‘An Inspector General Like No Other’

Treasury Inspector General for Tax Administration

Strategic Plan

Fiscal Years 2009 - 2014

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TIGTA's Vision

To maintain a highly skilled proactive and diverse Inspector General organization with a record of protecting and promoting fair tax administration.

TIGTA's Mission

Provide integrated audit, investigative, and inspection and evaluation services that promote economy, efficiency, and integrity in the administration of the Internal Revenue laws.

TIGTA's Core Values

- **Integrity** – Maintain the highest professional standards of independence, objectivity and operational excellence in pursuit of TIGTA's mission.

- **Organizational Innovation** – Model advanced practices in organizational structure, audit, investigative, and inspection and evaluation methodology through adoption of cutting edge information technology.

- **Value Employees** – Respect employees' dignity, contributions, work-life balance, and recognize diversity as fundamental to the strength of our organization.

- **Commitment to Community** – Establish and maintain collaborative and professional relationships with other government and non-governmental stakeholders.

TIGTA's Priorities

Adapting to the Internal Revenue Service's (IRS) continuously evolving operations and mitigating intensified risks associated with modernization, security, addressing the Tax Gap, and human capital challenges facing the IRS.

Responding to threats and attacks against IRS employees, property, and sensitive information.

Improving the integrity of IRS operations by detecting and deterring fraud, waste, abuse, or misconduct by IRS employees.

Conducting comprehensive audits, inspections, and evaluations that include recommendations for monetary benefits and enhancing IRS's service to taxpayers.

Informing the American people, Congress, and the Secretary of the Treasury of problems and progress made to resolve them.

Statutory Requirements

This Strategic Plan provides a framework for the work of the Treasury Inspector General for Tax Administration (TIGTA) as mandated by the *Inspector General Act of 1978,* as amended; and the *Internal Revenue Service Restructuring and Reform Act of 1998 (RRA 98).*

Mandates of the *IG Act of 1978*, as amended

- Provide policy direction and conduct, supervise, and coordinate audits and investigations relating to IRS programs and operations.
- Review existing and proposed legislation and regulations relating to IRS programs and operations and make recommendations concerning the impact of such legislation or regulations.
- Promote economy and efficiency in the administration of the tax laws.
- Prevent and detect fraud and abuse in IRS programs and operations including protection of IRS resources and employees from external threats to tax administration.
- Inform the Secretary of the Treasury and Congress of problems and deficiencies identified and of the progress made in resolving them.
- Report potential criminal violations directly to the Department of Justice.

Mandates of *RRA 98*

RRA 98 imposes additional requirements on TIGTA in relation to reporting on specific IRS activities. These additional responsibilities include:

- Evaluating compliance with
  - *Section 1204* of *RRA 98* on the use of enforcement statistics to evaluate IRS employees.
  - Restrictions on contacting taxpayers who have indicated that they prefer their representatives be contacted.
  - Procedures for filing a notice of a lien.
  - Procedures for seizures of property for collection of taxes, including procedures regarding levies.
  - Removal of the Illegal Tax Protestor designation.

- Reviewing and certifying whether the Secretary of the Treasury is complying with the requirements to disclose information on collection activity to an individual.
- Providing information regarding extension of the statute of limitations for assessment and collection of tax and the provision of notice to taxpayers regarding requests for such extension.
- Evaluating the adequacy and security of IRS technology.
- Providing information on any termination or mitigation under *Section 1203* of *RRA 98*.
- Providing information regarding improper denial of requests for information from the IRS.
- Providing information regarding any administrative or civil actions with respect to violations of the fair debt collection provisions of *Section 6304* of the *Internal Revenue Code*.

Organizational Structure

TIGTA provides independent oversight of Treasury Department matters involving IRS activities, the IRS Oversight Board, and the IRS Office of Chief Counsel.

Although TIGTA is placed organizationally in Treasury's Departmental Offices and reports to the Secretary of the Treasury and to Congress, TIGTA functions independently from the Departmental Offices and all other offices and bureaus within the Department.

