

**Taxpayer Assistance Center Employees
Improved the Accuracy of Answers to
Tax Law Questions but Answered Some
Questions Beyond Their Level of Training**

July 2003

Reference Number: 2003-40-157

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

INSPECTOR GENERAL
for TAX
ADMINISTRATION

July 31, 2003

MEMORANDUM FOR COMMISSIONER, WAGE AND INVESTMENT DIVISION

Gordon C. Milbourn III

FROM: Gordon C. Milbourn III
Assistant Inspector General for Audit (Small Business and
Corporate Programs)

SUBJECT: Final Audit Report - Taxpayer Assistance Center Employees
Improved the Accuracy of Answers to Tax Law Questions but
Answered Some Questions Beyond Their Level of Training
(Audit # 200340017)

This report presents the results of our review to determine if the Internal Revenue Service (IRS) provides accurate and timely responses to taxpayers' tax law questions. In addition, Treasury Inspector General for Tax Administration (TIGTA) auditors who made anonymous visits to the Taxpayer Assistance Centers (TAC) assessed whether IRS employees adhered to operating guidelines on referral procedures¹ and were professional and courteous, and whether TAC addresses and office hours made available to taxpayers were accurate.

This review was conducted as a result of an amendment to the Treasury spending bill² for Fiscal Year (FY) 2002 proposed by Senator Byron Dorgan (Democrat - North Dakota), then Chairman of the Subcommittee on Treasury and General Government. The amendment requires us to conduct visits to all TACs and report to the Congress on whether taxpayers are provided correct and prompt answers to their questions. We are conducting anonymous visits to all TACs over a 2-year period. This is the eighth in a series of bi-monthly reports that we are issuing in response to the amendment to the Treasury spending bill.

¹ Field Assistance guidelines clearly define the scope of employee expertise (tax law topics for which employees receive training) and specific services that are offered to taxpayers within the TACs. Taxpayers that ask questions outside the level of employee training should be referred to the IRS toll-free telephone lines or have their questions submitted via the Internet (called "R-mail") for assistance.

² Treasury and General Government Appropriations Act, 2002, Pub. L. No. 107-67, 115 Stat. 514 (2001).

During March and April 2003, TIGTA auditors made 69³ anonymous visits to 35 TACs. The auditors asked 138 tax law questions and determined that IRS employees provided incorrect answers to some of them. For example, IRS employees:

- Correctly answered 100 (72 percent) of 138 questions.
- Incorrectly answered 34 (25 percent) of 138 questions.
- Referred the auditor to IRS publications and generally advised the auditor to do his or her own research to find the answer to 2 (1 percent) of 138 questions.
- Offered to prepare a written referral for 2 (1 percent) of 138 questions.

We commend the IRS for the corrective actions it has taken in response to our previously issued semiannual and bi-monthly reports. We believe the increase in accuracy rates compared to those in the same period in Calendar Year (CY) 2002 can be directly correlated to these actions. For example, during March and April 2003, IRS employees correctly answered 25 percent more questions and referred 91 percent fewer taxpayers to publications than in March and April 2002.

In January 2003, we began assessing whether IRS employees adhered to operating procedures to refer to the IRS toll-free telephone lines or Internet those taxpayer questions that were outside the scope of services that employees should have been trained to answer. In addition to scheduled visits, TIGTA auditors completed visits to 47 other TACs. The auditors asked 112 “out of scope” questions and determined that employees did not follow referral procedures for 69 (62 percent) of these questions.

We also evaluated whether TAC addresses and office hours provided to taxpayers via the Internet, toll-free telephone numbers, and automated telephone messaging system matched the information posted at the TACs. Auditors observed the following:

- Office hours for 23 (66 percent) of the 35 TACs with office hours posted on the Internet matched the hours posted at the TAC.
- Office hours for 21 (60 percent) of the 35 TACs with office hours posted on the toll-free telephone numbers matched the hours posted at the TAC.
- Office hours for 22 (65 percent) of the 34⁴ TACs with office hours posted on the IRS automated telephone messaging system matched the hours posted at the TAC.
- Addresses posted at 26 (84 percent) of 31⁵ TACs matched the addresses listed on the Internet and toll-free telephone numbers.

