

**Walk-In Customer Satisfaction
Survey Results Should Be Qualified if Used
for the GPRA**

May 2000

Reference Number: 2000-10-079

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

May 17, 2000

MEMORANDUM FOR COMMISSIONER ROSSOTTI

A handwritten signature in black ink that reads "Pamela J. Gardiner".

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: Final Audit Report - Walk-In Customer Satisfaction Survey
Results Should Be Qualified if Used for the GPRA

This report presents the results of our review of the Walk-In Customer Satisfaction Survey Results as they relate to the Government Performance and Results Act of 1993 (GPRA).¹ The overall objective of this review was to evaluate the reliability of the information used to measure customer satisfaction at the Walk-In offices. Walk-In offices offer personal tax assistance and services to taxpayers. The Internal Revenue Service (IRS) reported that it provided Walk-In service to almost 10 million taxpayers at over 400 offices during Fiscal Year 1999.

In summary, we found that the Walk-In Customer Satisfaction Survey results are not statistically valid and should not be used to satisfy requirements of the GPRA unless they are appropriately qualified. To ensure that the IRS accurately measures the level of satisfaction customers receive from interactions with Walk-In offices, additional actions are needed. We recommend that the Director, Strategic Planning and Budgeting improve the process for overseeing the Walk-In Customer Satisfaction Survey to ensure the Survey is properly administered and the results are accurate, valid, and reliable.

¹ Government Performance and Results Act of 1993 (GPRA), Pub. L. No. 103-62, 107 Stat. 285.

Management's response was due on May 1, 2000. As of May 11, 2000, management had not responded to this draft report.

Copies of this report are also being sent to the Internal Revenue Service managers who are affected by the report recommendations. Please contact me at (202) 622-6510 if you have questions, or your staff may call Maurice S. Moody, Associate Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs), at (202) 622-8500.

**Walk-In Customer Satisfaction Survey Results
Should Be Qualified if Used for the GPRA**

Table of Contents

Executive Summary.....	Page i
Objective and Scope.....	Page 1
Background	Page 3
Results	Page 5
The Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used to Report Performance Measures for the Government Performance and Results Act of 1993.....	Page 6
Conclusion.....	Page 12
Appendix I – Detailed Objective, Scope, and Methodology	Page 13
Appendix II – Major Contributors to This Report.....	Page 15
Appendix III – Report Distribution List.....	Page 16
Appendix IV – Outcome Measures.....	Page 17
Appendix V – Walk-In Offices Visited	Page 19
Appendix VI – Results of Testing in Selected Walk-In Offices	Page 20
Appendix VII – Procedures for “Implementation of Customer Satisfaction Survey for Walk-In Offices”	Page 21

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

Executive Summary

This audit was performed as part of the Treasury Inspector General for Tax Administration's overall strategy to assess the reliability of the Internal Revenue Service's (IRS) customer satisfaction performance measures as they relate to the Government Performance and Results Act of 1993 (GPRA).¹ The GPRA is intended to improve agency performance and to provide objective information to congressional and executive branch decision-makers to assist them in appropriating and allocating federal funds. The law requires executive agencies to prepare multi-year strategic plans, annual performance plans, and performance reports on prior year accomplishments.

Balanced performance measures were established to support achievement of the IRS' strategic goals: provide quality service to each taxpayer, serve all taxpayers, and be productive through a quality work environment. Achievement of these goals is measured through customer satisfaction, employee satisfaction, and business results. Customer satisfaction surveys are used to develop performance measures that balance customer needs with IRS operational needs. Taxpayers who receive specific kinds of services from the IRS are asked to rate the service. These survey results are summarized by a vendor and will be used by the IRS to evaluate the overall satisfaction with the IRS' service.

The survey results will also be used to set goals and expectations for IRS operational needs and for the GPRA. The intent of the GPRA is that the Congress will use the performance measurement results to help evaluate the IRS budget appropriation. Therefore, it is essential that the IRS accurately measures its success in meeting the performance goals.

The overall objective of this review was to evaluate the reliability of the information used to measure customer satisfaction at the Walk-In offices. Walk-In offices offer personal tax assistance and services to taxpayers. The Walk-In Customer Satisfaction Survey is conducted every fifth week and should be offered to all taxpayers who receive assistance at Walk-In offices during a scheduled Survey week.

Results

The present results of the Walk-In Customer Satisfaction Survey should not be used to satisfy the requirements of the GPRA unless qualified. IRS executives have not established an adequate management process to ensure the Survey is conducted appropriately to measure the level of satisfaction customers receive from interactions

¹ Government Performance and Results Act of 1993 (GPRA), Pub. L. No. 103-62, 107 Stat. 285.

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

with Walk-In offices. There is little accountability over the Survey, and few management controls are in place to ensure the Survey results are accurate, reliable, and statistically valid and can be verified and validated for all customer interactions. Without reliable information, the IRS cannot provide a basis for comparing program results with the established performance goals and will not achieve the benefits of the GPRA as intended by the Congress.