TIGTA's work is devoted to all aspects of activity related to the Federal tax system as administered by the IRS. By identifying and addressing IRS's management challenges, and the priorities of the Department of the Treasury, TIGTA protects the public's confidence in the tax system.

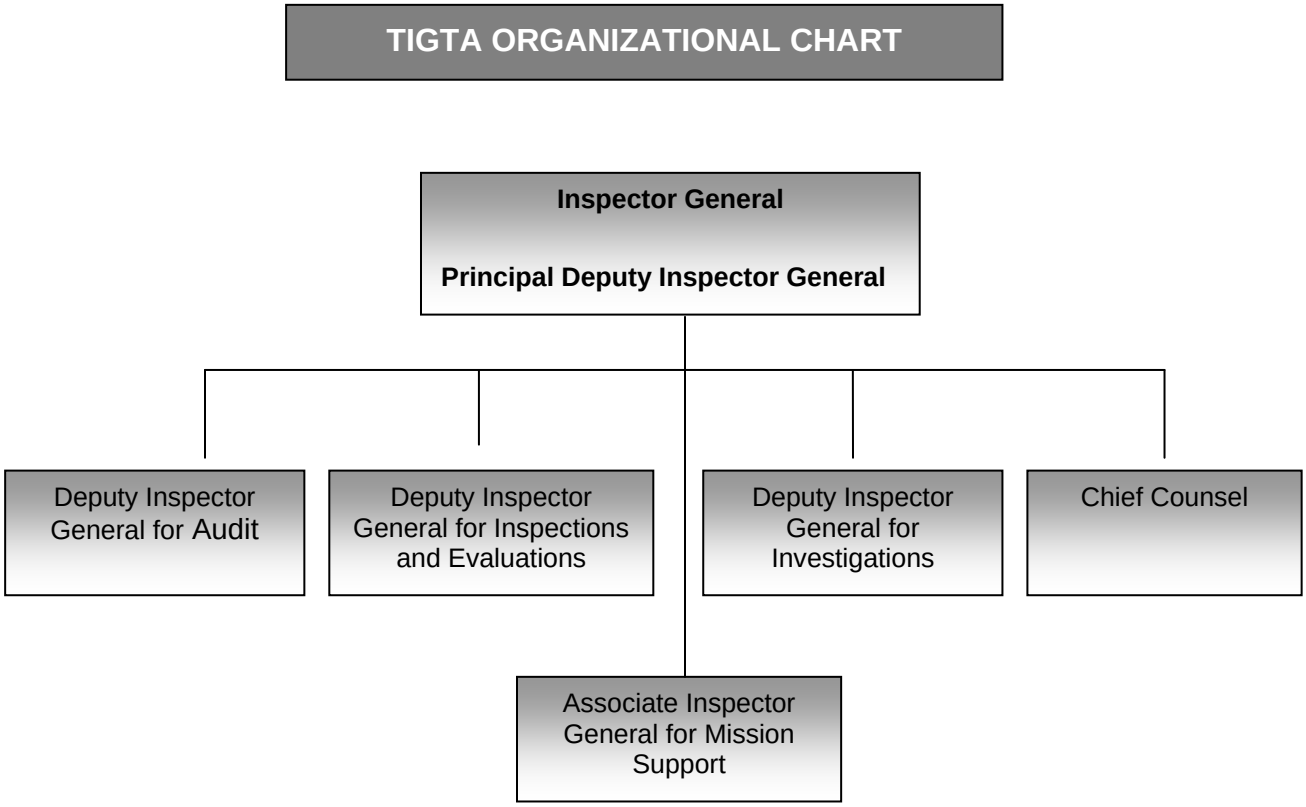
TIGTA's organizational structure is comprised of five functional offices: the Office of Audit; the Office of Investigations; the Office of Inspections and Evaluations; the Office of Chief Counsel; and the Office of Mission Support.

