GAO

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General Accounting Office
Washington, D.C. 20548

Accounting and Financial
Management Division

B-250977

November 5, 1992

Mr. Phil Brand
Chief Financial Officer
Internal Revenue Service

Dear Mr. Brand:

As part of our ongoing financial audit of IRS under the
Chief Financial Officers (CFO) Act of 1990, we have compiled
a list of performance indicators[1] used at various levels
throughout IRS. This information should be helpful to IRS
as it addresses the CFO Act's requirement for performance
measurement and the implementing guidance issued by the
Office of Management and Budget (OMB). Also, we have
included some observations on the development and
presentation of performance measures for IRS' consideration
as it prepares its first annual financial statement under
the CFO Act.

The CFO Act calls for the systematic measurement of
performance as an essential component of agency financial
management systems. Building on this, OMB requires that
summary information on financial and programmatic
performance be included as part of the annual financial
statements required by the CFO Act. OMB Bulletin 93-02
requires agencies to explain financial changes, results of
operations, levels of performance, and risks and
uncertainties in a self-analysis, which is referred to as
the "Overview of the Reporting Entity" (Overview). The
bulletin encourages further disclosure of performance

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[1]An indicator refers to a quantity in terms of dollars,
percentages, or other numerical figures, that assists users
in making a judgment about the significance, magnitude, or
direction of change in performance.

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results in the "Supplemental Financial and Management
Information" (Supplemental Information) section of the
annual financial statement.

INDICATORS USED BY IRS

To provide a consolidated baseline of available performance
information, which may be useful in developing IRS' first
financial statement, the enclosed list contains the
indicators that IRS personnel identified to us as being used
by agency management during the last 2 years to assess the
effectiveness of IRS operations. The indicators are
organized by major IRS function--returns processing,
information systems, examination, collection, appeals,
taxpayer service, and criminal investigation. For each
indicator, we briefly summarize how the indicator is used
and/or computed. We also show the source of the information
for each indicator, which identifies the electronic or paper
records that are used to obtain or compute the indicator.

We compiled these performance indicators as part of the
planning phase of our financial audit by interviewing IRS
officials at IRS headquarters in Washington, D.C., Kansas
City and Ogden Service Centers, Dallas Regional Office, and
Denver District Office.

GAO'S INITIAL OBSERVATIONS

In prescribing the auditor's responsibility under the CFO
Act, OMB Bulletin 91-14 requires the auditor to determine if
the information and manner of presentation in the Overview
and the Supplemental Information are consistent with other
information in the annual financial statement. In addition,
it requires the auditor to determine whether the agency has
complied with OMB requirements to document and support the
information and, where necessary, to determine the adequacy
of the systems from which the information is derived.
Further, to the extent possible, it requires the auditor to
assess the reliability of the performance data presented.

Thus, when IRS identifies which indicators will be used in
its fiscal year 1992 Overview and Supplemental Information,
we will test and report on the reliability of this
information in accordance with OMB standards and our own
audit methodology. As we plan for our review of this
information, which will be an integral part of the financial

audit, we offer a few initial observations, which are summarized below.

We understand that IRS' efforts to develop the Overview for its fiscal 1992 financial statement seeks to link performance measures to its three primary business objectives: (1) increasing voluntary compliance, (2) reducing the burden on taxpayers, and (3) improving customer satisfaction, productivity, and quality. Such a link is consistent with the CFO Act's intent to provide useful and relevant performance information, which ties together financial and program data, and the requirements of OMB Bulletin 93-02.

In our view, an important initial step will be to establish a common understanding as to what is meant by key terms embodied in IRS' business objectives, such as voluntary compliance, taxpayer burden, customer satisfaction, productivity, and quality. From there, the specific information to be included can be more easily pinpointed or identified for future development. Take, for example, the objective of increasing voluntary compliance. Among the questions that IRS may want to answer in its Overview could be: (1) What is the level of voluntary compliance? (2) How has it changed over time?

One measure that could contribute to gauging voluntary compliance would be to compare the number of tax returns filed to the number of taxpayers, together with an explanation of any difference, reasons why the percentage of returns filed changes over time, and what IRS is doing to ensure that required returns are filed and the results and costs of those efforts. There are many other possible measures of voluntary compliance, though, that IRS may consider more meaningful. However, the Overview will be most useful if IRS focuses on a relatively small number of the most meaningful indicators. We understand that this is the approach IRS plans to follow.

In developing its first year Overview, we expect that IRS may identify some limitations in the availability of needed data and in its ability to relate financial and performance information. In the example above, while data on the number of returns filed would be readily available, to fully analyze this information for inclusion in the Overview would require systems that track costs associated with the
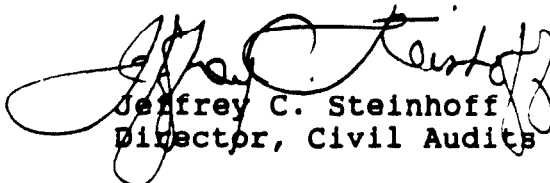
agency's efforts to identify nonfilers and include the results of these efforts in terms of increased filings and additional revenue.

Also, data in the Overview will generally flow up from the various IRS operations. For example, core indicators that address voluntary compliance might be built from detailed indicators that measure how well IRS functional units, such as Examination and Taxpayer Service, have affected various aspects of voluntary compliance. This level of detail would not typically be reported in the Overview, but would be appropriate to include in the Supplemental Information.

We anticipate that across-government presentations in the Overview and the Supplemental Information will evolve over time and become increasingly more useful as financial management systems are improved and better integrated with program systems to capture and report needed information on costs and program results. In this regard, IRS' efforts to enhance its capability and expand the scope of its reporting will be important.

