

**Management Advisory Report: Enhancing the
Electronic Tax Law Assistance Program**

September 2000

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DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

INSPECTOR GENERAL
for TAX
ADMINISTRATION

September 28, 2000

MEMORANDUM FOR COMMISSIONER ROSSOTTI

Handwritten signature of Pamela J. Gardiner in cursive.

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: Final Management Advisory Report – Enhancing the Electronic Tax
Law Assistance Program

This report presents the results of our efforts to identify “best practices” for electronic tax law assistance. We received assistance from state government tax officials in the Commonwealth of Pennsylvania and the State of New Jersey.

In summary, we identified enhancements that could assist the Internal Revenue Service (IRS) in its efforts to improve the accuracy and timeliness of responses provided to taxpayer questions submitted through the IRS’ *Digital Daily*.

Management’s response was due on September 27, 2000. As of September 28, 2000, management had not responded to the draft report.

Copies of this report are also being sent to the IRS managers who are affected by the report recommendations. Please contact me at (202) 622-6510 if you have questions, or your staff may call Gordon C. Milbourn III, Associate Inspector General for Audit (Small Business and Corporate Programs), at (202) 622-3837.

**Management Advisory Report: Enhancing the Electronic
Tax Law Assistance Program**

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Executive Summary

The Internal Revenue Service (IRS) uses the Electronic Tax Law Assistance (ETLA) program to answer tax law and procedural questions submitted by taxpayers on the IRS' Internet web site known as the *Digital Daily*. The ETLA program offers an alternative to the telephone for taxpayers needing tax law assistance, while at the same time increasing accessibility and convenience. This program supports the IRS' initiative to increase electronic correspondence with taxpayers. In Fiscal Year (FY) 1999, the IRS answered over 262,000 tax law questions, with nearly 350,000 projected for FY 2000.

Customer satisfaction surveys show that over 90 percent of the taxpayers who used the ETLA program were satisfied with the timeliness of responses and would use the ETLA service in the future. This audit was conducted to identify enhancements applicable to the current ETLA program and complements two recently issued Treasury Inspector General for Tax Administration reports.¹ The first of those two reports recommended that the IRS better integrate the ETLA program into its long-term strategy for expanding electronic communications with taxpayers.

Results

Our analysis of the ETLA program identified several opportunities to further improve service to taxpayers. The areas focus on modifications to the current process. These enhancements could assist the IRS in meeting taxpayer demand during its implementation of long-term technological strategies.

Placing an Introductory Message on the Internal Revenue Service Web Site

The ETLA program does not instruct taxpayers to provide sufficient information to assure that their questions can be fully understood. Rather, there are only general instructions on the IRS' Internet web site, the *Digital Daily*. This increases the risk that the IRS will provide incorrect or incomplete answers.

¹ *Expanding the Electronic Tax Law Assistance Program* (Reference Number 2000-30-120, dated August 2000), and *Management Advisory Report – Comparison of Responses to Small Business/Self-Employed Taxpayer Questions from the Electronic Tax Law Assistance Program and other Internet Tax Law Services* (Reference Number 2000-30-126, dated September 2000).

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Providing an introductory message would help ensure that taxpayers include sufficient information when formulating their questions. For example, we observed that a sample of the IRS' responses varied from being extremely brief to very lengthy and from very basic to somewhat technical. Further, our testing identified instances where the taxpayers' questions did not contain sufficient information for Customer Service Representatives to provide reliable answers.

Including a Disclaimer on the Internal Revenue Service Web Site and Taxpayer Responses

The ETLA program does not provide a disclaimer concerning the reliability of the information provided in the IRS' response to a taxpayer question. The only warning given to the taxpayer is that the answer to the question is based on the IRS' understanding of the facts presented and that the omission of facts may affect the answer.

In contrast, some IRS publications contain a detailed warning concerning the reliability of the information. The publications warn that the information provided does not cover every situation and is not intended to replace the law or change its meaning. Taxpayers also are warned that a particular IRS publication might cover some subjects on which a court may have made a decision more favorable to them than the IRS interpretation.