STATUTORY MANDATE

- **Protect** against external attempts to corrupt or threaten IRS employees.
- **Provide** policy direction and conduct, supervise, and coordinate audits and investigations related to IRS programs and operations.
- **Review** existing and proposed legislation and regulations related to IRS programs and operations, and make recommendations concerning the impact of such legislation or regulations.
- **Promote** economy and efficiency in the administration of tax laws.
- **Prevent** and detect fraud and abuse in IRS programs and operations.
- **Inform** the Secretary of the Treasury and Congress of problems and deficiencies identified and of the progress made in resolving them.

TIGTA conducts integrated audits, investigations, inspections, and evaluations designed to:

- Promote the economy, efficiency, and effectiveness of tax administration; and
- Protect the integrity of tax administration.



Authorities

TIGTA has all of the authorities granted under the *Inspector General Act of 1978*, as amended.[1] TIGTA has access to tax information in the performance of its tax administration responsibilities. Additionally, TIGTA has the sole authority to conduct an audit or investigation of the Internal Revenue Service Oversight Board and the Chief Counsel for the IRS.

In addition, the *IRS Restructuring and Reform Act of 1998*[2] amended the *Inspector General Act of 1978* to give TIGTA statutory authority to carry firearms, execute and serve search and arrest warrants, serve subpoenas and summonses, and make arrests as set forth in Section 7608(b)(2) of the Internal Revenue Code (I.R.C.).

[1] 5 U.S.C.A. app. 3 (West Supp. 2008).

[2] Public Law No. 105-206, 112 Stat. 685 (codified as amended in scattered sections of 2 U.S.C., 5 U.S.C. app., 16 U.S.C., 19 U.S.C., 22 U.S.C., 23 U.S.C., 26 I.R.C., 31 U.S.C. 38 U.S.C., and 49 U.S.C.).

Strategic Planning Process

The *Government Performance and Results Act (GPRA) of 1993* requires Federal agencies to develop goals, objectives, related strategies and performance measures that gauge program results. *GPRA* also requires a description of the program evaluations used to establish or revise general goals and objectives.

TIGTA's strategic management process was led by the Inspector General and coordinated through the Office of Mission Support, Finance and Accountability (Accountability). A strategic planning team comprised of representatives from TIGTA's five functions provided input to help ensure the *Strategic Plan* transparently crosscut all levels of the organization. Representatives from TIGTA's Journey-Level Advisory Council (JAC) also participated in the planning process. The purpose of the JAC is to propose changes in operations and suggest ideas for the future direction of TIGTA. In addition to the *IG Act*, *RRA 98*, and *GPRA*, information was solicited and/or gathered from Congress, President's Council on Integrity and Efficiency (PCIE), Secretary of the Treasury, IRS Commissioner, IRS Oversight Board, TIGTA's *Semiannual Reports to Congress*, TIGTA's budget justifications, TIGTA's *Management and Performance Challenges Facing the Internal Revenue Service*, and management information data from TIGTA's five functions.

Pertinent planning information was also gathered from an environmental scan that assessed trends in information technology; human capital management, including workforce demographics; the Federal budget environment; and the congressional and legislative environment. TIGTA identified which issues required monitoring and further assessment. In addition to forecasting those areas likely to affect TIGTA, we performed a SWOT (strengths, weaknesses, opportunities and threats) analysis to assess where we should direct our strategic emphasis.

Accountability staff kept abreast of strategic planning issues and requirements by attending strategic planning training, particularly related to performance-budget integration and development of outcome-based measures using Logic modeling; coordinating with Treasury's strategic planning efforts; seeking the Office of Management and Budget (OMB) feedback on *TIGTA's Strategic Plan's 2003 – 2008* performance measures and reviewing elements of OMB's Program Assessment Rating Tool (PART) in the strategic planning process; and consulting with other Federal agency counterparts. Guidance was also sought from TIGTA's senior executive management. Additionally, Accountability worked closely with the functions to help ensure that the functions' work supports TIGTA's mission and vision and can also be linked back to individual staff performance.