Since our review of data in the Overview and the Supplemental Information will be integral to the financial audit, we would appreciate receiving IRS' plan for reporting this data as soon as it is available. Should you have any questions about the enclosed information on performance indicators and our observations, please contact Mr. Gregory M. Holloway, Acting Associate Director, Civil Audits at (202) 275-9510 or Mr. Dieter M. Kiefer, Assistant Director in our Kansas City Regional Office, who is responsible for the performance measurement work on this financial statement audit, at (913) 384-7400. I can be reached at (202) 275-9454. We appreciate the continuing cooperation of the IRS as we conduct the financial audit.

Sincerely yours,

Jeffrey C. Steinhoff
Director, Civil Audits

Enclosure

SUMMARY OF IRS INDICATORS BY FUNCTION

Listed below are performance indicators which IRS personnel
identified as being used by agency management during fiscal years
1991 and 1992. The indicators are organized by major IRS function-
-returns processing, information systems, examination, collection,
appeals, taxpayer service, and criminal investigation. The "Brief
Description" column summarizes how the indicator is used and/or
computed. The "Source" column lists the electronic or paper
records that are used to obtain or compute the indicator.

Returns Processing Indicators	Brief Description	Source
Inventory, receipts, and production for errors, rejects, unpostables, adjustments, and unidentified remittances.	Current inventory and current receipts are compared to the average of the current week and the prior 3 weeks. Current inventory and receipts are compared to the prior year and a percentage change is calculated.	Generalized Unpostable Framework, Error Resolution System, Remittance Processing System, Integrated Data Retrieval System, and Management Information System for Top Level Executives
Opening and closing inventories of returns and numbers received, scheduled for processing, and actually processed	The information is used to allocate staff, anticipate workload for the next 24 hours, and track the returns processed.	Daily reports from the Generalized Mainline Framework, Individual Master File, Business Master File, and the Integrated Data Retrieval System
Scheduled and actual remittances received and deposited	The information is used to schedule work and activity.	Daily report from the Remittance Processing System
Percent of change in returns received	The actual returns received are divided by the scheduled returns and by the returns received during the prior year.	Batch Information Tracking System and Management Information System for Top Level Executives

SUMMARY OF IRS INDICATORS BY FUNCTION

Returns Processing Indicators	Brief Description	Source
Percent of change in refunds processed	The number, the amount of principal, and the average refund amount are compared to the prior year and a percentage change is calculated.	Management Information System for Top Level Executives
Processing cycle and program completion dates requirements for refund returns	The processing cycle is considered to be the number of days from the date the returns are received to the date processing is completed.	Batch Information Tracking System and Management Information System for Top Level Executives
Number of days that returns stay at different locations	The information is used to track days remaining for the batch to meet the cycle completion goal.	Generalized Mainline File
Age of Service Center Control File documents	The indicator includes the number of documents aged 4 or more months.	Service Center Control File and Management Information System for Top Level Executives
Standard and actual hours and rates of production	The actual hours and rates are compared to standards. The indicators are used to evaluate changes in procedures or determine other causes of differences.	Work Planning and Control System
Differences in projected and scheduled hours	The projected hours are divided by the scheduled hours.	Resource Projection Report from a local system

SUMMARY OF IRS INDICATORS BY FUNCTION

Returns Processing Indicators	Brief Description	Source
Refund returns with interest paid	The total number of refund returns with interest paid and total amount of interest paid by IRS on those returns.	Net Tax Refund Report
Accuracy rate of Individual Master File refunds	The number of refunds without an error are divided by the total number of refunds reviewed.	Refund Review System
Number of refunds intercepted (withheld from taxpayer)	The number of erroneous refunds that are stopped before they are issued to the taxpayer.	Refund Review System
Percent of tape shipments to the National Computer Center compared to scheduled and prior year amounts	The actual shipments are divided by the scheduled shipments and by the prior year's shipments.	Batch Information Tracking System and Management Information System for Top Level Executives
Percent of returns promptly pulled for the Statistics of Income sample	The number of cases pulled within the first week are divided by the number selected for the sample.	Local system
Accuracy rate of perfecting and editing returns pulled for the Statistics of Income sample	An ongoing, statistically valid sample of returns is reviewed to identify the accuracy rate.	Quality Review Report
Large dollar accounts receivable	The number and dollar amount of accounts receivable cases over $1 million.	Integrated Data Retrieval System

SUMMARY OF IRS INDICATORS BY FUNCTION

Returns Processing Indicators	Brief Description	Source
Total increase or decrease in accounts receivable due to pre and post reviews that perfect transactions $100,000 and over	The number and the dollar amounts of perfected transactions are totaled.	Large Dollar Review Report
Growth of unadjusted accounts receivable	The percent of increase of unadjusted accounts receivable is computed.	Revenue Accounting Control System
Percent of unidentified remittance cases over $25,000	The number of $25,000 and over unidentified remittance cases is divided by the total number of unidentified remittance cases.	Integrated Data Retrieval System
Percent of unidentified remittance dollar amounts from cases over $25,000	The total dollar amount of $25,000 and over unidentified remittance cases is divided by the total dollar inventory.	Integrated Data Retrieval System
Percent of remittances deposited within 24 hours	The number of remittances received on a given day is compared to the number deposited on the following day	Remittance Processing System
Percent of Federal Tax Deposits classified within two days	The number of transmittals of Federal Tax Deposits received each month is divided by the number of transmittals of Federal Tax Deposits classified within 2 days.	Service Center Control File

SUMMARY OF IRS INDICATORS BY FUNCTION

Returns Processing Indicators	Brief Description	Source
Error resolutions Including good transactions, raw errors, errors cleared, raw error rate, and current error inventory	The information is used to determine fluctuations, reasons for errors, comparisons to the prior year, and positive or negative trends.	Individual Master File Block Proof Summary and Error Analysis Report from the Generalized Mainline File
Error rate on electronically filed Individual Master File refund returns	The number of errors on electronically filed individual refund returns is divided by the number processed.	Management Information System for Top Level Executives
IRS-caused unpostables	Program Analysis System reviews identify reasons for unpostables and compute the IRS accuracy rate.	Management Information System for Top Level Executives
Total unpostables compared to individual tax returns in the Electronic Filing Program	The number of unpostables that occurred in the Electronic Filing Program is compared to the number of returns received.	Management Information System for Top Level Executives
Percent of unpostables cases over 45 days old	The number of cases over 45 days old is divided by total inventory.	Generalized Unpostable Framework and Management Information System for Top Level Executives
Unpostable inventory as a percentage of receipts	Unpostable inventory is compared to receipts for the previous 22 weeks.	Generalized Unpostable Framework and Management Information System for Top Level Executives

