COMMISSIONER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

November 17, 2000

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MEMORANDUM FOR DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Charles O. Rossotti
Commissioner of Internal Revenue

SUBJECT: Draft Audit Report – The Collection Quality Measurement System's Process Can Be Enhanced

We appreciate the opportunity to respond to your draft report, "The Collection Quality Measurement System's (CQMS) Process Can Be Enhanced." The report is a review of the CQMS process to see how well it measures the quality of collection work and whether the results are used to improve overall effectiveness.

As you reported, we recently revised the CQMS standards to balance our traditional case action measures against a renewed emphasis on customer service, taxpayer rights, fairness, and judgment. Although we are still evaluating the effectiveness of these changes, we agree with the overall conclusion of the report that CQMS can be improved to provide additional information to Collection function managers.

Our comments on the recommendations in this report are as follows:

IDENTITY OF RECOMMENDATION 1
The IRS Collection function management should add a standard to measure whether additional liabilities accrue between the time cases are assigned to the Collection Field function (CFf) and the time revenue officers first contact taxpayers.

ASSESSMENT OF CAUSE
None

CORRECTIVE ACTION
We will develop an additional standard to measure whether additional liabilities accrue between the time cases are assigned to the CFf and the revenue officer's first contact and will add it to the CQMS review.

IMPLEMENTATION DATE
May 1, 2001

RESPONSIBLE OFFICIAL
Director, Strategy, Research and Performance Management (SRPM)

CORRECTIVE ACTION MONITORING PLAN
We will send a copy of the new CQMS standards to the Director, SRPM no later than February 1, 2001.

IDENTITY OF RECOMMENDATION 2
IRS Collection function management should add a standard to measure the timeliness of assessing the Trust Fund Recovery Penalty (TFRP).

ASSESSMENT OF CAUSE
None

CORRECTIVE ACTION
CQMS measures the actions of field personnel only. Field personnel have no authority to initiate an assessment; we limit assessment authority to Service Center personnel. We will develop an additional standard to measure how quickly field personnel recommend the TFRP. The timeliness of the TFRP recommendation influences the timeliness of the assessment activities.

IMPLEMENTATION DATE
May 1, 2001

RESPONSIBLE OFFICIAL
Director, SRPM

CORRECTIVE ACTION MONITORING PLAN
We will send a copy of the new CQMS standards to the Director, SRPM no later than February 1, 2001.

IDENTITY OF RECOMMENDATION 3
Consider a way to categorize results by type of taxpayer, such as individual or business, or type of business and provide that information to field Collection management.

ASSESSMENT OF CAUSE
None

CORRECTIVE ACTION
We will submit a request for programming to allow the CQMS program to capture and report types of taxpayer.

IMPLEMENTATION DATE
February 1, 2001

RESPONSIBLE OFFICIAL
Director, SRPM

CORRECTIVE ACTION MONITORING PLAN
We will send a draft copy of the Request for Information Services (RIS) to the Director, SRPM no later than February 1, 2001.

IDENTITY OF RECOMMENDATION 4
The IRS Collection function management should implement national corrective actions to improve standard areas with low nationwide scores.

ASSESSMENT OF CAUSE
Relying on field offices to take their own corrective actions did not always result in improvements.

CORRECTIVE ACTION
The appropriate staff of Strategy, Research and Performance Management and Compliance Policy will study the feasibility of using CQMS results to provide national guidance and decide if it will be used to implement national corrective actions.

RESPONSIBLE OFFICIAL
Director, SRPM

IMPLEMENTATION DATE
March 1, 2001

CORRECTIVE ACTION MONITORING PLAN
The Director, Compliance Policy, will review the findings of the study and establish policy with the agreement of Strategy, Research, and Performance Management.

If you have any questions, please call Charles W. Peterson, Director, Strategy, Research, and Performance Management, at (202) 927-2270.