TIGTA's integrated audits and investigations functions analyzed their core work elements as part of the strategic planning process. The Office of Audit, as part of its annual audit planning efforts, uses a risk-assessment strategy within its core business areas. The Assistant Inspectors General for Audit advise the Deputy Inspector General for Audit on the major risks facing the IRS in their respective program areas and annually propose a national audit plan based on perceived risks, stakeholder concerns, and follow-up reviews of previously audited areas with significant control weaknesses. In addition, to keep apprised of operating conditions and emerging issues, the Office of Audit executives maintain liaison and working contact with applicable IRS executives, Department of the Treasury and Government Accountability Office officials, and congressional staffs. The Office of Investigations employs a Performance Model to ensure that its resources are appropriately focused on its core mission areas: employee integrity, employee and infrastructure security, and external attempts to corrupt tax administration. The newly created Office of Inspections and Evaluations maintains program flexibility so that it can rapidly respond to emerging issues.

Availability of TIGTA's *Strategic Plan*

TIGTA's Strategic Plan FY 2009 - 2014 will be posted on its internal and public Web sites and distributed within the IRS, Treasury, and the Congress. As part of the planning process, expectations related to the goals and objectives were regularly discussed with managers at all levels. Additionally, staff is kept informed of how their work supports TIGTA's strategic direction through monthly performance charts posted to TIGTA's intranet.

Environmental Factors Affecting TIGTA's Achievement of Its Strategic Goals

A major part of the strategic planning process is to understand the environmental factors that can affect the short and long-term operational success of an organization.

The *Inspector General Reform Act of 2008*[3] was designed to enhance the independence of the Inspectors General. The Act provided several significant fundamental reforms, including the authority for direct submission of budget requests to Congress and considering each Office of Inspector General to be a separate agency for purposes of applying certain provisions of Title 5, United States Code relating to personnel authorities. Additionally, the Act also removed a prohibition for TIGTA to provide physical security for IRS employees.

Further, TIGTA established a separate Office of Inspections and Evaluations to provide an additional level of oversight that allows for flexibilities, leading to quicker and more direct evaluation of certain IRS activities when needed.

[3] Public Law No. 110-409, 122 Stat. 4302.

IRS

As an oversight function, the environment within which the IRS operates directly affects TIGTA. With a budget of $11.3 billion and approximately 100,000 employees, the IRS collects nearly $3 trillion annually to fund the Federal Government. This requires the processing of over 235 million tax returns, issuing nearly $295 billion in refunds, and assisting over 95 million taxpayers. The IRS must continually strive to accomplish these tasks while maintaining the highest level of integrity and assuring taxpayer privacy. The IRS also implements and enforces tax laws to ensure that all parts of the taxpaying public pay the proper amount of tax.[4] These present significant challenges and risks in daily operations.

As described in Presidential Decision Directive NSC-63, IRS operations that fund the Federal Government are part of the Nation's critical infrastructure. Degradation of the public's trust in the tax system leading to a decline in voluntary compliance represents a potential risk to national security.

As a result, TIGTA faces the challenge of adapting its oversight activities to address increasingly complex and high-risk issues associated with IRS operations. Some of these issues include detection and investigation of fraud and electronic crime such as phishing with the fraudulent use of the IRS name and/or symbols; procurement fraud; taxpayer privacy violations; and an increasing number of requests for IRS program reviews from Congress and other IRS stakeholders. Each of these areas presents significant challenges for TIGTA and the IRS.

The IRS also faces significant management and performance challenges, as identified each year by TIGTA's Office of Audit. Some of those challenges include:

Modernization

The Business Systems Modernization Program is a complex effort to modernize IRS technology and related business processes. It involves integrating thousands of hardware and software components while replacing outdated technology and maintaining the current tax system.