Providing a disclaimer on the IRS web site and on the responses to taxpayers could reinforce the significance of providing sufficient information and the potential limitations of using the response provided.

Providing Taxpayers with an Automated Acknowledgement of Receipt and the Expected Time Frame for a Response

Currently, the IRS does not advise taxpayers that their questions have been received or when to expect an answer. The Commonwealth of Pennsylvania Department of Revenue e-mail system automatically transmits a message to the taxpayer acknowledging receipt of the e-mail question. The acknowledgement advises the taxpayer that a response should be received within a specific number of days. Depending on the anticipated volume of questions, Pennsylvania tax officials will revise the acknowledgement message to reflect a 2-day, 4-day, or 6-day response time. The flexibility to change the response time goal allows Pennsylvania to more efficiently use its limited customer service resources to answer tax law questions via e-mail throughout the year.

Besides giving taxpayers the courtesy of a notice of receipt, this practice could make taxpayers less inclined to resubmit their questions prior to the time frame outlined in the message. Pennsylvania tax officials believe that this technique has resulted in more efficient use of customer service resources by spreading the workload over a longer period of time. In

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addition, they believe that this technique has helped to minimize the use of the compliance resources assigned to the Pennsylvania Department of Revenue when the volume of e-mail questions increases during the tax filing season.

Improving the Quality Measurement System

The ETLA program does not have statistically valid data to determine which call sites are performing satisfactorily or to identify which call sites are under-achieving and in need of supplemental training. The importance of this specific information is evident in the first Sampling Plan that was developed for FY 1999. Instead of changing the Centralized Quality Review Site (CQRS)² system to generate monthly accuracy estimates that would be valid at the call site level, the IRS opted to amend the Sampling Plan to generate only national statistics.

The results of the weekly CQRS reviews are made available to the 10 call sites. Although these statistically valid results reflect national rates, the individual call site statistics are being presented in the CQRS database as site level quality rates. However, since the call sites specialize in the types of questions they answer, the complexity levels of the questions differ among these sites, which affects the average response times and accuracy rates. For example, some call sites will answer basic questions concerning filing status or exemptions, while other sites will answer complex questions concerning capital gains and depreciation.

Customer Service function managers use this information at both the national and local levels to help manage the ETLA program. However, this information is not a reliable measurement of quality, and its use as such may result in local managers either believing that the quality of answers is at an acceptable level when there are actually quality problems, or taking unnecessary corrective actions when there are no quality problems.

Summary of Recommendations

Our analysis identified several opportunities for the IRS to enhance the current ETLA program. These include: placing an introductory message and a disclaimer on the IRS web site, including a disclaimer on taxpayer responses, providing taxpayers with an automated acknowledgement of receipt, providing an expected time frame for a response, and improving the quality measurement system.

² The CQRS is responsible for evaluating the accuracy of the answers to taxpayer questions received through the IRS' Internet web site.

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Management's Response: Management's response was due on September 27, 2000. As of September 28, 2000, management had not responded to the draft report.

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Objective and Scope

This review is part of our Fiscal Year (FY) 2000 emphasis area to evaluate whether Customer Service operations are being effectively and economically improved to provide taxpayers with quality customer service, in accordance with Congressional and administrative direction.

The overall objective of the audit was to identify enhancements to the current ETLA program

The overall objective of the audit was to identify enhancements applicable to the current Electronic Tax Law Assistance (ETLA) program. To accomplish the objective, we assessed the current ETLA program and three Internet web sites that provide answers to tax law questions. We also consulted with tax officials from two state governments that offer electronic communications to taxpayers.

We performed audit work at the Internal Revenue Service (IRS) Headquarters Office; the Centralized Quality Review Site (CQRS) in Philadelphia, Pennsylvania; and call sites located in Nashville, Tennessee, and Philadelphia, Pennsylvania. The audit was conducted between March and June 2000.