³ Usually 2 auditors visit a TAC. However, only 1 auditor made a visit to the Pittsfield TAC. Therefore, the total number of visits was 69 (35 TACs x 2 auditors – 1).

⁴ Percentage based on 34 TACs because there was no automated telephone message (3709) number listed for 1 TAC.

⁵ Percentage based on 31 TACs instead of 35 because the address was not posted at 4 TACs.

- Addresses posted at 25 (83 percent) of 30⁶ TACs matched the addresses listed on the automated telephone messaging system.

The IRS informed us that the data available to taxpayers from the Internet were the most reliable. Therefore, we used these data as a baseline to expand our analysis to determine if address and office hours provided to taxpayers from the Internet matched those on the IRS toll-free telephone numbers and automated telephone messaging system. The results were as follows:

- Addresses listed on the Internet matched the addresses on the toll-free telephone numbers for all 35 TACs.
- Addresses listed on the Internet matched the addresses on the automated telephone messaging system for 34 (100 percent) of 34⁷ TACs.
- Office hours listed on the Internet matched those on the toll-free telephone numbers for 29 (83 percent) of 35 TACs.
- Office hours listed on the Internet matched those on the automated telephone messaging system for 32 (94 percent) of 34⁸ TACs.

Finally, auditors observed the following during visits to the TACs:

- IRS employees were professional and courteous to the TIGTA auditors in 67 (97 percent) of the 69 visits.
- Wait time for service was 1 hour or less for 64 (93 percent) of the 69⁹ visits.

This report is to advise IRS management of the results of our review. We are not making recommendations to the IRS in the bi-monthly reports. However, we plan to issue a semiannual trend report during the first quarter of FY 2004 that will include appropriate recommendations to help ensure taxpayers are referred to employees that can provide accurate responses to their tax law questions. Auditors will continue making visits to the TACs throughout CY 2003. We will also continue to issue bi-monthly reports on the results to the IRS and the Congress.

Management's Response: The IRS continues to take steps to improve quality and accuracy in the TACs and appreciates our recognition of the efforts already taken. Management's long-term approach to improving quality is implementation of Embedded Quality (EQ), similar to the process the Customer Account Services function has already implemented. EQ is a way of doing business that builds commitment and

⁶ Percentage based on 30 TACs instead of 35 because the address was not posted at 4 TACs and there was no automated telephone message (3709) number listed for 1 TAC.

⁷ Percentage based on 34 TACs instead of 35 because there was no automated telephone message (3709) number listed for 1 TAC.

⁸ Percentage based on 34 TACs instead of 35 because there was no automated telephone message (3709) number listed for 1 TAC.

⁹ Usually 2 auditors visit a TAC. However, only 1 auditor made a visit to the Pittsfield TAC. Therefore, the total number of visits was 69 (35 TACs x 2 auditors – 1).

capability among all individuals to continually improve customer service, employee satisfaction, and business results. Additional steps being taken to improve TAC operations include monitoring employee performance, assessing training needs, and making efforts to eliminate improper handling of out of scope questions or referrals to publications.

The IRS continues to disagree with our method of reporting referrals to publications and service denied when computing the accuracy rate. Management's complete response to the draft report is included as Appendix V.

Copies of this report are also being sent to the IRS managers who are affected by the report findings. Please contact me at (202) 622-6510 if you have questions or Michael R. Phillips, Assistant Inspector General for Audit (Wage and Investment Income Programs), at (202) 927-0597.

Taxpayer Assistance Center Employees Improved the Accuracy of Answers to Tax Law Questions but Answered Some Questions Beyond Their Level of Training

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Background

The Senate Committee on Appropriations was deeply concerned about the findings in a Treasury Inspector General for Tax Administration (TIGTA) audit report on the Internal Revenue Service's (IRS) Taxpayer Assistance Centers (TAC).¹ That report showed auditors did not receive accurate or sufficient answers to 73 percent of their tax law questions posed during anonymous visits to the TACs during January and February 2001. Based on the results of that review, Senator Byron Dorgan (Democrat - North Dakota), then Chairman of the Subcommittee on Treasury and General Government, proposed an amendment to the Treasury spending bill² for Fiscal Year (FY) 2002. The amendment requires us to conduct visits to all TACs and report to the Congress as to whether taxpayers are provided correct and prompt answers to their questions. Auditors are conducting anonymous visits to all TACs over a 2-year period.