The IRS originally estimated that the Modernization Program would last up to 15 years and incur contractor costs of approximately $8 billion.[5] The Program is in its 10th year and has received approximately $2.5 billion for contractor services, plus an additional $310 million for internal IRS costs.

The Modernization Program and processes have not progressed enough to eliminate its material weakness designation, and further reductions in funding could jeopardize the program's ability to deliver planned improvements. The

[4] Statistics in this paragraph are from the IRS's Data Book for FY 2007.

[5] Treasury Inspector General for Tax Administration, Ref. No. 2008-20-129, *Annual Assessment of the Business Systems Modernization Program* (2008).

Modernization Program will remain a high risk for the IRS and should continue to be considered a material weakness.

Security

Millions of taxpayers entrust the IRS with sensitive financial, personal, and other data that are processed by and stored on IRS computer systems. Reports of identity thefts from both the private and public sectors have heightened awareness of the need to protect these data. The risk that taxpayers' identities could be stolen by exploiting security weaknesses in the IRS's computer systems continues to increase, as does the risk that IRS computer operations could be disrupted. Internal factors (such as the increased connectivity of computer systems and increased use of portable laptop computers) and external factors (such as the volatile threat environment resulting from increased terrorist and hacker activity) require strong security controls.

Deficiencies have been found in plans to: protect employees and visitors in IRS facilities; implement a clear command structure; and guide incident stabilization, assessment, and recovery efforts in the event of an emergency. We believe that in the event of an actual emergency such as a terrorist attack or natural disaster, these deficiencies could result in delays in ensuring employee and visitor safety and in beginning efforts to recover critical business processes, such as collecting tax revenue, processing tax refunds, and responding to taxpayer inquiries.

Tax Compliance Initiatives

Another compelling challenge confronting the IRS is tax compliance. Tax compliance initiatives include the administration of tax regulations, collection of the correct amount of tax from businesses and individuals, and oversight of tax-exempt and government entities. Increasing voluntary compliance and reducing the Tax Gap are currently the focus of many IRS initiatives. Nevertheless, the IRS is facing significant challenges in obtaining more complete and timely data, and developing the methods necessary to interpret the data.

ADDITIONAL ENVIRONMENTAL FACTORS

In charting TIGTA's work over the next five years, the agency's strategic plan also takes into account the forces that are likely to shape American society, the United States' place in the world, and the role of the Federal Government.

- The arrival in 2009 of a new administration, including a new Secretary of the Treasury and their executive leadership team will create a new environment in which TIGTA must operate. They will bring their own perspectives, priorities and initiatives which will impact the agency.

- Emerging technology trends. The continuing evolution of Federal tax administration from a paper environment to an electronic environment will require TIGTA to refocus

its resources and the manner in which its work is performed. That, in turn, will drive the substantive skills developed within its workforce and the knowledge, skills, and abilities which will be targeted in those hired.

- Workforce planning. In order to keep pace with the ongoing electronic transformation of Federal tax administration, TIGTA must ensure its current workforce acquires new skills. Additionally, as the existing workforce ages, TIGTA must attract new employees with the essential skills required to perform in this electronic environment.

- Enactment of legislation that impacts the IG community as a whole and TIGTA in particular.

- Public perception of the effectiveness of tax administration.

- Continued budgetary constraints. TIGTA continues to experience fiscal constraints, as funding levels have been limited amongst many Federal agencies. The lack of additional funding has reduced the number of full-time equivalent positions. Additionally, it has decreased the number of high-risk audits that can be conducted and the number of investigations that can be initiated, which address employee integrity, employee and infrastructure security, and external attempts to corrupt tax administration.

- In this post-9/11 era, the continuing war on terrorism places increasing demands on TIGTA's commitment of resources, despite the need to administer a national criminal intelligence program and the Threat and Assault and Armed Escort programs, necessary to ensure the continued safety of IRS personnel, facilities and infrastructure.

