

IRS EDUCATION AND TRAINING: ENHANCING COMPLIANCE

NATIONAL COUNCIL FOR TAXPAYER ADVOCACY

~

WILLIAM STEVENSON,

Spokesman

BRYAN GATES,

Founder

January 26, 2004

IRS EDUCATION AND TRAINING: ENHANCING COMPLIANCE

OVERVIEW

The purpose of this paper is to focus attention, stimulate discussion and provoke action in the area of education and training programs for Internal Revenue Service personnel. The National Council for Taxpayer Advocacy is recommending an alternative approach designed to upgrade the current structure of education and training. We will also present anecdotal evidence that the Service's current structure is not working.

A robust program of education and training of IRS employees at every level can improve efficiencies and is the key that can unlock the door to increased compliance for many out-of-compliant taxpayers. These citizens are our clients and they want us to help them get into tax compliance with their Government. Problem solving by under trained staff, to some degree, is preventing both compliant and out-of-compliant taxpayers from resolving their issues. The IRS staff at all levels: executive, management and front-line personnel must be educated in the new service/enforcement environment. Everyone must be in harmony regarding the relationship among taxpayers, practitioners and service employees. Furthermore, IRS staff at all levels must be involved in a continuous training program to bolster their abilities to perform their functions with a perspective of the real world built on a foundation of technical knowledge.

CURRENT STATE OF AFFAIRS

Education and training is an on going process. It is not an incident. In early 1999 the Service delivered to Congress the statutorily required "Comprehensive Employee Training

Program”. It was designed to ensure adequate customer service training (Sec. 1205)(b)(1) of RRA ‘98).

While the focus on service was an admirable and impressive beginning, the document did not address the substantive and technical needs of its staff. Furthermore, it appears that the interests of both the IRS and Congress in the contents of the document waned in the same year it was delivered.

The IRS’ intent and commitment, that was stated at the very beginning of the excellent report and repeated several times throughout, was commendable. In a joint statement by Rob Wilkerson, Assistant Commissioner (Customer Service) and Ron Sanders (Director of Education), they said, “Customer Service and Corporate Education are committed to working together at the national level to deliver the best training program possible.”

While the words are inspiring, in our opinion, the implementation has fallen far short of minimal expectations.

The apparent lack of commitment to education and training by the IRS is revealed in a number of ways:

1. The resources deployed to fund and support a major educational and training effort are only 1% of its budget for training (TIGTA Audit # 200210037 page 7) . The Committee Report from RRA ‘98 stated: “The bill requires the IRS to place a high priority on employee training and to adequately fund employee training programs...” Also, TIGTA reported on September 29, 2003, that “..the training data provided to the IRS Oversight Board by the IRS were not adequate for the Board to perform an assessment or to develop a baseline of training in the IRS.” This seems like an excellent area for Congress and the Oversight Board to provide **oversight**.

2. The IRS Director of Learning and Education reports to the Chief Human Capital Officer: who, in turn, reports to the Deputy Commissioner for Operations. That means that the education functions falls three administrative levels below the Commissioner of the Internal Revenue Service. Finally, the Director of Learning and Education has no line authority over those very people who are most effected by the training needs of the organization. There is no direct line and staff relationship to the Deputy Commissioner for Services and Enforcement.

3. Many IRS employees believe that their education and training could be improved. Some feel that they lack some of the skills necessary to perform their jobs and that inadequate training is the number one barrier to providing world class service. The following quotes were shared with us by experienced IRS personnel from around the country:

A. “Frankly, all the reorganization that has been occurring in the past many years has also affected the training process—we get managers who are not knowledgeable in the employees’ lines of work and, therefore, cannot help with our training and development.”

B. “We are allowed one week for training. Then we have a multitude of categories to select from not knowing what we will be dealing with in the coming year. In a small area such as mine, a revenue agent does not have the luxury of specializing. The R/A must become familiar with any and all business types. We are jack of all trades and master of none.”

C. “I was recently sent to another part of the country to learn about the offshore credit card project because we have several of those cases in our area. We were given 32 hours of training. Now I’m back at home dealing with offshore credit card cases along

with other matters. Each case I pick up has its own varied twist. I am dealing with international issues, foreign currency activity, offshore entities, US residents living abroad, etc. The 32 hours of training did not cover the bulk of this knowledge so I am left to my own devices to learn what I can from reading, other R/A's, etc. My biggest problem as I see it is wondering if I am getting all the knowledge I need to deal with these taxpayers' issues fairly."