This ETLA review complements two recently issued Treasury Inspector General for Tax Administration reports,¹ the first of which recommended that the IRS better integrate the ETLA program into its long-term strategy for expanding electronic communications with taxpayers.

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

¹ *Expanding the Electronic Tax Law Assistance Program* (Reference Number 2000-30-120, dated August 2000), and *Management Advisory Report – Comparison of Responses to Small Business/Self-Employed Taxpayer Questions from the Electronic Tax Law Assistance Program and other Internet Tax Law Services* (Reference Number 2000-30-126, dated September 2000).

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are listed in Appendix II. In addition, we have included a Glossary of Terms as Appendix IV.

Background

The IRS uses the ETLA program to answer tax law and procedural questions submitted by taxpayers to the IRS' Internet web site known as the *Digital Daily*. The ETLA program supplements the toll-free telephone system that is the primary mode of communication for taxpayers in need of assistance. As an alternative to the telephone, the ETLA program generally offers taxpayers increased accessibility and convenience.

The ETLA program also supports the IRS' initiatives to expand electronic correspondence with taxpayers. Although the IRS has not actively advertised the ETLA program, the number of taxpayer questions answered has doubled each year since the program was started in 1994. In FY 1999, the IRS answered over 262,000 tax law questions. Nearly 350,000 questions are projected to be processed in FY 2000.

Providing top quality service to each taxpayer is one of the strategic goals of the IRS' modernization plans.

Providing top quality service to each taxpayer is one of the strategic goals of the IRS' modernization plans. Customer satisfaction surveys show that over 90 percent of the taxpayers who used the ETLA program were satisfied with the timeliness of responses and would use the ETLA service in the future.

The CQRS became operational on October 1, 1997, in Philadelphia, Pennsylvania, to monitor the accuracy of the telephone answers provided to tax law questions. In August 1998, the CQRS began evaluating the accuracy of the answers to taxpayer questions received through the IRS' Internet web site.

On May 1, 2000, the IRS received the Government Employees Insurance Company's 1999 Public Service

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Award recognizing the ETLA program for improving electronic customer service.

Results

An analysis of the ETLA program identified several enhancements that could further improve the level of service to taxpayers. These enhancements focus on modifications to the current process and could assist the IRS in meeting taxpayer demand during its implementation of long-term technological strategies. The enhancements include:

- Placing an introductory message on the IRS web site.
- Including a disclaimer on the IRS web site and taxpayer responses.
- Providing taxpayers with an automated acknowledgement of receipt and the expected time frame for a response.
- Improving the quality measurement system.

Placing an Introductory Message on the Internal Revenue Service Web Site

The ETLA program does not instruct taxpayers to provide sufficient information to assure that the nature of their questions can be fully understood.

The ETLA program does not instruct taxpayers to provide sufficient information to assure that the nature of their questions can be fully understood. Rather, there are only general instructions on the IRS' *Digital Daily* home page. If the IRS cannot fully understand the questions, then there is a greater risk that it will not provide taxpayers with a satisfactory response.

To request tax law assistance, taxpayers enter questions through the Internet by clicking the mailbox icon on the *Digital Daily* home page and then proceed to the Tax Law Question section. Taxpayers select a category, provide their e-mail addresses, and submit their questions. The ETLA

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computer system downloads taxpayer questions from the Internet and makes the questions available for Customer Service Representatives (CSR) to answer in the sequence in which the questions are received.

To answer taxpayers accurately and quickly, a CSR will provide a customized response or use a prepared response, if available. When the questions are answered, the responses are routed back through the ETLA program's computer system and then sent to the taxpayers' Internet e-mail addresses.

The current system design does not allow the CSR to probe for additional clarifying information.

The current system design does not allow the CSR to probe for additional clarifying information. As a result, the IRS' response is based on the CSR's interpretation of the information included in the taxpayer's question. Unlike the ETLA system, the state government Internet web sites we reviewed provide for direct e-mail exchanges with taxpayers to clarify their questions.