Ongoing Program Evaluation

Achievement of the strategic goals is assessed through monitoring of key performance measures. On a monthly basis, each function provides TIGTA's Accountability office with data related to these goals. Accountability analyzes the data and compiles a monthly report that is used by the Inspector General and TIGTA managers to monitor and report on achievements related to performance goals. Additionally, select audit and investigative performance data are charted and posted to TIGTA's internal Web site so that staff can review their function's progress in meeting the annual performance goals.

General Goals, Objectives and Strategies

Goal 1. Promote the Economy, Efficiency, and Effectiveness of Tax Administration

TIGTA's integrated audits, investigations, inspections, and evaluations identify opportunities to improve administration of the Nation's tax laws. TIGTA's comprehensive, independent audits of IRS programs and operations focus on mandated reviews and on high-risk challenges facing the IRS. The audits address a variety of issues, including information technology; computer and employee security; tax compliance initiatives; performance and financial management; taxpayer protection and rights; tax return processing; customer service; human capital; and potential tax fraud. Recommendations result in cost savings, as well as other quantifiable impacts, such as protection of revenue and increased revenue.

TIGTA undertakes investigative initiatives designed to protect the IRS against external threats that would impede the efficient and effective administration of its operations. These investigative initiatives identify individuals who espouse violence against IRS employees or who otherwise would pose a threat to the safety of IRS employees as they carry out their work. They also provide necessary information for IRS officials to make anticipatory or proactive operational decisions about potential terrorist attacks or other activities that would pose a threat to IRS systems and operations.

The Office of Inspections and Evaluations complements the work of TIGTA's audit and investigative functions and provides additional flexibilities and capabilities to meet its mission and address increasing requests for IRS program reviews from Congress and other IRS stakeholders. The scope of the group's efforts ranges from answering congressional concerns to evaluating tax issues in regard to the IRS's ability to administer the tax laws. The Office of Inspections and Evaluations provides TIGTA the ability to conduct in-depth evaluations of major IRS functions, activities, and programs.

The following objective will be implemented to achieve this goal.

OBJECTIVE

Identify opportunities to increase the economy, efficiency, and effectiveness of IRS resources.

STRATEGIES

- Develop and execute annual audit plans that effectively allocate audit resources to the highest risk and vulnerable areas within the IRS as well as to statutory audits.

- Conduct audits, inspections, and evaluations of IRS operations and programs.
- Provide effective, useful, and timely information, conclusions and recommendations to IRS management.
- Conduct timely reviews, investigations and/or answer inquiries requested by external and internal customers and stakeholders.

OPERATIONAL PROCESSES, SKILLS, TECHNOLOGY & RESOURCES REQUIRED

- Conduct a comprehensive investigations program, focused on the core areas of employee integrity, employee and infrastructure security, and external attempts to physically or electronically corrupt tax administration that enables IRS to effectively administer internal revenue laws.
- Develop and implement a customer satisfaction survey that solicits feedback from customers and stakeholders to determine where improvements need to be made.
- Perform outreach activities to stakeholders, think tanks, academia and other public and private entities to identify opportunities to improve tax administration.
- Computer technology should continue to be enhanced, modified, and/or used so that the audit process can be conducted as efficiently and effectively as possible, and so that performance/results data can be collected that better represents the value of TIGTA's investigative and security efforts.
- Continued training is needed for: 1) auditors to have the most up-to-date skills and information in the constantly changing areas of information systems auditing and computer audit techniques, and 2) investigative staff to have the necessary skills to detect and deter physical and cyber threats to tax administration.
- Annual risk assessments will be conducted to ensure that reviews are directed at the most vulnerable areas.
- A continuing process of communication is needed that fully informs both TIGTA's workforce and its external stakeholders of the value of focusing its investigative resources and operations in three core areas: employee integrity; employee and infrastructure security; and external attempts to corrupt tax administration.
- A multi-disciplined approach to evaluating tax administration will provide significant benefits to IRS. This requires TIGTA to acquire the skills of systems analysts, social scientists, and tax experts.
- Continuously acquire and deploy state of the art technology equipment and other physical resources necessary to enable TIGTA to meet its strategic goals.