SUMMARY OF IRS INDICATORS BY FUNCTION

Returns Processing Indicators	Brief Description	Source
Adjustments average critical accuracy rate	Program Analysis System reviews identify the accuracy rates.	Program Analysis System
Percent of adjustment cases over 45 days old	The percent is the number of cases over 45 days old divided by the total inventory.	Integrated Data Retrieval System and Management Information System for Top Level Executives
Total adjustment inventory compared to production	The total adjustments inventory is divided by the average of the current week and the 3 previous weeks production.	Integrated Data Retrieval System and Management Information System for Top Level Executives
Percent of $25,000 and over adjustments inventory over 45 days old	The number of $25,000 and over cases over 45 days old is divided by the total number of $25,000 and over cases.	Integrated Data Retrieval System and Management Information System for Top Level Executives
Accuracy rate of Individual Master File and Business Master File notices	Notices are sampled.	Program Analysis System
Inventories of taxpayer inquiries	The inventories of correspondence are counted weekly.	Manual counts
Percent of $25.000 and over Accounts Maintenance inventory over 60 days old	The number of $25,000 and over cases over 60 days old is divided by the total number of $25,000 and over cases.	Integrated Data Retrieval System and local systems

SUMMARY OF IRS INDICATORS BY FUNCTION

Returns Processing Indicators	Brief Description	Source
Percent of Accounts Maintenance cases over 120 days old	The number of cases over 120 days old is divided by the total number of cases.	Integrated Data Retrieval System and Management Information System for Top Level Executives
Accounts Maintenance receipts compared to production	The number of weekly receipts is compared to the number resolved weekly.	Integrated Data Retrieval System and the Management Information System for Top Level Executives
Percent of Underreporter Program inventory screened compared to amounts scheduled	The actual amount screened is divided by the scheduled amount.	Local system and Management Information System for Top Level Executives
Percent response to Underreporter Notices	The number of Underreporter Notices resolved is divided by the number of Underreporter Notices sent out.	Management Information System for Top Level Executives
Percent response to Statutory Notices	The number of closed Statutory Notice cases is divided by the number of letters sent out for the Underreporter Program.	Management Information System for Top Level Executives
Responses to Underreporter Notices over 30 days old	The number of responses to the Underreporter Notices over 30 days old.	Management Information System for Top Level Executives
Responses to Statutory Notices over 15 days old	The number of responses to Statutory Notices over 15 days old.	Management Information System for Top Level Executives

SUMMARY OF IRS INDICATORS BY FUNCTION

Returns Processing Indicators	Brief Description	Source
Critical error rate of Underreporter Notices	In-house reviews identify accuracy rates of Underreporter Notices.	Management Information System for Top Level Executives
Average dollars per assessment	The total dollars assessed is divided by number of assessments generated by the Underreporter Program.	Local system
Average days a Problem Resolution case remains open	The number of days the resolved cases were open is divided by the number of cases resolved.	Problem Resolution Office Management Information System
Percent of Problem Resolution cases closed within 30 days	The number of Problem Resolution cases closed within 30 days is divided by the total number of cases closed.	Problem Resolution Office Management Information System
Percent of Problem Resolution cases re-opened	The number of cases reopened due to errors after regular closing is divided by the number of cases closed.	Problem Resolution Office Management Information System
Resource usage in terms of staff years	The total staff years used.	Work Planning and Control System
Staff years over and under realized	The projected staff years used minus staff years allocated equals the over or under realized amount.	Work Planning and Control System, Budget, and local system

SUMMARY OF IRS INDICATORS BY FUNCTION

Returns Processing Indicators	Brief Description	Source
Staff hours performance index	The number of standard direct and standard overhead staff hours is divided by actual direct and actual overhead staff hours respectively.	Work Planning and Control System
Percent of overhead hours to direct hours	The number of actual overhead staff hours is divided by the actual direct staff hours.	Work Planning and Control System
Percent of overhead hours to total hours	The number of actual overhead staff hours is divided by the total actual staff hours.	Work Planning and Control System
Error rate of individually measured employees	The information is used to evaluate an employee on the basis of a statistical sample of the employee's work.	Total Evaluation Performance System
Number of employees trained in ethics and integrity courses	The action plan is reviewed quarterly and is used as an indicator of work force quality.	Manual report

Information Systems Indicators	Brief Description	Source
Percentage of real-time processing available	The actual real-time divided by scheduled real-time is used to evaluate the use of computer time.	Computer Branch Accomplishment Report - Real-Time Availability Report

SUMMARY OF IRS INDICATORS BY FUNCTION

Information Systems Indicators	Brief Description	Source
Reporting processing problems	This information is used to monitor the response time of National Office when service centers report computer processing problems.	Problem Evaluation and Reporting Control System Management Report
Command code usage (operational efficiency rate)	The count of command code usage (computer programming routines) and users is used to evaluate efficiency of equipment, measure usefulness of command codes, and evaluate whether codes are functioning correctly.	Communications Replacement System Command Code Usage Report
Customer satisfaction level of service	The internal customers evaluate service.	Survey of internal customers
Help Desk Tracking System	The tracking system is used to measure the time required to assist internal customers.	Help desk log
Actual staff year resources expended compared to projected levels	This information is used to evaluate the use of staff years and the accuracy of estimates.	Computer Services Resources Tracking System
Total time spent on reruns	The measure of hours of rerun time on all systems for each month is used to evaluate the quality of computer processing.	Communications Replacement System Rerun Report
Number of reruns	The reruns are computed on all systems monthly.	Communications Replacement System Rerun Report