The IRS' Field Assistance (FA) office in the Wage and Investment (W&I) Division has overall responsibility for the TACs. The TACs exist primarily to serve taxpayers who choose to seek help from the IRS in person. The IRS employees³ who work in the TACs provide assistance in interpreting tax laws and regulations, preparing some tax returns, resolving inquiries on taxpayer accounts, and providing various other services designed to minimize the burden on taxpayers in satisfying their tax obligations.

There are currently no statistics on the percent of time spent by employees in the TACs on the services detailed above. The FA office is using FY 2002 data as a baseline to establish standards and other management information in this area.

There are approximately 400 TACs located throughout the United States (U.S.), including Washington, D.C.

¹ *Letter Report: The Internal Revenue Service Continues to Give Incorrect Tax Law Information in Taxpayer Assistance Centers* (Reference Number 2001-40-077, dated May 2001).

² Treasury and General Government Appropriations Act, 2002, Pub. L. No. 107-67, 115 Stat. 514 (2001).

³ IRS employees who work in the TACs are called Tax Resolution Representatives (TRR).

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According to the IRS, the TACs served approximately 4.3 million taxpayers between January and April 2003.⁴ Approximately 916,000 of these taxpayers visited the TACs for assistance with the tax law.

In addition to the anonymous visits being performed by TIGTA auditors, the IRS FA Quality Review Staff began visiting TACs in October 2002 to anonymously ask tax law questions within the scope of services that TAC employees should have been trained to answer. The results of these reviews will provide each employee's manager specific feedback on the quality of service provided in the TAC. The IRS has established an accuracy goal of 80 percent for FY 2003. The IRS also plans to use our Calendar Year (CY) 2002 results as baseline figures to measure improvement during FY 2003.

Our questions relate to 21 tax law topics that are within the scope of services. The questions were designed to cover a wide range of tax law topics to provide an overall assessment of whether taxpayers are receiving correct answers to questions that an individual taxpayer⁵ might ask when he or she visits a TAC. In May 2003, auditors changed the scope of the questions or added additional scenarios that are more applicable to the types of questions taxpayers ask subsequent to the filing season.⁶

Beginning in January 2003, we also began evaluating whether employees adhered to operating procedures⁷ to refer to the IRS toll-free telephone lines or Internet (R-mail) those taxpayer questions that were outside the scope of services that employees should have been trained to answer.

⁴ We did not validate the accuracy of the statistics provided by the IRS on the number of taxpayers that visited the TACs.

⁵ Individual taxpayers are nonbusiness taxpayers who file U. S. Individual Income Tax Returns (Forms 1040, 1040A, or 1040EZ).

⁶ The period from January through mid-April when most individual income tax returns are filed.

⁷ FA guidelines clearly define the scope of employee expertise (tax law topics for which employees receive training) and specific services offered within the TACs. Taxpayers that ask questions outside the level of employee training should be referred to the IRS toll-free telephone lines or have their questions submitted via the Internet (called "R-mail") for assistance.

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This report is the eighth in a series of bi-monthly reports that we are issuing on the results of the visits to the TACs, in response to the amendment to the Treasury spending bill. The review was performed in the IRS' Customer Assistance, Relationships, and Education office in the W&I Division in March and April 2003. TIGTA auditors anonymously visited 35 TACs in 12 states. Another 47 TACs in 17 states were visited as part of our referral assessment (see Appendix IV for specific states visited).

This review was conducted in accordance with *Government Auditing Standards*. However, we did not determine the cause and effect for the findings and will make no recommendations in the bi-monthly reports. We will issue a semiannual trend report during the first quarter of FY 2004 that will contain these elements. Detailed information on the objective, scope, and methodology of this review is presented in Appendix I. Major contributors to the report are listed in Appendix II.