We conducted testing in the National Office and the 4 IRS regions, including 13 districts and 34 Walk-In offices. We discussed the GPRA measurements and requirements with IRS employees and management. We posed as taxpayers and asked for tax assistance at selected Walk-In offices nationwide during scheduled Survey weeks. We conducted follow-up interviews with Walk-In personnel in selected Walk-In offices visited, obtained documentation on current procedures, and reviewed controls over the Survey process.

In addition to our testing, we consulted an expert statistician to solicit an independent opinion regarding the results of the Survey. We asked the statistician to focus on whether the procedures and practices used to conduct the Survey produce a statistically valid sample suitable for projecting an overall customer satisfaction rate with Walk-In services.

The Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used to Report Performance Measures for the Government Performance and Results Act of 1993

The current management control process is not adequate to ensure the Walk-In Customer Satisfaction Survey is administered properly. Specifically:

- More accountability is needed for the Walk-In Customer Satisfaction Survey results. Three different IRS functions currently provide oversight for the Survey, but none of them appear to be accountable for the Survey results.
- More management controls are needed to ensure the integrity or reliability of the Survey results. The IRS has issued guidelines for conducting the Survey, but there are no controls to prevent tampering with the Survey responses. Also, the IRS has not established controls to ensure all Walk-In offices participate in the Survey.
- Survey forms are not offered to all taxpayers. During our visits to selected Walk-In offices, we were offered a Survey form in only 5 out of 61 visits (8 percent). Only 2 of the 34 offices visited had signs or other advertisement to let taxpayers know a Customer Satisfaction Survey was being conducted.

We believe that, without reliable Survey results, the IRS cannot meet the GPRA requirements of establishing measurable performance goals and reporting accurate results.

**Walk-In Customer Satisfaction Survey Results
Should Be Qualified if Used for the GPRA**

Summary of Recommendation

To ensure that the IRS accurately measures the level of satisfaction customers receive from interactions with Walk-In offices, additional actions are needed. We recommend that the Director, Office of Strategic Planning and Budgeting improve the process for overseeing the Walk-In Customer Satisfaction Survey to ensure the Survey is properly administered and the results are accurate, valid, and reliable.

Management's Response: Management's response was due on May 1, 2000. As of May 11, 2000, management had not responded to this draft report.

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

Objective and Scope

This audit is part of the Treasury Inspector General for Tax Administration's (TIGTA) overall strategy to assess the reliability of the Internal Revenue Service's (IRS) customer satisfaction performance measures as they relate to the Government Performance and Results Act of 1993 (GPRA).¹ The IRS is implementing a performance measurement system to balance customer (taxpayer) satisfaction, employee satisfaction, and business results. These quantitative measures will support and reinforce the IRS' achievement of its overall strategic goals. TIGTA is conducting several reviews that will address separate elements of the customer satisfaction measurement system.

The objective of this review was to evaluate the reliability of the information used to measure customer satisfaction at the Walk-In offices.

The objective of this audit was to evaluate the reliability of the information used to measure customer satisfaction at the Walk-In offices. We performed this audit from September 1999 to February 2000 in accordance with *Government Auditing Standards*.

We conducted our audit tests in the National Office and the 4 IRS regions, which included 13 districts and 34 Walk-In offices. See Appendix V for a list of the offices visited. We judgmentally selected these districts and offices after considering the historical data of Survey response rates per district, location of IRS offices and staff, and prior and current audit coverage.

During the audit, we:

- Met with National Office IRS management to discuss how they established the Survey for Walk-In offices and how it would be used for the GPRA.
- Interviewed Walk-In managers and employees at selected offices.

¹ Government Performance and Results Act of 1993 (GPRA), Pub. L. No. 103-62, 107 Stat. 285.

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

- Obtained and reviewed documentation on current Survey procedures and controls over the Survey process and data.
- Posed as taxpayers and visited selected Walk-In offices during two Survey weeks.
- Evaluated the accuracy of Walk-In volume information used to calculate overall customer satisfaction.
- Consulted with a statistician to help validate IRS sampling procedures.

The Walk-In Customer Satisfaction Survey is conducted every fifth week. Our audit period covered two Survey weeks: the weeks beginning September 27, 1999, and November 1, 1999. During these 2 weeks, 22 auditors made 61 visits to 34 Walk-In offices. Visits were made during different times of the day and on different days of the week. Some offices were visited during both Survey weeks covered by the test period.

A previous TIGTA audit report on Walk-In services was issued in May 1999.² We did not perform any follow-up work on that report since it did not address GPRA issues or reporting requirements. This prior audit concentrated on improving Walk-In services and reported that the IRS had improved service in the Walk-In offices, but there were opportunities for further improvement.