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SUMMARY OF IRS INDICATORS BY FUNCTION

Information Systems Indicators	Brief Description	Source
Nature of processing problems at service centers	The review of processing problems and resolution, and the timeliness of reporting and response is used to evaluate computer systems and efficiency.	Problem Evaluation and Reporting Control System Management Report
Growth of Taxpayer Information File	The summary of volumes processed for the Individual Master File and the Business Master File is used to determine computer time necessary to process future work.	Computer Branch Accomplishment Report
Percentage of real-time terminal inquiries	The number of inquiries categorized by type of inquiry and the percent of responses within 6 seconds.	Computer Branch Accomplishment Report
Timeliness of tape shipments	The summary of Individual Master File and Business Master File tape shipments is used to review service center processing accomplishments.	Computer Branch Accomplishment Report
Daily batch completion times	The summary of completion times for the daily batch processing at each service center is used to measure processing accomplishments.	Computer Branch Accomplishment Report

SUMMARY OF IRS INDICATORS BY FUNCTION

Information Systems Indicators	Brief Description	Source
Taxpayer Information File weekend processing updates	The summaries of start/stop times of the Taxpayer Information File processing at each service center and the completion times for processing runs are used to evaluate accomplishments.	Computer Branch Accomplishment Report
Individual Taxpayer Information File size	The summary at each service center for the current and previous years is used to track the growth of files.	Computer Branch Accomplishment Report
Business Taxpayer Information File size	The summary at each service center for the current and previous years is used to track the growth of files.	Computer Branch Accomplishment Report
Entity Information File size	The summary by week and service center for the current and previous years is used to track the growth of files.	Computer Branch Accomplishment Report

Examination Indicators	Brief Description	Source
Number of returns examined	The total tax returns examined.	Audit Information Management System
Number of examinations resulting in proposals for: --additional tax --refund --no adjustment	The number of examinations that resulted in each of three possible outcomes: additional tax, refund, or no change.	Audit Information Management System

SUMMARY OF IRS INDICATORS BY FUNCTION

Examination Indicators	Brief Description	Source
No change rates	The percentage of examinations (or contacts) that did not result in a change to tax liability as reported on the return.	Audit Information Management System
Additional tax and penalties recommended after examination	The total amount of additional taxes and penalties recommended as the result of examinations.	Audit Information Management System
Refunds recommended as a result of examinations	The total amount of refunds recommended as the result of examinations.	Audit Information Management System
Number of examinations --not appealed --appealed or petitioned to U.S. tax court	The number of examinations that taxpayers did not contest and the number they did contest.	Audit Information Management System
Hours per return	The direct examination hours divided by the number of returns examined.	Audit Information Management System
Dollars per hour	The additional tax and penalties recommended divided by the hours of examination time.	Audit Information Management System
Dollars per return	The additional tax and penalties recommended divided by the number of returns examined.	Audit Information Management System
Examination quality rates	The percentages of closed returns sampled which meet fourteen auditing standards.	Examination Quality Measurement System

SUMMARY OF IRS INDICATORS BY FUNCTION

Examination Indicators	Brief Description	Source
Inventory of returns not started	The number of returns not started at the end of each month.	Audit Information Management System
New starts	The number of tax returns for which examinations were started during the month.	Audit Information Management System
Inventory of started returns	The number of started returns at the end of each month.	Audit Information Management System
Overage returns	The overage returns for revenue agents are the number of tax returns started 12 or more months ago but not completed. The overage returns for tax auditors are the number of tax returns started 6 or more months ago but not completed.	Audit Information Management System
Overage percentage	The number of overage tax returns (12 months for revenue agents, 6 months for tax auditors) are divided by all tax returns started but not completed.	Audit Information Management System
Cycle time	The average number of days or months required to complete examinations.	Audit Information Management System
Work in process rate	The number of hours charged to open returns are divided by the number of open returns.	Summary Examination Time Transmission System and Audit Information Management System

SUMMARY OF IRS INDICATORS BY FUNCTION

Examination Indicators	Brief Description	Source
Direct examination time percentage	The direct examination time as a percentage of all applied time.	Summary Examination Time Transmission System
Staff years applied compared to planned	The staff years applied as a percentage of staff years planned.	Summary Examination Time Transmission System

Collection Indicators	Brief Description	Source
Tax Delinquent Account inventory	The number of Tax Delinquent Account cases in the Field Branch inventory, the Automated Collection Site inventory, and the Queue.	Collection Office Information Network System
Tax Delinquent Account inventory cases with dollar amounts of $100,000 and over	The cases in Field Branch inventory that have balances owed of $100,000 or more.	Collection Office Information Network System
Tax Delinquent Account cases received	The number of new Tax Delinquent Accounts received.	Collection Office Information Network System
Tax Delinquent Account overage rate	The Tax Delinquent Accounts in the Field Branch for 16 months or more as a percentage of total inventory.	Collection Office Information Network System
Tax Delinquent Account dollar turnover rate	The number of weeks required to turn over Tax Delinquent Account inventory dollars.	Collection Office Information Network System

SUMMARY OF IRS INDICATORS BY FUNCTION

Collection Indicators	Brief Description	Source
Tax Delinquent Account activity	The number of Tax Delinquent Account cases resolved by Automated Collection Site and cases transferred from Automated Collection Site to the Field Branch and the Queue.	Collection Office Information Network System
Tax Delinquent Account dispositions	The number of Tax Delinquent Account cases resolved.	Collection Office Information Network System
Tax Delinquent Account dispositions- percent fully paid	The Tax Delinquent Account fully paid dispositions as a percentage of all Tax Delinquent Account dispositions.	Collection Office Information Network System
Tax Delinquent Account dispositions- percent currently not collectible	The Tax Delinquent Account currently not collectible dispositions as a percentage of all Tax Delinquent Account dispositions.	Collection Office Information Network System
Tax Delinquent Account dispositions- percent installment agreements	The Tax Delinquent Account installment agreements as a percentage of all Tax Delinquent Account dispositions.	Collection Office Information Network System
Percentage of available Tax Delinquent Account dollars collected	The collected dollars divided by total inventory dollars.	Collection Office Information Network System
Tax Delinquent Account hours	The number of direct Tax Delinquent Account staff hours.	Time Reports