Taxpayers Received Correct Answers to More Tax Law Questions When Compared to the Same Period Last Year

During March and April 2003, IRS employees correctly answered 25 percent more questions and referred 91 percent fewer taxpayers to publications than in March and April 2002. We commend the IRS for the corrective actions it has taken in response to our previously issued semiannual and bi-monthly reports. We believe the increase in accuracy rates compared to those in the same period in CY 2002 can be directly attributed to these actions. The TIGTA auditors made 69⁸ anonymous visits to 35 TACs and asked 138 tax law questions during March and April 2003. The results were as follows:

- One hundred (72 percent) of the 138 questions were correctly answered. However, the IRS employee provided a correct answer to 2 of the 100 questions without asking all of the required questions outlined in the tax law instructions and publications. By not using available resources to ask all required questions, IRS

⁸ Usually 2 auditors visit a TAC. However, only 1 auditor made a visit to the Pittsfield TAC. Therefore, the total number of visits was 69 (35 TACs x 2 auditors – 1).

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employees are making assumptions and providing answers without considering relevant facts to ensure the answer given is correct.

- Thirty-four (25 percent) of the 138 questions were incorrectly answered. For example, the IRS employee stated that the auditor could deduct the donation made to a charity. However, the employee did not ask if the auditor received a receipt for the donation. To claim a donation as a deduction, a taxpayer must have a statement from the charitable organization showing the amount donated.
- Two (1 percent) of the 138 questions resulted in the IRS employee referring the auditors to a publication and generally advising the auditors to do their own research to find the answers to the questions. For example, the auditor asked if his or her friend could claim interest paid on a student loan. The IRS employee obtained Form 1040A in his or her reference binder and identified line 18 as the place to enter a student loan interest deduction. Next, the employee obtained the Form 1040A instruction booklet, turned to a worksheet, and said the friend would have to work through the worksheet to determine if the interest is deductible. The employee did not provide an answer to the auditor's question.
- Two (1 percent) of the 138 questions resulted in the IRS employee offering the auditor a written referral. For example, the auditor stated he or she had sold some land and wanted to know what to do about the money from the sale. The IRS employee researched on the computer and in a publication but could not find the answer. Therefore, the employee prepared a written referral.⁹

⁹ Questions submitted to R-mail are assigned to a designated employee who provides an answer to the question within 15 business days.

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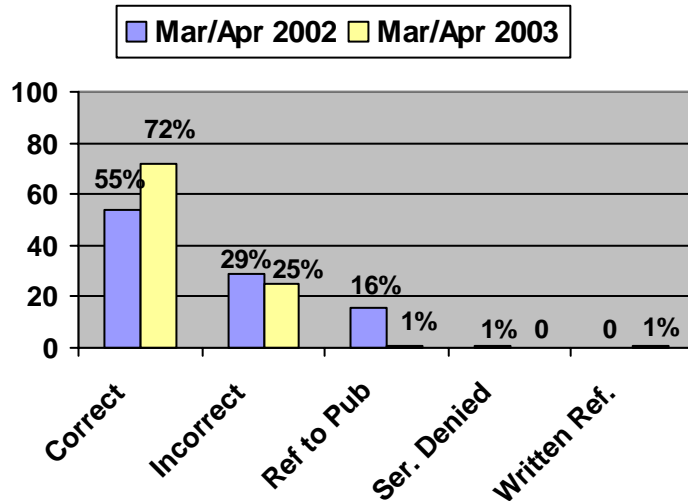
The table below provides a breakdown of the accuracy of the answers to our questions.

Tax Law Questions (138 questions asked)						
	Correct	Correct but Incomplete	Incorrect	Ref. to Pub.	Service Denied	Written Referral
Responses	98	2	34	2	0	2
Percentages¹⁰	71%	1%	25%	1%	---	1%

Source: Anonymous visits performed by TIGTA auditors.

The chart below shows a comparison of CY 2002 to CY 2003 accuracy rates.