Goal 2. Protect the Integrity of Tax Administration

TIGTA provides oversight of IRS activities and operations through its investigative, integrated audits, inspections, and evaluations efforts. To combat fraud, waste and abuse, our investigative work is focused on the areas of IRS employee integrity; employee and infrastructure security (both physical and electronic infrastructure); and external attempts to corrupt tax administration.

To heighten integrity awareness and to provide a deterrent effect against fraud, waste, abuse and misconduct, TIGTA conducts integrity awareness presentations for IRS employees, as well as law enforcement agencies, tax practitioners and community groups.

TIGTA also performs audits to determine if the IRS adequately ensures fair and equitable treatment of taxpayers. Audit recommendations result in cost savings, as well as other quantifiable impacts, such as reduction of taxpayer burden; protection of taxpayer rights and entitlements; taxpayer privacy and security; and protection of IRS resources.

The following objectives will be implemented to achieve this goal.

OBJECTIVES

- Detect and deter fraud, waste, abuse or other misconduct and promote the fair treatment of all taxpayers.
- Administer investigative programs to identify and mitigate potential corruption in IRS operations, such as unauthorized access to confidential taxpayer information or bribery of IRS officials.
- Maintain an effective system of apprising IRS management of corruption within the IRS.
- Heighten integrity awareness to provide a deterrent effect against fraud, waste and misconduct, and to promote a greater understanding of the importance of a corruption-free IRS.
- Identify opportunities to reduce taxpayer burden, protect taxpayer rights and entitlements and improve taxpayer privacy and security.

STRATEGIES

- Develop proactive initiatives designed to detect illegal or improper acts by IRS employees or external entities that would attempt to corrupt IRS employees while in the

performance of their duties or illegally interfere with the administration of internal revenue laws.

OPERATIONAL PROCESSES, SKILLS, TECHNOLOGY & RESOURCES REQUIRED

- Apply rigorous standards to investigative, integrated audits, inspections, and evaluations products and services, such as *Government Auditing Standards*, *PCIE Quality Standards for Investigations, and Quality Standards for Inspections*.
- Investigate complaints of criminal or serious administrative misconduct by IRS employees in a thorough, fair, and timely manner.
- Refer threat information to the IRS and investigate findings of corruption and employee misconduct that undermines the integrity of tax administration.
- Promote TIGTA's mission through effective integrity presentations for IRS employees, law enforcement agencies, tax practitioners and community groups.
- Assess the adequacy of IRS programs to ensure both fair and equitable treatment of taxpayers, and taxpayer privacy and security.
- A continuing process of communication is needed that fully informs both TIGTA's workforce and its external stakeholders of the value of focusing its investigative resources and operations in three core areas: employee integrity; employee and infrastructure security; and external attempts to corrupt tax administration.
- Improve TIGTA's management information systems to collect data that better represents the value of TIGTA's investigative and security efforts.
- Enhance TIGTA's workforce skills to better equip its employees to perform their respective functions in the electronic world of tax administration.

Goal 3. Be an Organization that Values Its People

The key to achieving the first two goals is to provide a secure infrastructure of operational excellence which develops a highly skilled and valued staff. TIGTA is challenged to maintain its "Best Places to Work" status and will streamline processes, utilize distributed work teams and prototype new technologies and methodologies to meet this challenge. Through these efforts, TIGTA will strive to enhance its business impact on the Federal Government.

The following objective will be implemented to achieve this goal.

OBJECTIVE

Ensure a high-quality, diverse, and motivated workforce with the knowledge, skills and abilities needed to produce quality products in an efficient and effective manner.