SUMMARY OF IRS INDICATORS BY FUNCTION

Collection Indicators	Brief Description	Source
Tax Delinquent Account dollars collected per staff hour	The total Tax Delinquent Account dollars collected divided by direct Tax Delinquent Account staff hours plus prorated overhead hours.	Collection Office Information Network System and Time Reports
Tax Delinquent Account production norm	The number of Tax Delinquent Account dispositions, divided by Tax Delinquent Account staff hours plus prorated overhead hours.	Collection Office Information Network System and Time Reports
Tax Delinquent Investigation inventory	The number of Tax Delinquent Investigation cases in the Field Branch inventory, the Automated Collection Site inventory, and the Queue.	Collection Office Information Network System
Tax Delinquent Investigation cases received	The number of new Tax Delinquent Investigations received.	Collection Office Information Network System
Tax Delinquent Investigation overage rate	The Tax Delinquent Investigations in Field Branch for 16 months or more as a percentage of total inventory.	Collection Office Information Network System

SUMMARY OF IRS INDICATORS BY FUNCTION

Collection Indicators	Brief Description	Source
Tax Delinquent Investigation activity	The number of Tax Delinquent Investigation cases resolved by the Automated Collection Site and cases transferred from the Automated Collection Site to the Field Branch and the Queue.	Collection Office Information Network System
Tax Delinquent Investigation dispositions	The number of Tax Delinquent Investigation cases resolved.	Collection Office Information Network System
Tax Delinquent Investigation - percent returns secured	The number of Tax Delinquent Investigations closed with secured returns as a percentage of total Tax Delinquent Investigation dispositions.	Collection Office Information Network System
Tax Delinquent Investigation dollars assessed per staff year	The total amount assessed on delinquent returns secured divided by staff years.	Collection Office Information Network System and Time Reports
Tax Delinquent Investigation dollars collected with delinquent returns	The dollars collected with secured returns.	Collection Office Information Network System
Percent fully paid with delinquent returns secured	Fully paid delinquent returns secured as a percentage of total number of delinquent returns.	Collection Office Information Network System

SUMMARY OF IRS INDICATORS BY FUNCTION

Collection Indicators	Brief Description	Source
Tax Delinquent Investigation hours	The number of direct Tax Delinquent Investigation staff hours.	Collection Office Information Network System
Tax Delinquent Investigation dollars collected per staff hour	The total Tax Delinquent Investigation dollars collected divided by direct Tax Delinquent Investigation staff hours plus prorated overhead hours.	Collection Office Information Network System and Time Reports
Tax Delinquent Investigation production norm	The number of Tax Delinquent Investigation dispositions divided by Tax Delinquent Investigation staff hours plus prorated overhead hours.	Collection Office Information Network System and Time Reports
Total production norm	The number of Tax Delinquent Account and Tax Delinquent Investigation dispositions divided by total hours.	Collection Office Information Network System and Time Reports
Percentage of liability paid	The amount of assessed liability collected before the case leaves inventory.	Collection Office Information Network System
Entity turnover rate	The number of weeks required to turn over the Tax Delinquent Account and the Tax Delinquent Investigation inventories (entities, not modules).	Collection Office Information Network System

SUMMARY OF IRS INDICATORS BY FUNCTION

Collection Indicators	Brief Description	Source
Percent of direct staff time	The number of direct staff hours divided by total hours.	Collection Office Information Network System and Time Reports
Automated Collection Site calls received	The number of telephone calls received at the Automated Collection Site branch.	Automatic Call Distributor
Automated Collection Site calls answered	The number of telephone calls answered at the Automated Collection Site branch.	Automatic Call Distributor
Automated Collection Site level of service	The number of calls answered minus the number of abandoned calls as a percentage of the number of calls received and overflow calls.	Automatic Call Distributor
Automated Collection Site average speed to answer	The number of seconds to answer calls divided by the total number of calls received at the Automated Collection Site branch.	Automatic Call Distributor
Automated Collection Site average talk time	The number of seconds taken during calls divided by the total number of calls received at the Automated Collection Site branch.	Automatic Call Distributor
Number of out calls	The number of calls made to taxpayers by Automated Collection Site staff.	Automatic Call Distributor

SUMMARY OF IRS INDICATORS BY FUNCTION

Collection Indicators	Brief Description	Source
Bankruptcy program total dollars collected	The sum of all dollars collected from chapters 7, 11, 12, and 13 bankruptcies by Special Procedures programs.	Manual System
Total Special Procedures dollars collected	The sum of all dollars collected by all Special Procedures programs.	Manual System
Dollars collected per Special Procedures staff hour	The total Special Procedures dollars collected divided by total Special Procedures staff hours	Manual System
Quality review	The percentage of cases processed that meet IRS case processing criteria.	Collection Quality Management System
Accounts Receivable Dollar Inventory growth rate	The percentage of increase in the Accounts Receivable Dollar Inventory from the previous year.	Collection Office Information Network System and Others
The number of Accounts Receivable Dollar Inventory cases $1 million and over	The number of Accounts Receivable Dollar Inventory cases with balances at least $1 million and over.	Collection Office Information Network System and Others
Service Center Collection Branch error free rate for correspondence	The percentage of correspondence cases that are error free.	Service Center Collection Quality System
Service Center Collection Branch average days to close correspondence	The average number of days to complete taxpayer correspondence.	Service Center Collection Quality System

SUMMARY OF IRS INDICATORS BY FUNCTION

Collection Indicators	Brief Description	Source
Service Center Collection Branch average days to close Substitute for Return cases	The average number of days required to close Substitute for Return cases.	Service Center Collection Quality System
Service Center Collection Branch error free rate for Substitute for Return cases	The percentage of Substitute for Return cases that are error free.	Service Center Collection Quality System
Delivery of allocated resources	The staff years realized by Field Branches, Automated Collection Site, and Service Center Collection Branches as a percentage of staff years planned.	Time Reports and Budget Documents