**Comparison of March and April 2002 and 2003
Bi-Monthly Accuracy Rates¹¹**



Source: TIGTA reviews conducted during March and April 2002 and 2003.

¹⁰ Percentages do not add to 100 due to rounding.

¹¹ The “Correct” rates presented in the chart include “Correct” and “Correct but Incomplete” responses.

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Taxpayers Received Answers to Tax Law Questions Employees Were Not Trained to Answer

In January 2003, we began our assessment of whether IRS employees adhered to operating guidelines that require the referral of tax law questions outside the scope of services they have been trained to answer. In addition to scheduled visits, TIGTA auditors completed visits to 47 additional TACs. The auditors asked 112 “out of scope” questions and determined that employees did not follow referral procedures in providing answers to 69 (62 percent) of the questions asked.

IRS operating guidelines require IRS employees that receive questions beyond their level of training to offer to call the IRS toll-free telephone lines on behalf of the taxpayer or to submit the question in writing to subject-matter experts via the Internet (R-mail). The table below provides a breakdown of IRS employees’ answers to tax law questions beyond their level of training.

Out of Scope Questions (112 questions asked)				
	Correctly Referred	Questions Answered ¹² (69)		
		Correct	Incorrect	Ref. to Pub.
Responses	43	36	14	19
Percentages	38%	52%	20%	28%

Source: Anonymous visits performed by TIGTA auditors.

Auditors Generally Had Positive Experiences When They Visited Taxpayer Assistance Centers

Auditors also assessed the quality of assistance provided by IRS employees including whether they were professional and courteous, the wait time for service, and whether employees’ names were given or visible. Auditors generally had positive experiences. The following table shows a breakdown of the quality of assistance results:

¹² The TRR should have referred the out of scope question to the toll-free telephone lines or R-mail, but instead the TRR provided an answer.

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Quality of Assistance (35 TACs visited, 2 auditors per site)		
	Occurrences	Percent ¹³
Employee Professional/Courteous	67	97%
Wait Time 0-15 minutes	38	55%
Wait Time 16-30 minutes	15	22%
Wait Time 31-45 minutes	7	10%
Wait Time 46-60 minutes	4	6%
Wait Time Greater Than 1 hour	5	7%
Employee Name Given or Visible	55	80%

Source: Anonymous visits performed by TIGTA auditors.

**Taxpayer Assistance Center
Office Hours and Addresses
Made Available to Taxpayers
Were Not Always Accurate**

TIGTA auditors found that TAC addresses and office hours made available to taxpayers did not always match the information posted at the TACs. Taxpayers can access the IRS Internet web site and follow the appropriate links to obtain the addresses and office hours of the TACs located in their state. Taxpayers that do not have access to the Internet may call toll-free numbers or the IRS automated telephone messaging system to obtain this information.

In our first semiannual report, we made no recommendations that addressed TAC addresses and office hours because of the IRS' response to one of our bi-monthly reports.¹⁴ However, we continued to identify concerns in this area and anticipate including recommendations in our second semiannual trend report to ensure TAC addresses and office hours made available to taxpayers are accurate.

Beginning in January 2003, we evaluated whether TAC addresses and office hours provided to taxpayers via the Internet, toll-free telephone numbers, and automated

¹³ Percentage based on 69 visits because only 1 auditor visited the Pittsfield TAC.

¹⁴ *Management Advisory Report: Taxpayers Continue to Receive Incorrect Answers to Some Tax Law Questions* (Reference Number 2002-40-113, dated June 2002).

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telephone messaging system matched the information posted in the TACs. Auditors found the following.

Addresses¹⁵ and office hours¹⁶ made available to taxpayers did not always match the addresses and office hours posted at the TACs

- Office hours for 23 (66 percent) of the 35 TACs with office hours posted on the Internet matched the hours posted at the TAC.
- Office hours for 21 (60 percent) of the 35 TACs with office hours posted on the toll-free telephone numbers matched the hours posted at the TAC.
- Office hours for 22 (65 percent) of the 34¹⁷ TACs with office hours posted on the IRS automated telephone messaging system matched the hours posted at the TAC.
- Addresses posted at 26 (84 percent) of 31¹⁸ TACs matched the addresses listed on the Internet and toll-free telephone numbers.
- Addresses posted at 25 (83 percent) of 30¹⁹ TACs matched the addresses listed on the IRS automated telephone messaging system.

