



Treasury Inspector General for Tax Administration

THE DEVELOPMENT OF SPECIFIC LONG-TERM MEASURES AND TARGETS IMPROVED THE INTERNAL REVENUE SERVICE'S STRATEGIC PLAN (2005 – 2009)

Issued on August 23, 2007

Highlights

Highlights of Report Number: 2007-10-140 to the Acting Internal Revenue Service Commissioner.

IMPACT ON TAXPAYERS

With the addition of new long-term measures and targets, the Internal Revenue Service's (IRS) Strategic Plan (2005 – 2009) articulates the IRS' major strategies, allows taxpayers to see what it expects to accomplish over the next several years, and provides the means to better determine its progress toward those goals. A well-designed Strategic Plan provides taxpayers with transparency of IRS strategic goals and how it intends to accomplish them.

WHY TIGTA DID THE AUDIT

This audit was included in our Fiscal Year 2006 Annual Audit Plan. The Government Performance and Results Act of 1993 was enacted to bring more accountability to Federal Government agencies in how they spent their budget and how well they fulfilled their public service role. Our overall objective was to determine whether the IRS' Strategic Plan (2005 – 2009) met the requirements of this Act to establish the IRS' highest priority goals and identify strategies to achieve them.

WHAT TIGTA FOUND

The Strategic Plan (2005 – 2009) complies with the major requirements of the Government Performance and Results Act of 1993, the Office of Management and Budget, and the Department of the Treasury. It describes the IRS' three strategic goals (Taxpayer Service, Enforcement, and Modernizing the IRS) in a manner that is clear, easy to understand, and concise. Furthermore, the goals are supported by more detailed objectives and methods that will be used to accomplish them.

However, as originally issued, the Strategic Plan contains only one measurable target associated with the Taxpayer Service goal, making it very difficult to know what progress the IRS planned to make in the 5-year period covered by the Plan. In response to a

Email Address: Bonnie.Heald@tigta.treas.gov
Web Site: <http://www.tigta.gov>

request by the IRS Oversight Board, the IRS added five long-term measures and targets that the Board approved in March 2007. The Board also required the IRS to develop additional targets related to improving customer service and modernizing its technology systems. Although the Oversight Board approved the new measures and targets for inclusion in the Strategic Plan in March 2007, as of June 2007, the IRS had not updated the Plan to include them or posted them on the IRS web site. In our opinion, to be of use to the greatest number of IRS stakeholders, the new targets and measures (as well as the additional measures required by the Oversight Board when they are completed) should be published on the IRS web site on the same page as the current Strategic Plan.

In addition, some elements required by the Department of the Treasury are not included in the Strategic Plan.

WHAT TIGTA RECOMMENDED

TIGTA recommended the Chief Financial Officer post the approved IRS-wide strategic measures and targets on the IRS web site on the same page as the current Strategic Plan. Any additional measures developed by the IRS and approved by the Oversight Board should also be added to the web site. Future versions of the Strategic Plan should contain quantifiable long-term measures and targets for each of the strategic goals and address all Department of the Treasury requirements.

In their response to the report, IRS officials agreed with our recommendations and proposed planned corrective actions to address the issues identified in the report. These actions include posting the set of approved enterprise-wide measures and targets on the IRS web site in the same section as the Strategic Plan and adding the new measures once approved by the Oversight Board. In addition, the Chief Financial Officer plans to review Department of the Treasury guidance and incorporate those requirements in the next Strategic Plan.

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/200710140fr.pdf>.

Phone Number: 202-927-7037