Appeals Indicators	Brief Description	Source
Tax shelter case (non-Tax Equity and Fiscal Responsibility Act) closing rate	The percentage of non-Tax Equity and Fiscal Responsibility Act tax shelter cases in the beginning inventory closed by year end.	Unified System for Time and Appeals Records
Targeted Tax Equity and Fiscal Responsibility Act key case closings	The number of targeted Tax Equity and Fiscal Responsibility Act key closing documents in inventory as of fiscal year end.	Manual monitoring of Closing Documents
Prompt conference rate	The percentage of case conferences held with taxpayers within 90 days after Appeals receives such cases.	Unified System for Time and Appeals Records

SUMMARY OF IRS INDICATORS BY FUNCTION

Appeals Indicators	Brief Description	Source
Timely acknowledged rate	The percentage of taxpayer who receive an acknowledgement letter within 15 days after Appeals receives such cases.	Unified System for Time and Appeals Records
Overage rate	The percentage of Appeals case inventory over 1 year old.	Unified System for Time and Appeals Records
Overage percentage differences	The percentage difference between the current year's overage rate and the prior years' rate for non-docketed inventory.	Unified System for Time and Appeals Records
Agreement rate	The percentage of closed case (docketed and non-docketed) resolutions agreed to by the taxpayers.	Unified System for Time and Appeals Records
Agreement rate percentage differences	The percentage difference between the current year's agreement rate and the prior year's rate for docketed cases, non-docketed cases, and non-docketed cases under $100,000.	Unified System for Time and Appeals Records
Yearly disposals	The cumulative number of disposals (docketed and non-docketed) from the beginning of the fiscal year.	Unified System for Time and Appeals Records
Disposal rate percentage difference	The percentage difference between the current disposals (docketed and non-docketed) and the prior year's disposals.	Unified System for Time and Appeals Records

SUMMARY OF IRS INDICATORS BY FUNCTION

Appeals Indicators	Brief Description	Source
Supporting statements quality rate	The number and percentage of closed cases with adequate supporting statements.	Regional Appeals Quality Assessment Program and National Appeals Quality Assessment Program
Procedural compliance rate	The number and percentage of closed cases where case working procedures were properly followed.	Regional Appeals Quality Assessment Program and National Appeals Quality Assessment Program
Case management practices	The number of cases where the case management practices were in accordance with Internal Revenue Manual standards.	Regional Appeals Quality Assessment Program and National Appeals Quality Assessment Program
Uniform and consistent processing rate	The number and percentage of cases where the law factors are interpreted and applied uniformly by the various appeals officers.	Regional Appeals Quality Assessment Program and National Appeals Quality Assessment Program
Disposition quality rate	The number and percentage of cases where the case disposition was performed properly.	Regional Appeals Quality Assessment Program and National Appeals Quality Assessment Program

SUMMARY OF IRS INDICATORS BY FUNCTION

Appeals Indicators	Brief Description	Source
Quality acceptability rate	An overall settlement quality rate that combines the prior 6 indicators (decision quality, supporting statement quality, procedural compliance, case management, consistent processing and disposition quality).	Regional Appeals Quality Assessment Program and National Appeals Quality Assessment Program
Yearly receipts	The cumulative number of receipts (docketed and non-docketed) from the beginning of the fiscal year.	Unified System for Time and Appeals Records
Production rate	The average staff days consumed per disposed work unit (docketed and non-docketed).	Unified System for Time and Appeals Records
Production rate percentage differences	The percentage difference between the current year's production rate and the prior year's production rate.	Unified System for Time and Appeals Records
Inventory totals	The total current inventory is calculated regularly throughout the year, including year-end.	Unified System for Time and Appeals Records
Inventory percentage difference rates	The percentage difference between the current year-end inventory and the prior year-end inventory.	Unified System for Time and Appeals Records

SUMMARY OF IRS INDICATORS BY FUNCTION

Appeals Indicators	Brief Description	Source
Problem resolution program case processing rate	The percentage of Problem Resolution Program cases closed within 30 days from initial contact with taxpayer.	Unified System for Time and Appeals Records
Audit Section overage rate	The percentage of cases over 30 days old in the Audit Section.	Unified System for Time and Appeals Records
Audit section turn-around time	The average number of workdays between the date received and the date closed, less suspense days, for cases worked in the Audit Section.	Unified System for Time and Appeals Records
Large case processing timeliness rate	The average number of months required to process large dollar cases (over $1 million).	Combined Enhanced Nationwide Tracking and Uniform Report
Large case agreement rate	The percent of agreed case closings with deficiencies equal to or greater than $10 million.	Combined Enhanced Nationwide Tracking and Uniform Report
Joint Committee large cases	The actual number of large dollar cases sent to the Joint Committee.	Combined Enhanced Nationwide Tracking and Uniform Report
Recovery rate	The percent of the actual tax dollar amount retained from the case compared to the original amount proposed.	Combined Enhanced Nationwide Tracking and Uniform Report
Sustention rate	The percentage of the dollar value of an issue that is sustained by Appeals.	Combined Enhanced Nationwide Tracking and Uniform Report

SUMMARY OF IRS INDICATORS BY FUNCTION

Appeals Indicators	Brief Description	Source
Large case closures	The total number of large cases closed.	Combined Enhanced Nationwide Tracking and Uniform Report
Large case collections	The total dollar amount collected from closed large dollar cases.	Combined Enhanced Nationwide Tracking and Uniform Report