The IRS informed us that the addresses and office hours available to taxpayers from the Internet were the most reliable. As a result, we used these data as a baseline to expand our analysis to determine if addresses and office hours provided to taxpayers from the Internet matched those on the IRS toll-free telephone numbers and automated telephone messaging system.

¹⁵ Differences in addresses related to room number not given and building name not listed.

¹⁶ Differences in office hours related to TAC filing season extended hours (i.e., Saturday and hours open beyond 4:30 PM) and lunch hours.

¹⁷ Percentage based on 34 TACs because there was no automated telephone message (3709) number listed for 1 TAC.

¹⁸ Percentage based on 31 TACs instead of 35 because the address was not posted at 4 TACs.

¹⁹ Percentage based on 30 TACs instead of 35 because the address was not posted at 4 TACs and there was no automated telephone message (3709) number listed for 1 TAC.

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Addresses but not office hours provided to taxpayers that accessed the IRS Internet web site matched the information provided by the IRS toll-free telephone numbers and automated telephone messaging system

The tables below show the results of our comparison of addresses and office hours made available to taxpayers that access the Internet to the information made available to taxpayers that call the IRS toll-free telephone numbers or automated telephone messaging system.

Comparison of Accuracy of Information Provided via Internet to Toll-Free		
	Occurrences	Percent
Address Correct	35	100%
Office Hours Correct	29	83%

Comparison of Accuracy of Information Provided via Internet to Automated Telephone Messaging System²⁰		
	Occurrences	Percent
Address Correct	34	100%
Office Hours Correct	32	94%

²⁰ Percentage based on 34 TACs instead of 35 because there was no automated telephone message (3709) number listed for 1 TAC.

Taxpayer Assistance Center Employees Improved the Accuracy of Answers to Tax Law Questions but Answered Some Questions Beyond Their Level of Training

Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of the review was to determine if the Internal Revenue Service (IRS) provides accurate and timely responses to taxpayers' tax law questions. In addition, Treasury Inspector General for Tax Administration auditors who made anonymous visits to the Taxpayer Assistance Centers (TAC) assessed whether IRS employees adhered to operating guidelines on referral procedures and were professional and courteous, and whether the TAC addresses and office hours made available to taxpayers were accurate. We did not determine the cause and effect for the findings, so we are making no recommendations in the bi-monthly reports.

To achieve this objective, auditors performed the following tests:

- I. Determined if the IRS provided quality service and accurate responses to tax law inquiries at the 35 TACs visited. Auditors asked 138 tax law questions that an individual taxpayer¹ might ask. Auditors developed questions based on the training provided to Tax Resolution Representatives (TRR) during the fall of 2001 and the scope of services for tax law assistance prescribed in the Fiscal Year 2002 Field Assistance (FA) Operating Procedures.
- II. Determined if TRRs followed FA Operating Procedures to refer questions that were outside the scope of services they should have been trained to answer. In addition to scheduled visits, auditors completed visits to 47 additional TACs and asked 112 questions that were beyond the TRRs' level of training.
- III. Determined the quality of service provided by the TRRs.

¹ Individual taxpayers are nonbusiness taxpayers who file United States Individual Income Tax Returns (Forms 1040, 1040A, or 1040EZ).

Major Contributors to This Report

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Appendix III

Report Distribution List

Commissioner N:C
Deputy Commissioner for Services and Enforcement N:SE
Deputy Commissioner, Wage and Investment Division W
Director, Customer Assistance, Relationships, and Education W:CAR
Director, Strategy and Finance W:S
Director, Field Assistance W:CAR:FA
Chief Counsel CC
National Taxpayer Advocate TA
Director, Legislative Affairs CL:LA
Director, Office of Program Evaluation and Risk Analysis N:ADC:R:O
Office of Management Controls N:CFO:AR:M
Audit Liaison:
 GAO/TIGTA Liaison W:S:PA

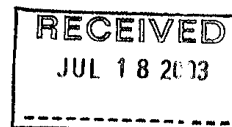
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Appendix V

Management's Response to the Draft Report



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308



July 18, 2003

MEMORANDUM FOR TREASURY INSPECTOR GENERAL FOR TAX
ADMINISTRATION

FROM:

Henry O. Lamar, Jr.
Commissioner, Wage and Investment Division

A handwritten signature in cursive that reads "Henry O. Lamar, Jr.".