If a taxpayer's question does not contain sufficient information, the CSR must:

- Interpret the question and provide an answer. The response may not satisfy the needs of the taxpayer and may result in the submission of a subsequent question.
- Respond to the taxpayer that the question contained insufficient information; that, consequently, a response could not be provided; and that the taxpayer should resubmit the question with additional/clarifying information.
- Provide excessive information in the response to ensure all aspects of a tax law category are covered.

Providing an introductory message would help ensure that taxpayers include sufficient information when formulating their questions. For example, we observed that the IRS' responses to our sample questions varied from being extremely brief to very lengthy and from very basic to somewhat technical. Further, we observed instances where

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the question did not contain sufficient information for a CSR to provide a reliable answer.

As part of our research and consultation with state tax officials in Pennsylvania, we determined that their Internet web site includes a detailed introductory notice to taxpayers advising them to include sufficient information in their questions. State tax officials in New Jersey advised that the planned enhancements to their e-mail tax assistance program would include the same features as the Pennsylvania system.

Recommendation

1. The Assistant Commissioner (Customer Service) should place an introductory message on the IRS web site to help ensure taxpayers include sufficient information when formulating their questions.

Management's Response: Management's response was due on September 27, 2000. As of September 28, 2000, management had not responded to the draft report.

Including a Disclaimer on the Internal Revenue Service Web Site and Taxpayer Responses

The ETLA program does not provide a disclaimer concerning the reliability of the information provided in the IRS' response to a taxpayer question.

The ETLA program does not provide a disclaimer concerning the reliability of the information provided in the IRS' response to a taxpayer question. The only warning given to the taxpayer is that the answer to the question is based on the IRS' understanding of the facts presented and that the omission of facts may affect the answer. This statement is not highlighted and is included among three other information statements on accessing forms, accessing the customer satisfaction survey site, and navigating the IRS home page.

In contrast, some IRS publications contain a detailed warning concerning the reliability of the information. The

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publications warn that the information provided does not cover every situation and is not intended to replace the law or change its meaning. Taxpayers also are warned that a particular IRS publication might cover some subjects on which a court may have made a decision more favorable to them than the IRS interpretation. The position taken in the IRS publication will continue to present the interpretation of the IRS until such differences are resolved by higher court decisions.

Further, the Commonwealth of Pennsylvania Department of Revenue provides a detailed disclaimer of the reliability of the information contained in its e-mail responses and the use of such information in tax appeals.

Providing a disclaimer on the IRS web site and on the responses to taxpayers could reinforce the significance of providing sufficient information and the potential limitations of using the information.

Recommendation

2. The Assistant Commissioner (Customer Service) should include a disclaimer on the IRS web site and taxpayer responses to reinforce the significance of providing sufficient information and the potential limitations in using the information provided in the IRS response.

Providing Taxpayers with an Automated Acknowledgement of Receipt and the Expected Time Frame for a Response

The IRS does not advise taxpayers that their questions have been received or when to expect an answer.

Currently, the IRS does not advise taxpayers that their questions have been received or when to expect an answer. As part of our research and consultation with state tax officials in the Commonwealth of Pennsylvania Department of Revenue, we observed that their e-mail system

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automatically transmits a message to the taxpayer acknowledging receipt of the e-mail question. The acknowledgement advises the taxpayer that a response should be received within a specific number of days. Depending on the anticipated volume of questions, Pennsylvania tax officials will revise the acknowledgement message to reflect a 2-day, 4-day, or 6-day response time. The flexibility to change the response time goal allows Pennsylvania to more efficiently use its limited customer service resources to answer tax law questions via e-mail throughout the year.