Taxpayer Service Indicators	Brief Description	Source
Toll free accuracy rate	The percentage of accurate responses provided by telephone assistors on technical tax questions.	Integrated Test Call Survey System
Written referral accuracy rate	The percentage of written referrals that are worked accurately.	Quality Management Information System
Correspondence accuracy rate	The percentage of correspondence units that are worked accurately.	Quality Management Information System
Walk-in accuracy rate	The percentage of returns prepared accurately by staff in the walk-in offices.	Quality Management Information System
Toll-free productivity index	The number of accurate toll-free calls worked per staff hour.	Integrated Test Call Survey System, Quality Management Information System, Resources Management Information System, and Telephone Data Report

SUMMARY OF IRS INDICATORS BY FUNCTION

Taxpayer Service Indicators	Brief Description	Source
Written referrals productivity index	The number of accurate written referrals units worked per staff hour.	Resources Management Information System, Quality Management Information System
Correspondence productivity index	The number of accurate correspondence units worked per staff hour.	Resources Management Information System, Quality Management Information System
Walk-in productivity index	The number of accurate walk-in units worked per staff hour. (Taxpayer Service assumes a 100% accuracy rate on all walk-in units other than return preparation.)	Resources Management Information System, Quality Management Information System
Overall productivity index	The total number of accurate units worked (toll-free calls, walk-in contacts, and correspondence) per program hour (direct, overhead, and detail-out).	Resources Management Information System, Integrated Test Call Survey System, Quality Management Information System, and Telephone Data Report
Total product productivity index	The total number of accurate units worked (toll-free calls, walk-in contacts, correspondence, and Tele-tax) per program hour.	Resources Management Information System, Integrated Test Call Survey System, Quality Management Information System, Automated Telephone Response Information System, and Telephone Data Report

SUMMARY OF IRS INDICATORS BY FUNCTION

Taxpayer Service Indicators	Brief Description	Source
Toll-free access rate	The percentage of callers that have their inquiries resolved on-line.	Workload Information Tracking System
Written referral access rate	The percentage of written referral inventory not closed within 30 days after the initial contact by the taxpayer.	Workload Information Tracking System
Account written referral access rate	The percentage of account written referrals not closed within 30 days after the initial contact by the taxpayer if an interim letter is sent (15 days without interim letter).	Workload Information Tracking System
Correspondence access rate	The percent of correspondence inventory not closed within 30 days after the IRS-received date.	Voice Response System, Workload Information Tracking System, Management Information System for Top Level Executives
Walk-in access rate	The percentage of walk-ins where service is initiated within 30 minutes after arrival.	Customer Satisfaction Survey
Toll-free customer satisfaction rate	Taxpayer opinion surveys provide a customer satisfaction percentage for various programs that include toll-free telephone, written referrals, correspondence, and walk-in.	Customer Satisfaction Survey

SUMMARY OF IRS INDICATORS BY FUNCTION

Taxpayer Service Indicators	Brief Description	Source
Customers assisted	The total number of customers assisted in the Education and Volunteer programs.	Taxpayer Education Statistical Report
Return preparation accuracy rate	The percentage of returns prepared accurately through Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs.	Individual Master File Verification Report
Level of service	The percentage of calls answered by telephone assistors relative to the estimated number of callers.	Telephone Data Report and Automated Call Distribution Management Information System
Average speed of answer	The average length of time all calls (answered and abandoned) during a measurement period had to wait in an answering system from the first ring until connected to a work station.	Telephone Data Report and Automated Call Distribution Management Information System
Abandoned call rate	The percentage of call attempts that gain access to the answering equipment and are then terminated by the caller before being answered at a work station.	Telephone Data Report and Automated Call Distribution Management Information System
Customer waiting time	The average time from the customer's arrival until customer is assisted.	Walk-in Contact Cards

SUMMARY OF IRS INDICATORS BY FUNCTION

Taxpayer Service Indicators	Brief Description	Source
Calls answered	The total number of calls actually serviced by assistors.	Telephone Data Report and Automated Call Distribution Management Information System
Calls answered to scheduled	The percentage of actual calls answered compared to the scheduled amount.	Resources Management Information System
Contingency calls answered	The number of calls received and worked by call sites in a region that are routed to them from other regions' call sites.	Telephone Data Report and Automated Call Distribution Management Information System
Direct units to scheduled	The percentage of actual direct units worked compared to the scheduled amount. (Direct units are the combined total of calls answered, walk-ins, and correspondence.)	Resources Management Information System
Program hours to scheduled	The percentage of total program hours expended compared to the scheduled amount.	Resources Management Information System
Overhead usage	The percentage of total overhead hours expended compared to the total program hours expended.	Resources Management Information System

SUMMARY OF IRS INDICATORS BY FUNCTION

Taxpayer Service Indicators	Brief Description	Source
Direct rate	The total number of direct units worked (calls answered, walk-ins, and correspondence) per direct hour.	Resources Management Information System
Telephone / referral rate	The total number of calls worked by telephone assistors per hour.	Resources Management Information System
Total productivity rate	The total number of direct units worked (total calls, walk-ins, and correspondence) per program hour.	Resources Management Information System
Staff hour percentage change	The percentage difference between staff hours used in the current year and those used in the prior year (all direct and overhead categories of work).	Resources Management Information System
Units percentage change	The percentage difference between the number of units worked in the current year and the number worked in the prior year (data available for most direct categories of work).	Resources Management Information System
Volunteers	The total number of volunteers who participated in Taxpayer Service programs.	Taxpayer Education Statistics Report

SUMMARY OF IRS INDICATORS BY FUNCTION

Taxpayer Service Indicators	Brief Description	Source
Volunteer sites	The total number of sites used for volunteer programs.	Taxpayer Education Statistics Report
Taxpayer education employee hours	The total number of IRS employee hours spent on Taxpayer Education programs.	Taxpayer Education Statistics Report
Volunteer hours	The total number of volunteer hours spent on Taxpayer Service programs.	Taxpayer Education Statistics Report
Work force comparison rate	The percentage of volunteer hours expended on Tax Education programs compared to the total hours expended. (Total includes volunteers' and IRS employees' hours.)	Taxpayer Education Statistics Report
Staff years over /under realized	The total number of actual staff years expended compared to the allocated amount.	Assistant Regional Commissioner for Data Processing staff year status report
Dollar allocation	A summary of the total dollar amounts allocated, used, and available for a fiscal year.	Financial Status
Problem Resolution Program overage rate	The percentage of open cases in the Problem Resolution Program that are over 30 days old.	Problem Resolution Office Management Information System