Our scope of work for the current audit was limited to evaluating the process the IRS uses to gather information for measuring customer satisfaction with Walk-In services. Details of our audit objective, scope, and methodology are presented in Appendix I. Major contributors to this report are listed in Appendix II.

² *Improving Internal Revenue Service Processes for Evaluating and Publicizing Walk-In Services* (Reference Number 094106, dated May 1999).

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

Background

The GPRA requires executive agencies to establish standards for measuring their performance and effectiveness.

The GPRA requires federal agencies to establish standards for measuring their performance and effectiveness. Executive agencies are required to prepare multi-year strategic plans, annual performance plans, and performance reports on prior year accomplishments.

The overall goal of the GPRA is to improve agency performance and provide objective information to congressional and executive branch decision-makers to assist them in appropriating and allocating federal funds. Therefore, it is essential that the data used for the performance measures are reliable and the results are verifiable and valid to ensure the proper conclusions are made by both the Congress and the IRS.

The IRS prepared a multi-year strategic plan and annually prepares a performance plan. It also established three strategic goals: provide quality service to each taxpayer, serve all taxpayers, and be productive through a quality work environment. Providing quality service to each taxpayer is a key part to customer satisfaction and includes:

- Making filing easier.
- Providing first-quality service to each taxpayer needing help with a return or account.
- Providing prompt, professional, and helpful treatment to taxpayers in cases where additional taxes may be due.

Taxpayers' responses to the customer satisfaction surveys are used to measure the overall trend in satisfaction with the IRS' service.

The IRS measures its success in achieving this goal by using a customer satisfaction survey to measure its programs. The IRS contracted with a vendor to conduct 11 customer satisfaction surveys. The vendor designed and prepared the surveys with IRS executives and staff. Taxpayers receiving specific kinds of services are asked to complete a survey to rate the service they received. The responses are summarized by the vendor and used by the IRS to measure the overall trend in satisfaction with the IRS' service.

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

An IRS District Office of Research and Analysis (DORA) conducted the only verification of the Survey reports. The DORA reported it successfully replicated most of the vendor's results and recommended no further validations be done unless the vendor changed its methodology. The DORA focused on the methods used by the vendor to analyze the data provided by the IRS, not on the process used to obtain the data.

One of the 11 programs using the surveys to measure customer satisfaction is the Walk-In program. The Walk-In program provides face-to-face assistance to taxpayers who cannot resolve their problems over the telephone or through correspondence, need documents issued to them in a short time frame, or prefer face-to-face contact.

The IRS reported that it provided Walk-In service to almost 10 million taxpayers at over 400 offices during Fiscal Year 1999.

Walk-In is a significant activity for providing customer service. The IRS reported that it provided Walk-In service to almost 10 million taxpayers at over 400 offices during Fiscal Year 1999.

The Walk-In Customer Satisfaction Survey has been scheduled at Walk-In offices nationwide every fifth week since March 16, 1998. Guidelines require Walk-In assistants to offer customers (taxpayers) the Survey form at the conclusion of their visits. Taxpayers should be instructed to leave the completed form in a drop box at the Walk-In office or advised they can mail the form to the vendor (the back of each Survey form is a postage-paid business reply form).

The IRS is undergoing a major restructuring into four business units. Adjustments may have to be made to the Walk-In program and the methods used to measure customer satisfaction as a result of the restructuring.

In addition, the IRS is developing a new planning process that will provide support for its efforts to comply with the GPRA. Until this process is completed, the Commissioner designated the Office of Strategic Planning and Budgeting as responsible for overseeing and coordinating the implementation of all

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

GPRA-related activity for the IRS. This became effective December 1, 1999.

Results

The Walk-In Customer Satisfaction Survey is not conducted properly, resulting in the risk that the data is not a reliable measure for the GPRA.

The present results of the Walk-In Customer Satisfaction Survey should not be used to satisfy the requirements of the GPRA unless qualified. IRS executives have not established an adequate management process to ensure the Survey is conducted in a manner that accurately measures the level of satisfaction customers receive from interactions with Walk-In offices.

The expert statistician we consulted believes the Survey design is reasonable but that the implementation of the Survey subjects the results to potential bias. Specifically, only a small percentage of taxpayers were given the Survey, there was a general lack of control over blank and completed Survey forms, and there was a very low response rate that was being determined by assistants and Walk-In office managers in an uncontrolled manner. The statistician also states that because of the low response rate, useful analysis of the data is not possible. The statistician also does not believe the 1998 Survey should be used to establish a baseline.

As a result, we believe the IRS cannot validate or verify the sample selection methodology or Survey results to ensure they are reliable. Without reliable information, the IRS cannot provide a basis for comparing program results with the established performance goals as intended by the GPRA.