Besides giving taxpayers the courtesy of a notice of receipt, this practice could make taxpayers less inclined to resubmit their questions prior to the time frames outlined in the message. Pennsylvania tax officials believe that this technique has resulted in more efficient use of customer service resources by spreading the workload over a longer period of time. In addition, they believe that this technique has helped to minimize the use of the compliance resources assigned to the Department of Revenue when the volume of e-mail questions increases during the tax filing season.

The IRS goal is to answer a question within 2 workdays.

In the IRS, the goal is to answer a question within 2 workdays. The Customer Service function established the goal as a response time that taxpayers would deem reasonable. There was no research performed in this area nor were there any contacts made with other organizations to determine a reasonable response time. The 2-day response time is not an industry standard.

In FY 1999, the IRS did not achieve the goal of responding to taxpayers' questions within 2 workdays. The average response time for the over 262,000 tax law questions that were answered during all of FY 1999 was 3.5 workdays. However, customer satisfaction surveys showed that 92 percent of the taxpayers who used the ETLA program were satisfied with the response time of the answers received from the IRS.

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The dramatic decrease in the average response time was accomplished at a great cost to the IRS.

In contrast, during the heaviest volume period, from January 1, 2000, to April 17, 2000, the IRS' 2-day goal was surpassed. The average response time for the nearly 221,000 questions that were answered during this 3.5-month period was 1.3 workdays.

The dramatic decrease in the average response time was accomplished at a great cost to the IRS but with very little change in customer satisfaction. Although the IRS exceeded its performance goal, it needs to balance the level of service between cost and customer satisfaction. For example:

- Although the number of anticipated questions for FY 2000 was less than projected (350,000 versus 700,000 projected), the use of Compliance function labor resources assigned to the ETLA program actually increased from 27 to nearly 29 Full Time Equivalents.²
- During FY 2000, the average response time was 1.3 workdays, and 91 percent of taxpayers were satisfied with that response time. In contrast, in FY 1999 the average response time was 3.5 workdays, and 92 percent of taxpayers were satisfied with that response time.

By providing an acknowledgement message along with an anticipated response time, the IRS could:

- More efficiently use its limited Customer Service function resources to answer tax law questions throughout the year.
- Decrease the need to use Compliance function resources when the volume of ETLA questions increases during the income tax filing season.
- Minimize the adverse impact on customer satisfaction by providing responses that exceed the 2-day goal but are

² The number of full-time staff that would be required during a period to perform the work done during that period.

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within the time frame stated in the acknowledgement message.

Recommendation

3. The Assistant Commissioner (Customer Service) should provide taxpayers with an automated acknowledgement of receipt and the expected time frame for a response. Besides giving taxpayers the courtesy of a notice of receipt, this technique may result in more efficient use of resources.

Improving the Quality Measurement System

For FY 2000, the Customer Service function established an accuracy goal of 79 percent for ETLA questions.

The CQRS became operational during October 1997, in Philadelphia, Pennsylvania, to monitor the accuracy of the telephone answers provided to tax law questions. In August 1998, the CQRS began evaluating the accuracy of the answers provided to taxpayers through the ETLA program. For FY 1999, the CQRS results showed that the IRS achieved a national accuracy rate of 75 percent for tax law questions. For FY 2000, the Customer Service function established an accuracy goal of 79 percent.

The CQRS needs to provide accuracy rates that are statistically valid at the call site level

The CQRS randomly selects responses based on a Sampling Plan developed by the Statistics of Income Division. The Sampling Plan for FY 1999 projected that the monthly accuracy estimates would be valid at the call site level. The plan was designed using a 70 percent expected accuracy rate with a 90 percent confidence level and a precision margin of plus or minus 5 percent. A total of 13,680 answers were scheduled to be quality reviewed.

Quality results are not statistically valid at the call site level.

However, the CQRS system was not designed to select sample cases by call site and is only able to select a sample from the national population of closed answers. As a result,

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the FY 1999 Sampling Plan was amended to allow the CQRS to review 3,450 answers in order to statistically estimate the national accuracy rate. Therefore, the quality results are not statistically reliable at the call site level.