SUMMARY OF IRS INDICATORS BY FUNCTION

Taxpayer Service Indicators	Brief Description	Source
Local calls tele-tax	The total number of local calls answered by the system regardless if the caller requested information.	Automated Telephone Response Information System
800 calls tele-tax	The total number of "800" calls answered by the system regardless if the caller requested information.	Automated Telephone Response Information System
Calls using service Tele-Tax	The number of calls where the caller requested one or more tapes or requested information regarding a refund.	Automated Telephone Response Information System
Total system demand Tele-Tax	The grand total of Tele-Tax service calls, overflow calls, and total abandoned calls.	Automated Telephone Response Information System
Written inventory workload	The totals of technical, account, Problem Resolution Program, Practitioner Hotline, and account referral inventory levels of taxpayer correspondence beginning and ending inventory levels.	Voice Response System, Workload Information Tracking System

SUMMARY OF IRS INDICATORS BY FUNCTION

Taxpayer Service Indicators	Brief Description	Source
Written inventory overage rate	The percentage of written inventory not resolved within 30 days of initial contact date. Written account referrals are overage if not resolved within 15 days.	Voice Response System, Workload Information Tracking System
Adjustment units	The total number of hours spent and the number of units for which adjustments were performed.	Voice Response System, Workload Information Tracking System
Outreach contacts	The percentage of outreach contacts involving the Earned Income Credit.	Taxpayer Education Statistics Report
One stop account / procedural closing rate	The percentage of taxpayers who have their inquiries resolved during the initial phone call or the assistor secures sufficient information to resolve the issue without further contact by the taxpayer.	Voice response system, Workload Information Tracking System and Resources Management Information System
Abandoned call rate (secondary line)	The percentage of call attempts which gain access to the answering equipment on the secondary line and are then terminated by the caller before being answered at a work station.	Telephone Data Report and Automated Call Distribution Management Information System

SUMMARY OF IRS INDICATORS BY FUNCTION

Criminal Investigation Indicators	Brief Description	Source
Investigations initiated	The total number of investigations initiated during the current fiscal year.	Case Management and Time Reporting System
Investigations completed	The total number of investigations initiated and submitted for legal review during the current fiscal year.	Case Management and Time Reporting System
Legal review acceptance rate	The number and percentage of closed investigations accepted for prosecution by the appropriate legal jurisdiction (District Counsel, Department of Justice, or U.S. Attorney).	Case Management and Time Reporting System
Conviction rate	The number and percentage of prosecuted Criminal Investigation cases resulting in guilty pleas, nolo pleas, and trial convictions.	Case Management and Time Reporting System
Sentences	The total number of sentences handed down on Criminal Investigation cases during the current fiscal year.	Case Management and Time Reporting System
Incarceration rate	The percentage of Criminal Investigation cases receiving sentences that resulted in 1 month or more in jail.	Case Management and Time Reporting System

SUMMARY OF IRS INDICATORS BY FUNCTION

Criminal Investigation Indicators	Brief Description	Source
Program coverage	The percentage of total direct investigative time applied to each of Criminal Investigations major programs (Abusive Compliance, Narcotics, Organized Crime, Public Corruption, and White Collar Crime).	Case Management and Time Reporting System
Non-docketed cases	The total number of completed investigations that have been undergoing legal review for more than 9 months without charges being filed.	Case Management and Time Reporting System
Prosecution recommendations	The number of cases completed during the fiscal year for which Criminal Investigation has recommended prosecution. This indicator is stratified by Offense - Title 26, Title 31, Conspiracy, 1956 and 1957, and Other and by Program - Abusive Compliance, Narcotics, Organized Crime, Public Corruption, and White Collar Crime.	Case Management and Time Reporting System
Elapsed time on discontinued cases	The average number of days elapsed from start to finish on investigations that did not result in recommendations for prosecution.	Case Management and Time Reporting System

SUMMARY OF IRS INDICATORS BY FUNCTION

Criminal Investigation Indicators	Brief Description	Source
Average applied time on discontinued cases	The average number of staff days applied to cases that did not result in recommendations for prosecution.	Case Management and Time Reporting System
Elapsed time on prosecution recommendations	The average number of staff days applied to investigations that resulted in prosecution recommendations.	Case Management and Time Reporting System
Application of time (by activity)	The percentage of total direct investigative time applied to each activity (cases, projects, receipt and development of information items, referrals, and report review) and percentage of non-direct investigative time applied to each activity (protection, training, professional development, management, leave, and other).	Case Management and Time Reporting System
Referrals accepted for investigation	The total referrals from the Examination and Collection Divisions accepted for investigation by Criminal Investigations.	Case Management and Time Reporting System

SUMMARY OF IRS INDICATORS BY FUNCTION

Criminal Investigation Indicators	Brief Description	Source
Number of convictions from referrals	The total number of convictions (guilty pleas, nolo pleas, and trial convictions) during the fiscal year on cases which were the result of referrals from the Examination or Collection Divisions.	Case Management and Time Reporting System
Referral conviction to total conviction rate	The percentage of total convictions during the fiscal year which were the result of referrals from the Examination or Collection Divisions.	Case Management and Time Reporting System
Number of jail sentences from referrals	The total number of cases receiving jail sentences during the fiscal year that were the result of referrals from the Examination or Collection Divisions.	Case Management and Time Reporting System
Referral jail sentences to total jail sentence rate	The percentage of total Criminal Investigation cases receiving jail sentences during the fiscal year that were the result of referrals from the Examination or Collection Divisions.	Case Management and Time Reporting System
Number of open excise tax cases	The total number of investigations involving excise tax issues currently open.	Case Management and Time Reporting System