 1, 2000, is the implementation of Tax Assistance Centers
(TACs) in the Wage and Investment Operating Division.  The TAC will replace our
traditional walk-in sites providing the services we do today and institutionalizing the best
aspects of our Problem Solving Day operations.  We will improve service by
systematically implementing a plan for taxpayers to have increased access, prompter
service, more efficient service, and consistent quality.  These changes will not take
place overnight.  However, our plan is that by June 2002, we will implement the
following design:

- Increase service by providing assistance on more weekends and evening hours;
- Provide prompter service by increasing staffing at facilities that are understaffed;
- Offer more efficient service by reducing the time needed to work customer issues
  and the complexity of service process; and,

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- Deliver consistent quality by providing equal service levels across geographies and facility types and equal service levels during all periods of time, e.g., time of year, time of day.

A new, cross-functional Tax Resolution Representative (TRR) position will be established. The TRRs will be skilled to resolve a broad range of customer issues with a single interaction including tax law questions, return preparation, audit reconsiderations, installment agreements, and applications for offers-in-compromise. We will increase full-time staffing for TACs to provide world class customer service and reduce reliance on detail-in employees. Over the long term, we will increase access by designing multiple facility types to allow 85 percent of our customers to have access within 45 minutes.

As recommended by your report, we will monitor and manage service by deploying the Q-MATIC Queuing Management System so that it is networked and available at large and medium size sites. We will also integrate TACs into the current Work Planning and Control System (WP&C) so that staffing information will be available by program and function. We will regularly survey customer satisfaction and benchmark our performance to ensure we are meeting our customers' needs.

With this perspective, I will address your recommendations for improving deployment of the Q-MATIC system in TACs.

The Q-MATIC™ Queuing Management System (Q-MATIC™ system) is an on-line system designed to improve customer service. In 1996, the Assistant Commissioner (Collection) formed a Walk-In Systems Management Team to review the Walk-In program. The report was issued to the Assistant Commissioner (Customer Service) in 1997. One of the recommendations in the report was to install the Q-MATIC™ system in all full-time Walk-In offices, which are open year round.

In 1997, the Assistant Commissioner (Customer Service) formed the Walk-In Steering Committee to develop a concept of operations for the Walk-In program which included establishing standard services for all Walk-In offices. One of the recommendations was to install the Q-MATIC™ system in all Walk-In offices.

IDENTITY OF RECOMMENDATION/FINDING
The Assistant Commissioner (Customer Service) should update the business case or project plan to reflect the complete and accurate costs for the full implementation of the Q-MATIC™ system. Use the business case to secure a commitment for full funding of the system and all necessary resources.

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ASSESSMENT OF CAUSE(S)
In 1997, the National Director, Customer Service Planning and Systems Division surveyed the regional offices to determine what equipment Walk-In offices needed to increase customer service.  One of the most requested items was the Q-MATIC™ system.  Seven systems were purchased for a test using funds that were made available at the end of the year.  As a result of the test and the Walk-In Steering Committee's recommendation, the decision was made to purchase additional systems.

CORRECTIVE ACTIONS
The Walk-In Operations Section has been working with the Project Management Section and Information Systems to develop a project plan for the Q-MATIC™ system rollout.  The plan provides a rollout schedule, network plans, and detailed costs of implementation.  As plans for implementation of Wage and Investment's Field Assistance TACs are finalized, the rollout schedule will be modified to reflect changes.

IMPLEMENTATION DATE:
PROPOSED:  June 30, 2001

RESPONSIBLE OFFICIAL
Director, Field Assistance, Wage and Investment

CORRECTIVE ACTION MONITORING PLAN
Customer Service will continue to update the project plan making necessary revisions.

IDENTITY OF RECOMMENDATION/FINDING
The Assistant Commissioner (Customer Service) should determine, with certainty, how the networking of the systems will be accomplished and if the Q-MATIC™ system can be enhanced to provide crucial consolidated reports of Walk-In activity.  Specify who will accomplish this work, the vendor or IRS personnel, and the related costs.

ASSESSMENT OF CAUSE(S)
The Q-MATIC™ systems that have been purchased were purchased as stand-alone systems.  Since they are stand-alone, reports that are generated are for individual sites.

CORRECTIVE ACTIONS
We are currently working with Information Systems (IS) to develop a network solution. We prepared a Request for Information Services (RIS) asking, among other things, to have all of the systems networked.  We have purchased the software necessary to network the systems, and the vendor is in the process of installing it on all of our systems.  We have also identified the hardware needed to run the network.  Once the network has been established, the software will be able to provide consolidated national reports.

