



## Treasury Inspector General for Tax Administration

### SYSTEM UPDATES AND CONTROL IMPROVEMENTS ARE NEEDED TO ENSURE CONTACT RECORDING WILL PROVIDE AN ACCURATE ASSESSMENT OF TAXPAYER ASSISTANCE QUALITY

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## Highlights

Highlights of Report Number: 2007-40-115 to the Internal Revenue Service Commissioner for the Wage and Investment Division.

### IMPACT ON TAXPAYERS

The Internal Revenue Service's (IRS) Taxpayer Assistance Centers provide taxpayers with face-to-face assistance on tax matters. The IRS is implementing at the Taxpayer Assistance Centers a standardized quality measurement system that records taxpayers' interactions to measure the quality of service it provides them. System updates and control improvements are needed to ensure the Contact Recording System is providing reliable data that can be used to accurately measure the quality of assistance provided to taxpayers.

### WHY TIGTA DID THE AUDIT

Contact Recording is an innovative approach to quality control for face-to-face interactions between assistors and taxpayers. Its implementation addresses many concerns raised by TIGTA on the accuracy of tax law answers and the need for a quality measurement system with which to set goals and measure progress toward achieving those goals. This review was conducted to assess the effectiveness of the Contact Recording System to determine whether it is functioning as intended.

### WHAT TIGTA FOUND

In Fiscal Years 2006 and 2007, the IRS implemented the Contact Recording System in 126 of its 401 Taxpayer Assistance Centers. As of December 31, 2006, managers had reviewed 1,554 recordings to evaluate employee performance, and Centralized Quality Review System Office reviewers had reviewed 1,635 recordings to evaluate the accuracy of the responses to tax law and tax account questions.

However, challenges remain before the Contact Recording System can be installed in the remaining

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275 Taxpayer Assistance Centers. In Fiscal Year 2007, the Field Assistance Office lost funding needed to continue implementation. The IRS had begun developing the Taxpayer Assistance Blueprint, a 5-year plan for preferred service delivery to individual taxpayers within available resources, and did not want to commit funds to install the Contact Recording System in the remaining Taxpayer Assistance Centers until the Taxpayer Assistance Blueprint report was issued.

System patches are needed to ensure the Contact Recording System will produce quality results. System software is prematurely deleting recordings, a database problem is preventing the automatic uploading of recordings, and flaws prevent all recordings from having an equal chance of being selected for quality review. The IRS agreed these issues could affect the quality results if patches are not installed but believes oversampling by at least 5 percent minimizes the problems.

Internal controls also need to be improved to ensure the Contact Recording System is operating as intended and providing quality results. There is insufficient monitoring to ensure assistors are not opting out of recordings to avoid having the contacts selected for review, the System is not periodically validated to ensure all taxpayer interactions are being recorded, and the System was not designed to generate scheduled management information reports that could be used to monitor its operation.

### WHAT TIGTA RECOMMENDED

The Commissioner, Wage and Investment Division, should evaluate and ensure funding for modernizing the Taxpayer Assistance Centers is sufficient to continue installation, after considering the Taxpayer Assistance Blueprint results; implement systemic changes and install patches to ensure the System is operating effectively; ensure all desktop computers have sufficient capacity and all recordings are included in the sampled population; conduct periodic validations of Contact Recording System data to ensure taxpayer and assistor interactions are recorded; and develop reports and procedures to monitor and identify anomalies and errors.

In their response to the report, IRS officials agreed with all recommendations. They have taken or plan to take appropriate corrective actions.

### READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2007reports/200740115fr.pdf>.

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