The call sites specialize in the types of questions they answer, so the complexity levels of the questions differ among these sites. For example, some call sites will answer basic questions concerning filing status or exemptions, while other sites will answer complex questions concerning capital gains and depreciation. This affects the average response times and accuracy rates.

Because accuracy rates vary among tax law issues, the ETLA program does not have statistically valid data to determine which call sites are performing satisfactorily or to identify which call sites are under-achieving and in need of supplemental training. The importance of this specific information is evident in the first Sampling Plan that was developed for FY 1999. Instead of changing the CQRS system to generate monthly accuracy estimates that would be valid at the call site level, the IRS opted to amend the Sampling Plan to generate only national statistics.

Individual call site statistics are presented in the CQRS database as call site level quality rates.

The results of the weekly CQRS reviews are made available to the 10 call sites. Although these statistically valid results reflect national rates, the individual call site statistics are presented in the CQRS database as call site level quality rates. Customer Service function managers use this information at both the national and local level to help manage the ETLA program. However, this information is not a reliable measurement of quality, and its use as such may result in local managers either believing that the quality of answers is at an acceptable level when there are quality problems, or taking unnecessary corrective actions when there are no quality problems.

The Customer Service function should coordinate with the CQRS function and the Statistics of Income Division to determine the optimum sampling design that would meet the

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quality assurance needs of the ETLA program. The Sampling Plan should be designed to provide accuracy rates at the call site level as well as national statistics.

Recommendation

4. The Assistant Commissioner (Customer Service) should improve the quality measurement system by coordinating with the CQRS function and the Statistics of Income Division to determine the optimum sampling design that would meet the quality assurance needs of the ETLA program. The Sampling Plan should be designed to provide accuracy rates at the call site level as well as national statistics.

Conclusion

The Customer Service function can more effectively and economically improve the current ETLA program to provide taxpayers with quality customer service. Our analysis of the ETLA program and three Internet web sites and consultations with tax officials from two state governments identified several opportunities to further improve the level of service to taxpayers. The areas identified focus on modifications to the current process and could assist the IRS in meeting taxpayer demand during its implementation of long-term technological strategies to increase electronic correspondence with taxpayers.

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Appendix I

Detailed Objective, Scope, and Methodology

The overall audit objective was to identify enhancements applicable to the current Electronic Tax Law Assistance (ETLA) program. The following steps were completed to accomplish the audit objective:

- I. To identify enhancements that could assist the Internal Revenue Service (IRS) in its efforts to improve the accuracy and timeliness of information provided via e-mail responses to taxpayer Internet questions, we:
 - A. Reviewed the strategic plans to expand the ETLA program in order to provide greater assistance within established time constraints.
 1. Reviewed program goals, critical success factors, performance measures, and the follow-up system for monitoring progress.
 2. Reviewed the existing tax law e-mail systems used by the state revenue departments in Pennsylvania and New Jersey to identify “best practices.”
 3. Reviewed the minutes of the Customer Service - Risk Management Group meetings for Fiscal Year 2000.
 - B. Evaluated the adequacy of the management control system, developed by the Offices of the Chief, Automated Systems, and the Chief, Measures and Analysis Branch, for taxpayer Internet contacts.
 1. Evaluated the process for providing taxpayers with accurate and timely tax information. We evaluated the method used to control, assign, and complete cases in accordance with established standards.
 - a. Selected a judgmental sample of 50 Small Business/Self-Employed Taxpayer questions that were posted to Internet Bulletin Boards and submitted them to the IRS and 3 commercial Internet web sites.
 2. Evaluated the process for assuring the timeliness of responses. The IRS goal is to provide a response to a taxpayer question within 2 business days.