**Walk-In Customer Satisfaction Survey Results
Should Be Qualified if Used for the GPRA**

**The Walk-In Customer Satisfaction Survey
Results Should Be Qualified if Used to Report
Performance Measures for the Government
Performance and Results Act of 1993**

The Survey is not properly conducted and managed, and there are few controls to ensure the Survey results are accurate and reliable.

The current management control process is not adequate to ensure the Walk-In Customer Satisfaction Survey is administered properly. Without a reliable Survey process and system of internal controls, there is a significant risk the IRS is not collecting data essential for accurate and reliable Survey results, that the results do not represent all customers who interact with Walk-In offices, and that all customers have not had the opportunity to participate in the Survey.

Without improvements in the above conditions, the Walk-In Customer Satisfaction Survey results should be qualified if used to meet the requirements of the GPRA. Overall, we believe the methods used to gather and analyze the data are not statistically valid and cannot be verified or validated.

More accountability is needed for the Walk-In Customer Satisfaction Survey results

None of the three functions currently providing oversight appear to be accountable for the Survey results.

Three different IRS functions currently provide oversight for the Walk-In Customer Satisfaction Survey.

- The IRS Office of Program Evaluation and Risk Analysis (OPERA) has overall responsibility for administering and overseeing the Customer Satisfaction Surveys.
- The Customer Service function provides training and guidance on technical matters.
- The Collection function manages most of the day-to-day activities of the Walk-In offices.

None of these functions appear to be accountable for the reliability of the Survey results. There were no on-site reviews to ensure that the Survey was properly conducted. While the Surveys were discussed during peer reviews, they have not had a continual focus since the last peer review in December 1998.

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

None of the three functions were aware of any Survey reminders or feedback issued to the field since February 1998. During our interviews with Customer Service and Collection employees, we determined employees were generally unaware of the significance of the Survey. Few knew the information from the Survey would be used to meet GPRA requirements. The Walk-In Program Letter, which covers areas of emphasis and the major services provided by Walk-In offices, does not emphasize the Survey as a significant tool to measure performance for the GPRA.

OMB Circular No.A-123, *Management Accountability and Control*, states that management accountability is the expectation that managers are responsible for program performance. As managers develop and execute strategies for implementing agency programs, they should design management structures that help ensure accountability for results.

More management controls are needed to ensure the integrity and reliability of the Survey results

There are few controls to ensure all Walk-In offices participate in the Survey.

More controls are needed to ensure all Walk-In offices participate in the Survey. Neither the vendor nor the IRS has a means of determining if a particular Walk-In office participated in the Survey. The Survey forms are coded with only a district code.

Each of the 33 districts has multiple Walk-In offices. There are over 400 Walk-In offices nationwide. The vendor uses the district code on the completed Survey forms to determine if all 33 districts are accounted for. If the vendor does not receive completed Survey forms from any one district, the vendor contacts OPERA management. The vendor cannot track the Survey forms (taxpayer responses) from the Walk-In offices within a district and, therefore, cannot determine if all the completed Survey forms received from a district are from one or all of the district's Walk-In offices.

Sound statistical practice requires that every item (e.g., every Walk-In customer) be given an equal chance of participating in the Survey. Otherwise, there will be

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

no way of assessing how accurately the Survey results reflect the characteristics of the population.

Process controls are needed to prevent manipulation of or tampering with the Survey responses

There are few process controls over the supply of blank or completed Survey forms. Also, forms are provided to taxpayers during non-Survey weeks.

- Eighteen offices had the Survey forms on counter tops or tables accessible to taxpayers and employees. (We visited 2 of the 34 offices during both of the Survey weeks. The first week the offices did not have the forms out, but the second week they did.)
- Two offices provide the Survey form to taxpayers during non-Survey weeks if taxpayers ask for something to fill out to give feedback to the IRS.
- Only two of the offices had a locked Survey drop box.

Twelve of the 34 offices we visited provided drop boxes. However, the boxes were usually cardboard with either no top or an opening cut in the top. See Appendix VI for a table providing a listing of those offices.

Another office used the locked box that is provided for taxpayers to make payments. However, that box was not labeled to indicate that completed Survey forms should also be deposited there.

- One district instructed employees to ask taxpayers to return the completed Survey forms to the employees.

In addition, some managers and employees informed us that they review the completed Survey responses prior to mailing them to the vendor. Since the Survey forms are not coded for the local office, this is the only way they can get feedback from the Survey for their office's performance. However, this practice, combined with few controls to protect the Survey data, increases the opportunity to tamper with the Survey data and the risk that the results will be biased. This lessens the confidence that can be placed on the Survey results and the conclusions made based on those results.

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

Survey guidelines developed by IRS Customer Service management are incomplete and do not establish controls to prevent manipulation of or tampering with the Survey responses.

In February 1998, the IRS Executive Officer for Customer Service issued a memorandum on “Implementation of Customer Satisfaction Survey for Walk-In Offices.” The guidelines were incorporated into the IRS Internal Revenue Manual. However, the guidelines do not provide instructions on protecting the Survey responses from tampering. For example:

- How the Survey forms should be controlled before or during the Survey process.
- How and by whom the completed Survey forms should be collected.
- What kind of drop box should be used (locked with limited access to IRS employees).

