



Treasury Inspector General for Tax Administration Office of Audit

THE ENTERPRISE COLLECTION STRATEGY ORGANIZATION HAS CENTRALIZED MANAGEMENT OF THE COLLECTION ORGANIZATION; HOWEVER, PERFORMANCE MEASURES AND KEY ROLES NEED TO BE DEVELOPED

Issued on June 7, 2013

Highlights

Highlights of Report Number: 2013-30-054 to the Internal Revenue Service Deputy Commissioner for Services and Enforcement.

IMPACT ON TAXPAYERS

The Enterprise Collection Strategy (ECS) organization was created in January 2011 with a goal of improving organizational performance by reorganizing Collection operations to eliminate redundancies and inconsistencies. While the ECS organization has centralized management of the Collection organization, the IRS did not develop sufficient performance measures or sufficiently define organization roles and responsibilities. It is important that the IRS measure progress towards achieving its goal because eliminating redundancies and inconsistencies within Collection organization operations will help to ensure that taxpayers are treated more equitably in collection matters.

WHY TIGTA DID THE AUDIT

In February 2010, the Deputy Commissioner for Services and Enforcement chartered the Collection Process Study to conduct a broad-based review of the IRS's collection processes. This study recommended the creation of a unified Collection organization. As a result, the ECS was created. This audit was initiated to assess the IRS's effectiveness in establishing and implementing the ECS to achieve its goal.

WHAT TIGTA FOUND

The ECS has centralized management of the Collection organization. The operating units are working together to manage resources, identify emerging issues, and improve organizational performance.

However, the IRS did not create performance measures for the ECS to sufficiently determine the success of the transition, evaluate ongoing ECS performance, or measure the ECS's effect on overall Collection organization operations. Without measures, IRS

management may not have complete information to make decisions about changes needed to improve performance.

In addition, IRS management did not document roles and responsibilities for eight of the 21 individual ECS groups in the four divisions. Without clearly defined roles and responsibilities, redundancies and inconsistencies may continue to exist among the two operating divisions and four organizations responsible for collection activities.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the IRS consider additional performance measures to assess the benefits of the ECS organization, prepare an evaluation report to document the results of the reorganization and to analyze any need for changes, and clearly define the roles and responsibilities of the ECS organization to ensure that redundancies and inconsistencies have been eliminated.

In their response to the report, IRS officials agreed with the recommendations and 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/2013reports/201330054fr.pdf>