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3. Evaluated quality control review procedures and the process used to assure that a sufficient number of responses are reviewed to provide a statistically valid measurement of the quality of tax information provided to taxpayers.
 - a. Reviewed the process for providing quality review results to the 10 call sites and the usefulness of the quality review information that is provided to Customer Service function employees.
4. Assessed the Customer Service function's plans for increasing productivity and the timeliness of responses.
 - a. Reviewed methods for assigning questions to employees on a first-in-first-out basis.
 - b. Reviewed instructions issued to employees concerning questions that require special handling (referrals) and other questions that are beyond the ability of the Customer Service function employees (e.g., legal interpretations).
5. Analyzed the ETLA Management Information Reports that are used to manage the inventory of questions and the availability of resources to meet scheduling and cycle time goals.

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Appendix II

Major Contributors to This Report

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Benjamin Hawkins, Auditor

Frank Maletta, Auditor

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Appendix III

Report Distribution List

Deputy Commissioner Operations C:DO
Chief Information Officer IS
Chief Operations Officer OP
Assistant Commissioner (Customer Service) OP:C
National Taxpayer Advocate TA
Office of the Chief Counsel CC
Office of Management Controls CFO:A:M
Director, Customer Service Compliance, Accounts and Quality OP:C:A
Director, Customer Service Telephone Operations and Systems OP:C:T
Director, Customer Service Center OP:C:CS
Director, Legislative Affairs CL:LA
Director, Office of Program Evaluation and Risk Analysis M:O
Audit Liaison: Assistant Commissioner (Customer Service) OP:C

Glossary of Terms

Call Sites/Call Centers – Any location within a company where people, telephones, and computers handle quantities of incoming and/or outgoing calls. The Internal Revenue Service (IRS) sites/centers provide assistance to taxpayers by answering questions, providing assistance, and resolving account-related issues.

Centralized Quality Review Site (CQRS) – The IRS’ corporate monitoring system for its main toll-free telephone lines. The role of the CQRS is to provide a single product review system that provides qualitative and quantitative data for use in determining whether the IRS is fulfilling its three goals of increasing voluntary compliance, reducing taxpayer burden, and improving quality-driven productivity and customer satisfaction.

Collection – The function of the IRS that is responsible for collecting the proper amount of Federal tax from all persons who have not filed returns and/or paid tax as required by law.

Compliance – A term used to describe the IRS’ Collection and Examination functions whose mission is to ensure taxpayer compliance through collecting delinquent taxes and auditing tax returns to determine correct tax liabilities.

Customer Satisfaction Surveys – A voluntary survey to measure how satisfied taxpayers were with the service provided by the IRS.

Customer Service – When capitalized in this report, refers to the function in the IRS that is responsible for direct taxpayer contact in such areas as toll-free telephone assistance, electronic tax law assistance, and “walk-in” site assistance.

Customer Service Representative (CSR) – An IRS employee who may work with taxpayers on the telephone, as well as handle paper inventory resulting from telephone contacts.

E-Mail – Electronic text mail used for the transmission of messages sent from a computer terminal or computer system.

Examination – The IRS function that administers a national audit program involving the selection and examination of all types of Federal tax returns to determine correct tax liabilities.

Filing Season – The period from January 1 through April 15 of each calendar year during which most taxpayers typically file their individual income tax returns.

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Fiscal Year (FY) – A 12-month period that ends on the last day of any month except December. The IRS’ fiscal year runs from October 1 of one calendar year through September 30 of the following calendar year.

Full Time Equivalent (FTE) – The number of full-time employees that would be required during a period to perform the work done during that period. To calculate the FTE, divide the number of seconds of work performed by the number of seconds in the period. For example, if employees spent a total of 7,200 seconds handling calls during a half-hour (1,800 second) interval, the FTE for call handling during the interval is
 $7,200 \text{ person-seconds} / 1,800 \text{ seconds} = 4 \text{ persons}$.

Internet – A network of many large computers joined together over high-speed data links.

Scheduling – The process of forecasting the workforce that will be needed to meet the anticipated customer demand.

Toll-Free Telephone System – A variety of IRS toll-free telephone lines to assist taxpayers in meeting their Federal tax obligations.