See Appendix VII for the procedures listed in the 1998 memorandum.

Without drop boxes, taxpayers must return the Survey forms to the employees or mail the forms after they leave the office. Some taxpayers with negative responses may hesitate to return the completed forms to the IRS employees.

In addition, if taxpayers return the completed forms to the IRS employees, there are no controls to prevent the employees from disposing of negative responses.

If the drop boxes are not locked and access to them is not limited to select IRS employees, there is a risk of unauthorized persons tampering with the completed Survey forms.

Walk-In offices are not assigned a block of Survey forms to be given to taxpayers during the Survey week. They are also not held accountable for the number of forms handed out compared to the number of taxpayers assisted during that week.

Sound statistical practice requires that conclusions drawn from results be based on reliable information. Statistical guidelines indicate that special effort must be made to minimize the potential for bias in survey results and protect the data from contamination. Bias can be interjected into the results when anyone can fill out the

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

Survey forms are not offered to all taxpayers visiting IRS Walk-In offices during Survey weeks.

We were offered a Survey form in only 5 out of 61 visits (8 percent).

survey form (including employees), assistors can determine who should be given a form, and survey responses can be reviewed, altered, or destroyed.

Survey forms are not offered to all taxpayers

Every taxpayer is not given a Survey form and asked to participate in the Survey during Survey weeks. Managers and employees are unclear on whether they should simply place the forms in a public area, give them only to taxpayers they personally assist, or give them to all taxpayers who visit the Walk-In office.

During our visits to the 34 selected Walk-In offices, we posed as taxpayers and asked commonplace tax-related questions that would normally be asked of Walk-In assistors, e.g., what tax forms would be needed for someone starting a new business or if there is a limitation on the amount that can be claimed on a tax return for a certain type of deduction. Our goal was to determine if the assistor would tell us about the Survey and ask us to participate.

We were offered a Survey form only 8 percent of the time (5 out of 61 visits). See Appendix VI for a table showing the results of the offices visited. In addition:

- None of the taxpayers concluding their business ahead of us were told about the Survey or offered a Survey form.
- Only 2 of the 34 offices we visited had signs or other advertising informing taxpayers that a Walk-In Customer Satisfaction Survey was being conducted.

The February 1998 memorandum on Survey implementation procedures stated that the Survey forms should be located in an area that will permit employees easy access to them and that each employee assisting taxpayers should offer the taxpayer a copy of the Survey form. See Appendix VII for the procedures found in the memorandum.

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

Managers and employees are not clear on how the Survey should be conducted.

However, Walk-In coordinators, managers, and tax assistants interpreted and applied the procedures differently. Some employees indicated that, while they understood every taxpayer should receive a Survey form, it is sometimes difficult to offer the form to taxpayers who appear to be upset, in a hurry, or come in just to pick up a tax form.

In addition, the IRS has not provided any follow-up guidance or formal training on the Walk-In Customer Satisfaction Survey since its inception in 1998. None of the 20 employees interviewed acknowledged receiving any National Office written guidance since the February 1998 memorandum. Some did not remember receiving the 1998 memorandum. Only one knew the Internal Revenue Manual was updated with the Customer Satisfaction Survey procedures.

Recommendation

We recommend that the Director, Strategic Planning and Budgeting improve the process for overseeing the Walk-In Customer Satisfaction Survey to ensure the Survey is properly administered and the results are accurate, valid, and reliable, which will help ensure the IRS meets GPRA requirements for measuring customer satisfaction with Walk-In program services. The Director should:

1. Establish controls to ensure the Survey form is offered to all taxpayers who receive assistance during a Survey week.
2. Establish controls to protect the Survey forms, the integrity of the data, and the Survey results.
3. Develop and conduct training for Walk-In personnel on how the Survey should be implemented.
4. Emphasize in the Walk-In Program Letter and action plan the importance of conducting the Survey to meet GPRA requirements.

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

Management's Response: Management's response was due on May 1, 2000. As of May 11, 2000, management had not responded to this draft report.

Conclusion

Presently, the Walk-In Customer Satisfaction Survey results are not valid for establishing a statistical basis for comparing program results with established performance goals as required by the GPRA. While the Walk-In Customer Satisfaction Survey may be an effective marketing tool to gauge taxpayers' satisfaction with the services provided by the IRS Walk-In offices, the Survey results are not statistically valid and should be appropriately qualified if they are used to satisfy the GPRA requirements.