D. "Regardless of what is written in the Internal Revenue Manual, training in the IRS is a 'check the box' mentality. Executives and managers are only concerned with numbers and not quality education which would result in improved tax administration. From time to time the IRS will hire a qualified person to run the education program. The right words will be said, the staff is not being improved. Also, these people get discouraged and don't stay around too long; therefore, we have no continuity."

4. The practitioner community is having difficulty resolving taxpayers' problems because many IRS employees lack training necessary to close cases.

The lack of commitment to education and training is manifest in the Agency's modest budget coupled with the low placement of the function within the IRS. The National Council for Taxpayer Advocacy believes that a mid course correction is now in order.

MID-COURSE CORRECTION

The Service should elevate the importance of its education and training functions by creating a 'virtual university.' The 'virtual university' will focus the attention of IRS executives

on the issue of education and training. We are not recommending the creation of a university with bricks and mortar in the traditional sense, but, rather an **'IRS University Without Walls'**. The University will centralize policy development and oversee the design and implementation of the Agency's educational and training programs which will be delivered throughout the country utilizing a variety of methods. The 'IRS' University Without Walls' should be headed up by individuals who have demonstrated expertise in the areas of educational administration and the education process.

The centralized functions of the University will be to:

1. Administer a national training program,
- 2.. Design curriculum,
3. Develop programs,
4. Teach courses designed to support the Congressional customer service mandate,
5. Enhance the Commissioner's effort to improve compliance and enforcement,
6. Develop budgets and
7. Measure program effectiveness.

While simply using the terms 'college' or 'university' is not enough to provide a new direction, it will signal to all concerned that the Agency recognizes the importance of education and training. The foundation for staff development and cultural change is totally dependent on a program that will deliver quality education and training.

The Service's underfunded and flawed education and training programs, to a large degree, are responsible for the low morale of our IRS colleagues. A professionally educated and trained staff, performing at the level of their abilities, will unleash productivity that is being

dampened by poor morale overlain with negative feelings of job frustration and self-worth.

RECOMMENDATIONS

1. An experienced educational administrator should be recruited to administer the 'IRS' University Without Walls. This individual should report directly to the Deputy Commissioner for Service and Enforcement and be given a five-year contract.

2. Resources should be deployed to attract specialists in the field of education, administration, staff development, human relations, tax administration, leadership and so forth.

3. An ad hoc committee for education and training should be appointed to develop recommendations on how to measure educational effectiveness. The Committee could also advise the IRS as to organizational structure and curriculum design. A small working group of Oversight Board members and educators should be included in the Committee. We would also be looking to capture the views of IRS executives, managers, front-line staff and union representatives.

4. Education and training programs should be offered in the areas of administrative techniques, supervision, tax law, processes and procedures, technology, human relations, ethics, cultural diversity and communications. These programs should include topics and methods of delivery recommended by front-line staff.

5. The 'IRS' University Without Walls' should be funded properly.

6. Regardless of where the university is placed within the IRS' organizational structure, it should be the affirmative duty of each manager to assure that their staffs are trained to discharge their duties in the most effective and efficient manner possible. If someone is not adequately trained, it should be the fault of the manager and not the university.

7. The IRS must institutionalize the concept of staff development. For example, it should not be assumed that recently promoted or newly hired executives and managers with outstanding technical expertise have the administrative skills necessary to effectively manage a group, department or division. The granting of titles does not necessary mean that individuals are fully developed. Section 6.410.1.1.4.1 of the Internal Revenue Manual beautifully states: “The goal of the IRS Learning and Education program is to enable the Internal Revenue Service to become a learning organization. Learning organizations work persistently to expand the capacity of their employees to create desired results and to nurture new and expansive patterns of thinking. In learning organizations, people are continually learning how to learn together.” The balance of IRM 6410.1.1.4.1 speaks admirably about the importance of education. The University concept can put these outstanding goals into play.

The above recommendations, if adopted, will help provide the foundation necessary to build an Agency ready to tackle the challenges of the rest of the 21st Century.

CONCLUSION

If IRS executives accept the view that a mid-course correction is in order, the IRS will restructure and refocus its priorities and give more attention to its employee education and training programs.

William Stevenson, Ed.D., EA

National Council for Taxpayer Advocacy Spokesperson

(Note Bill has a Doctorate in Educational Administration and has served on the planning teams for two newly formed community colleges: one in New Jersey and the other in New York City.)