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IMPLEMENTATION DATE:
PROPOSED:   October 30, 2000

RESPONSIBLE OFFICIAL
National Director, Education, Walk-In and Correspondence Improvement Division

CORRECTIVE ACTION MONITORING PLAN
Members of the Walk-In Operations Sections of the Assistant Commissioner (Customer
Service) and the Director, Communications, Assistance, Research and Education
(CARE), Wage and Investment Division, will meet with IS for updates on the status of
the RIS and the network.  Problems that cannot be resolved will be elevated to the
appropriate officials for resolution.

IDENTITY OF RECOMMENDATION/FINDING
The Assistant Commissioner (Customer Service) should identify and test the type of
system that will be installed in small offices that will require a scaled down Q-MATIC™
system.  Determine the number of scaled down systems required and the related costs.

ASSESSMENT OF CAUSE(S)
National Office executives have decided not to install the system in our posts of duty
(POD) with only one Customer Service Representative (CSR).

CORRECTIVE ACTIONS
The Q-MATIC™ Corporation has been upgrading their product lines and services.  We
are exploring possible equipment we can install in small PODs without installing a full
system.  We will meet with members of a modernization redesign team to determine the
number of small PODs and the number of employees staffing them.  Once we know the
smallest sizes and where they will be located, we will test a Q-MATIC™ system that
best meets our needs.

IMPLEMENTATION DATE:
PROPOSED:   June 30, 2001

RESPONSIBLE OFFICIAL(S)
Director, Field Assistance, Wage and Investment Division

CORRECTIVE ACTION MONITORING PLAN
As the Q-MATIC™ Corporation continues to make additional products, Customer
Service will continue to explore the feasibility and cost of installing one of the new
systems in our small PODs.

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IDENTITY OF RECOMMENDATION/FINDING
The Assistant Commissioner (Customer Service) should determine how to eliminate circumstances where assistance to customers is not entered into the Q-MATIC™ system due to service being provided in a location not connected to the Q-MATIC™ hardware.

ASSESSMENT OF CAUSE(S)
Space limitations have resulted in assistance being given to taxpayers in an area of the building not connected to the Q-MATIC™ system.  To help improve customer service in larger buildings, the office management has an employee staff a table on the first floor during the filing season to answer quick form-related questions such as, what form should be used to report capital gains.  Because of the short-term use of the first floor space and landlord restrictions, it is not feasible to run wires from the Q-MATIC™ system on upper level floors to the table on the first floor.

CORRECTIVE ACTIONS
As part of the modernization reorganization, we will be assessing and redesigning space and office locations.  We will consider the need to provide for Q-MATIC as part of that process.  In the interim, in buildings where the Q-MATIC system is located in another area, Walk-In personnel will use a manual system to count the number of taxpayers served on the first floor.  At the end of the workday, the count will be input into the RMIS (Resources Management Information System) which captures basic information pertaining to the number of taxpayers served.

IMPLEMENTATION DATE:
PROPOSED:   June 30, 2001

RESPONSIBLE OFFICIAL(S)
Director, Field Assistance, Wage and Investment Division

CORRECTIVE ACTION MONITORING PLAN
As the Q-MATIC™ Corporation continues to develop additional products, Customer Service will continue to explore ways of providing this service and capturing the required information accurately.

IDENTITY OF RECOMMENDATION/FINDING
The Assistant Commissioner (Customer Service) should devise a method to minimize the use of the "Other Issues" closing code and to identify reasons for its use.

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ASSESSMENT OF CAUSE(S)
The other issue closing code was established to use when other closing codes did not fit the contact.  There was some confusion among employees in one of the seven test sites in determining which code to use.

CORRECTIVE ACTIONS
Customer Service has created a training class for all CSRs using the system.  In this class, we discuss closing codes and their use.  The National Office has requested a monthly closing code report.  We will examine the reports and compile national reports.

During our examination, we will look for instances where offices have used the other issues closing code.  We will contact the office manager and request that he or she contact the employees to determine why they are using this code.  If needed, another code(s) will be established.

IMPLEMENTATION DATE:
PROPOSED:   June 30, 2000

RESPONSIBLE OFFICIAL
National Director, Education, Walk-In and Correspondence Improvement Division

CORRECTIVE ACTION MONITORING PLAN
Customer Service will monitor the monthly closing code report.  We will contact those offices that are using the code excessively.

If you have any questions, please call Robert C. Wilkerson, Assistant Commissioner (Customer Service), at (202) 622-5044.