**Walk-In Customer Satisfaction Survey Results
Should Be Qualified if Used for the GPRA**

Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this review was to evaluate the reliability of the information used to measure customer satisfaction at the Internal Revenue Service (IRS) Walk-In offices. We performed the following work:

- I. Evaluated the process used to conduct the Walk-In Customer Satisfaction Survey and evaluated the internal controls over the process.
 - A. Determined if the Survey methodology is valid and statistically accurate.
 1. Reviewed the vendor contract and reports to determine the confidence level, error rates, precision, etc.
 2. Interviewed appropriate IRS management and staff to determine how the sampling criterion was established and if the Survey methodology is valid and statistically accurate.
 3. Consulted with a statistician to determine if the Survey methodology and process provide statistically valid results.
 - B. Interviewed National Office personnel to determine who provides Walk-In volumes to the vendor and evaluated the accuracy of the Walk-In volumes reported by the IRS to the vendor by comparing the Walk-In management information system report volumes with the vendor's reports and discussing any discrepancies with Customer Service management.
 - C. Discussed with National Office personnel the procedures and controls for Survey card distribution and collection to determine how the Survey forms are controlled and what follow-up is conducted to ensure all forms are controlled and that the vendor receives all the Survey forms completed by taxpayers.
 - D. Discussed oversight of the vendor contract with appropriate National Office personnel to determine if the IRS validates the data received from the vendor and if the vendor is performing according to the contract.
 - E. Discussed the oversight role for the Survey process with Customer Service, Collection, and Management and Finance personnel and evaluated Survey procedures, including assigned responsibilities (National Office, regions, districts, and Walk-In Offices) to determine if the Survey process is managed properly and whether an adequate organizational structure is in place to ensure reliable Survey results.

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

- F. Discussed with key IRS personnel the applicability of the Walk-In Customer Satisfaction Survey results to the Government Performance and Results Act of 1993 (GPRA)¹ measurements to determine how the Survey results are going to be used for GPRA purposes.
- G. Evaluated implementation of the Survey process in 34 selected Walk-In offices nationwide during Survey weeks to verify whether IRS taxpayer assistors were offering the Survey forms to customers.
 - 1. Posed as taxpayers in selected Walk-In offices to determine if assistors were offering the Survey forms to taxpayers (see Appendix V for a list of offices visited).
 - 2. Discussed Survey procedures, training, supervision, and forms availability with Walk-In coordinators, office managers, and assistors.
 - 3. Compared Walk-In management information system report volumes for the Survey weeks to the volumes reported by the National Office to the vendor.
- H. Evaluated physical security controls over Survey forms at the Walk-In offices.
 - 1. Discussed with district and office personnel the procedures used to obtain, store, distribute, collect, and mail Survey forms.
 - 2. Observed physical security controls over the Survey forms during visits at the selected Walk-In offices.
- II. Followed up on prior Treasury Inspector General for Tax Administration audit report *Improving Internal Revenue Service Processes for Evaluating and Publicizing Walk-In Services* (Reference Number 094106, dated May 1999) to determine if the IRS implemented corrective actions for GPRA-related issues identified in the prior audit.
- III. Determined whether Survey results will be transportable to the new organizational structure by interviewing Customer Service and Collection executives on the future mission and organizational plans for Walk-In and determined how the Customer Satisfaction Survey results will be used under the planned organizational structure.

¹ Government Performance and Results Act of 1993 (GPRA), Pub. L. No. 103-62, 107 Stat. 285.

**Walk-In Customer Satisfaction Survey Results
Should Be Qualified if Used for the GPRA**

Appendix II

Major Contributors to This Report

Maurice S. Moody, Associate Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs)

Stanley C. Rinehart, Director

Augusta R. Cook, Audit Manager

Gerald T. Hawkins, Audit Manager

Mercedes Culver, Senior Auditor

Sharon Shepherd, Senior Auditor

Wallace Sims, Senior Auditor

Tracy Harper, Auditor

Cindy Harris, Auditor

**Walk-In Customer Satisfaction Survey Results
Should Be Qualified if Used for the GPRA**

Appendix III

Report Distribution List

Deputy Commissioner Operations C:DO
Assistant to the Deputy Commissioner Operations C:DO
Chief, Management and Finance M
Chief Operations Officer OP
Chief Financial Officer M:CFO
Office of the Chief Counsel CC
Director, Office of Program Evaluation and Risk Analysis M:O
Director, Strategic Planning and Budgeting M:SPB
Assistant Commissioner (Collection) OP:CO
Assistant Commissioner (Customer Service) OP:C
National Director for Legislative Affairs CL:LA
Office of Management Controls M:CFO:A:M
Office of the National Taxpayer Advocate C:TA
Organizational Performance Management Executive C:DO:OPME
Director, New England District
Director, North Florida District
Director, Southern California District
Audit Liaisons:
 Chief, Management and Finance M
 Assistant Commissioner (Collection) OP:CO
 Assistant Commissioner (Customer Service) OP:C

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

Appendix IV

Outcome Measures

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. These benefits will be incorporated into our Semiannual Report to the Congress.