SUBJECT:

Draft Report – Taxpayer Assistance Center Employees
Improved the Accuracy of Answers to Tax Law Questions but
Answered Some Questions Beyond Their Level of Training
(Audit # 200340017)

I reviewed your draft report for March and April 2003. I appreciate your recognition of the corrective actions we took that increased our accuracy rates compared to the same period for calendar year 2002. We are continuing to take steps to improve quality and accuracy in our Taxpayer Assistance Centers (TAC).

Our long-term approach to improving quality is implementation of Embedded Quality (EQ) similar to the process Customer Account Services has already implemented. EQ is a way of doing business that builds commitment and capability among all individuals to continually improve customer service, employee satisfaction, and business results. The concept and outline will be developed into a fully operational plan for implementation beginning in fiscal year (FY) 2004. The EQ approach focuses on standardized measures, employee monitoring, and employee feedback methods at the group level. This will involve adding the information technology to support manager and quality staff reviews of employee and organizational performance. We will also restructure the quality staff to conform to the new model.

I continue to disagree with including referrals to publications and service denied when computing the accuracy rate. When recomputed to reflect only answers to tax law questions that were technically correct or incorrect, our accuracy rates are 79 percent for March and 71 percent for April. Our cumulative rate for the first eight months of the fiscal year (FY) is 72 percent – an improvement of 17 percent over the same period in FY 2002.

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Steps underway to improve TAC operations include:

Training and Feedback

Our initiatives are focused on assessing employee skills and training needs, certifying employee readiness to answer tax law questions, and monitoring performance.

- **Assessing skills and training needs:** In May 2003, all employees and managers completed the Training Assessment Battery, which was designed to identify skill levels and training needs. We shared results of the testing with each employee in June 2003. The appropriate training needs are now being determined and will ultimately be provided through self-study, e-learning, or other training classes.
- **Tax law training and employee certification to answer tax law questions:** We are revising all tax law training to incorporate the Publication Method. The Publication Method is a technique to “walk” a taxpayer through a publication to cover all appropriate probing questions and illustrates the correct answer to his/her question. We are conducting monthly employee certifications in which each TAC employee must correctly answer three questions on each of the tax law topics before he or she is certified to answer taxpayers’ questions on the same topics.

Out of Scope Issues

We shared results of your March and April review with all employees. We also included out of scope issues in the May review visits conducted by Headquarters Quality Assurance Reviewers and field management. Out of scope issues generally involve corporate and business taxes, and technical individual tax issues such as capital gains and losses, casualty and theft losses, and moving expenses.

In addition, we required our Area offices to report on management actions taken to address this issue including counseling, directed learning for in scope/out of scope issues, and training on referral procedures.

Referrals to Publications

We drastically reduced improper referrals to publications from 16 percent in March and April 2002 to one percent in March and April 2003. As you stated in your report, improper referrals declined 91 percent in 2003 when compared to March and April 2002. We believe our zero tolerance policy, continued emphasis on the publication method, and adherence to referral procedures were major factors in this dramatic decrease.

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Updating Office Hours

We are updating office hours on *irs.gov* (our Internet site accessible to the public) and on the Servicewide Electronic Research Program (our Intranet research site for employees). In addition, we update office hours on the recorded messaging system on local telephone lines in our TACs. In January 2003, we began weekly monitoring of our office hours on these systems. Our accuracy rates now range from 90%-100%.

If you have questions or need additional information about this response, please contact Jerry Heschel, Director, Field Assistance, W&I Customer Assistance, Relationships, and Education at (404) 338-7141.