Finding and recommendation:

Unless qualified, the present results of the Internal Revenue Service's (IRS) Walk-In Customer Satisfaction Survey should not be used to satisfy the requirements of the Government Performance and Results Act of 1993 (GPRA)¹ (see page 6).

We recommend that the Director, Office of Strategic Planning and Budgeting improve the process for overseeing the Walk-In Customer Satisfaction Survey to ensure the Survey is properly administered and the results are accurate, valid, and reliable, which will help ensure the IRS meets GPRA requirements for measuring customer satisfaction with Walk-In program services. The Director should:

- Establish controls to ensure that the Survey form is offered to all taxpayers who receive assistance during a Survey week.
- Establish controls to protect the Survey forms, the integrity of the data, and the Survey results.
- Develop and conduct training for Walk-In personnel on how the Survey should be implemented.
- Emphasize in the Walk-In Program Letter and action plan the importance of conducting the Survey to meet GPRA requirements.

Type of Outcome Measure:

- Reduce Taxpayer Burden and Improve Customer Service (potential)
- Protection of Assets/Reliability of Information (potential)

Value of the Benefit:

The IRS annually provides Walk-In service at over 400 offices to about 10 million taxpayers. The IRS uses the Walk-In Customer Satisfaction Survey to measure taxpayers' level of satisfaction with the services they receive at Walk-In offices

¹ Government Performance and Results Act of 1993 (GPRA), Pub. L. No. 103-62, 107 Stat. 285.

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

throughout the IRS. The Survey results are summarized and used to evaluate the overall satisfaction with the IRS service.

The Survey results will also be used to set goals and expectations for the IRS' operational needs and for the GPRA. The intent of the GPRA is that the Congress will use the performance measurement results to help evaluate the IRS' budget appropriation. Therefore, it is essential that the IRS accurately measures its success in meeting the performance goals.

Methodology Used to Measure the Reported Benefit:

We used the number of taxpayers served by all Walk-In sites to quantify the organizational impact of reported issues and recommend corrective actions. We obtained the two most recent management system reports for Fiscal Years 1998 and 1999. These reports track the number of taxpayers who were served at Walk-In offices nationwide. The number reported for Fiscal Year 1998 was just over 10 million (10,096,958) and the number for Fiscal Year 1999 was just under 10 million (9,981,364).

The outcome measure, Protection of Assets/Reliability of Information (potential), cannot be quantified at this time. Because the Walk-In Customer Satisfaction Survey is not conducted in a manner that provides statistically valid results, the calculated baseline measure is not reliable. The proper budget appropriation for this function cannot be determined until a reliable baseline is obtained and future progress measured against this standard.

**Walk-In Customer Satisfaction Survey Results
Should Be Qualified if Used for the GPRA**

Appendix V

Walk-In Offices Visited

Region	District	Office Visited
Midstates	Illinois	Chicago
	North Texas	Dallas (2 offices)
Northeast	New England	Boston, MA
		Brockton, MA
		Manchester, NH
		Nashua, NH
		Stoneham, MA
		Worcester, MA
	Ohio	Cincinnati
	Pennsylvania	Philadelphia (3 offices)
Southeast	Delaware-Maryland	Washington, D.C.
		Wheaton, MD
	Georgia	Atlanta (2 offices)
	North Florida	Daytona
		Gainesville
		Jacksonville
	Ocala	
	Orlando	
	Virginia-West Virginia	Bailey's Crossroad, VA
Western	Central California	San Jose
	Northern California	Oakland
		San Francisco
		Walnut Creek
		Denver, CO
	Rocky Mountain	Laguna Niguel
	Southern California	Long Beach
		San Bernardino
		San Diego
		San Marcos
Santa Ana		

**Walk-In Customer Satisfaction Survey Results
Should Be Qualified if Used for the GPRA**

Appendix VI

Results of Testing in Selected Walk-In Offices

Regions and Districts Visited	Number of Visits²	Number of Surveys Offered	Offices Where Survey Drop Box Provided³
Midstates Region (3)¹			
North Texas (2)	4	1	0
Illinois (1)	1	0	0
Northeast Region (10)			
New England (6)	18	1	3
Pennsylvania (3)	3	1	0
Ohio (1)	1	0	1
Southeast Region (10)			
North Florida (5)	10	0	1
Delaware-Maryland (2)	2	0	1
Georgia (2)	3	0	0
Virginia-West Virginia (1)	1	0	0
Western Region (11)			
Southern California (6)	12	0	2
Northern California (3)	3	1	3
Central California (1)	1	1	1
Rocky Mountain (1)	2	0	0
TOTAL OFFICES (34)	61	5	12

¹ The numbers in parentheses represent the total Walk-In offices visited for that region or district.

² Multiple visits were made to some offices. The number of offices visited will not always match the number of opportunities to offer the Survey.

³ Two offices were visited during both of the Survey weeks. During the first visit, the offices did not provide a Survey drop box; during the second visit the offices did. These offices were counted as not providing a Survey drop box.

**Walk-In Customer Satisfaction Survey Results
Should Be Qualified if Used for the GPRA**

Appendix VII

**Procedures for “Implementation of Customer
Satisfaction Survey for Walk-In Offices”**

On February 28, 1998, the Internal Revenue Service (IRS) Executive Officer for Customer Service issued a memorandum on “Implementation of Customer Satisfaction Survey for Walk-In Offices.” The memorandum provided procedures for conducting the Customer Satisfaction Survey for the Walk-In offices. Outlined below is a summary of the procedures found in the memorandum.

Procedures for Walk-In Offices and Survey Administration Procedures

Procedures for Walk-In Offices

The following are items that each Walk-In office will need:

- A supply of survey forms: English and Spanish versions.
- A supply of Document 1546 (rev 10-97): How to Use the Problem Resolution Program of the IRS.
- Document 1067 (rev 4-86) and Document 1067-SP (rev 2-90): Wall-type poster in English and Spanish (Have you contacted the IRS with a Federal tax problem? Still have the problem?).
- Document 1067-A (rev 4-86) and Document 1067-A-SP (4-86): Table-top stand-up poster in English and Spanish (Have you contacted the IRS with a Federal tax problem? Still have the problem?).
- A supply of pencils.
- Copies of these procedures (*Procedures for Walk-In Offices and Survey Administration Procedures*) for Walk-In offices.
- Copies of the *Survey Administration Procedures*.
- Copies of the sampling schedule for Walk-In offices.
- Boxes (to be placed at exit doors) for taxpayers to deposit completed survey forms.

Each Walk-In office will receive from its district office a supply of English- and Spanish-language postcard survey forms. The district office will also provide a copy of these procedures, a copy of the *Survey Administration Procedures*, and a copy of the sampling schedule for Walk-In offices. Each Walk-In office should photocopy a sufficient number of these documents so each front-line employee can be provided a

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

copy. Walk-In offices must provide or obtain their own Document 1546, Documents 1067 and 1067-SP (wall-type posters), Documents 1067-A and 1067-A-SP (table-top stand-up posters), pencils, tables, chairs, and boxes.

After the survey forms have been received, they should be located in an area that will permit front-line employees easy/ready access to them - they will be distributed to taxpayers who have agreed to participate in the survey.

A supply of sharpened pencils should be placed on the table(s) that will be set up for taxpayers to use in completing the survey forms.

A supply of Document 1546 along with Documents 1067-A and 1067-A-SP must also be placed on each table that has been set up for taxpayers to use while completing survey forms.

Each employee who will be assisting taxpayers should be given a copy of the *Survey Administration Procedures* for Walk-In offices.

All employees who will be assisting taxpayers must know the table location(s) that the taxpayer can use for completing the survey form.

A box into which taxpayers can deposit their completed survey forms should be placed by each exit door.

- The boxes should be clearly marked with language such as “COMPLETED SURVEY FORMS.”
- Perhaps a sign on the exit doors with arrows pointing to the boxes would be appropriate.
- Another receptacle of some sort *might* be placed by the exit doors for the convenience of those taxpayers that wish to return the pencils.

It is critical that the wall posters and Documents 1067 and 1067-SP be clearly displayed in a place or places that will ensure that all taxpayers can see them and will have an opportunity to read them.

The following are the procedures for the disposition of survey forms:

- During survey weeks, each employee assisting taxpayers should offer a copy of the survey form to each taxpayer assisted after all business between the employee and the taxpayer is complete, as outlined in the *Survey Administration Procedures*.
- Taxpayers should be informed to deposit completed survey forms in the box by the exit. Taxpayers may also return the survey form by mail if they are unable to complete it before they leave.
- At the end of each survey day, all completed survey forms must be packaged and sent by mail to the vendor.

Walk-In Customer Satisfaction Survey Results Should Be Qualified if Used for the GPRA

- Unused survey forms and other survey materials **must not** be discarded; they must be held for future survey periods, which will occur every fifth week.

Survey Administration Procedures

After all business between the taxpayer and the IRS employee is concluded, the employee should offer the taxpayer a copy of the survey form and make the following statement:

We are conducting a voluntary survey about the service you received today. It is anonymous and will take less than 3 minutes to complete. Your participation will help. You can fill it out at the table by the exit (or direct the taxpayer to a table available for this purpose).

If the taxpayer accepts:

- Give them the postcard survey form.
- Instruct them to place the completed survey form in the box by the exit.
- Thank them for their participation.

If the taxpayer refuses:

- Suggest that the survey form could be completed and dropped in the mail (the taxpayer should be shown and told that the postcard survey form is pre-addressed and postage-paid).
- If they accept, give them a copy of the survey form.
- If they refuse, terminate contact.