STRATEGIES

- Enhance efforts to develop emerging leaders using targeted development and training to close skill gaps, improve diversity and to ensure the nurturing of a results-oriented performance culture.
- Recognize and reward employees for their contributions toward achieving the organization's priorities and outcomes.
- Enhance efforts to ensure that we recruit and retain a dedicated and diverse workforce while providing an environment that promotes appreciation for employees' professional contributions.
- Maintain our commitment to providing a work environment that prepares our organization to meet generational transitions while nurturing a results-oriented performance culture.

OPERATIONAL PROCESSES, SKILLS, TECHNOLOGY & RESOURCES REQUIRED

- Develop TIGTA's workforce to meet current and future organizational needs by identifying and developing emerging leaders, closing skills gaps, streamlining business processes and building bench strength at all levels.
- Develop and implement new methodologies to move TIGTA to the forefront of organization design by expanding service methods, and by adopting advances pioneered by the new, networked generation.
- Focus TIGTA's performance management system so that it rewards achievement consistent with TIGTA's mission and goals.
- Enhance and expand our telecommuting program to strengthen operational continuity and to better ensure TIGTA employees the ability to develop a strong work-life balance.
- Measure employee satisfaction biennially and strive to ensure that TIGTA is at the forefront of organization innovation.
- Identify essential skills and competencies for each mission-critical occupation; once identified, conduct a skills/competency gap analysis to identify those areas warranting improvement, and deliver training opportunities electronically to the maximum degree possible. This process must examine both the physical and electronic environments in which tax administration occurs.
- Enhance the exit interview process in order to better understand the reason employees leave.

- Identify essential skills and competencies for each mission-critical occupation; once identified, conduct a skills/competency gap analysis to identify those areas warranting improvement.

- Develop and administer biennially an objective and effective employee survey based on professional consultation.

- Conduct outreach activities targeted at recruitment of minority groups identified as under-represented at TIGTA.

- Offer opportunities for employee career enhancement/development to ensure TIGTA has developed employees with the necessary knowledge, skills, and abilities to fill mission-critical positions as key management positions are left vacant due to anticipated workforce reductions, e.g., retirements.

Appendix I

Link Between Treasury Strategic Goals and Objectives and TIGTA Strategic Goals and Performance Measures

Treasury Strategic Goal	Treasury Strategic Objectives	TIGTA Strategic Goals and Performance Measures[6]
Management and Organizational Excellence.	Enabled and effective Treasury Department.	**TIGTA Strategic Goal #1**: Promote the economy, efficiency, and effectiveness of tax administration. ❑ *Performance Measure*: Increase in financial accomplishments that result from audit and investigative activities. **TIGTA Strategic Goal #2:** Protect the integrity of tax administration. ❑ *Performance Measure*: Percentage of audit products delivered when promised to stakeholders. ❑ *Performance Measure*: Percentage of recommendations made that have been implemented. ❑ *Performance Measure*: Percentage of results from investigative activities. **TIGTA Strategic Goal #3:** Be an organization that values its people. ❑ *Performance Measure*: Achieve at least a 75% positive response rate on employee satisfaction surveys.

[6] The definitions of the performance measures appear in Appendix II.

Appendix II

Definitions of Performance Measures

Performance Measure: Increase in financial accomplishments that result from audit and investigative activities.

Financial accomplishments are comprised of two distinct areas of audit, inspection, evaluation, and investigative activities:

1) Financial Benefits from audit activities including:
Potential increased revenue, and/or revenue protected which is defined as the assessment or collection of additional taxes (increased revenue) or proper denial of claims for refund, including recommendations that prevent erroneous refunds or efforts to defraud the tax system (revenue protection).

Potential Questioned costs and funds that could be put to better use. Questioned costs are defined as costs that cannot be reimbursed because they represent a violation of law, regulation, or contract or the expenditure is not reasonable or necessary to accomplish the intended purpose. Questioned costs have an additional sub-category called unsupported costs. Unsupported costs are costs that are appropriate but for which the vendor cannot provide proof that the cost was incurred. The term "funds put to better use" addresses funds that could be used more efficiently or effectively if management took actions to implement recommendations.

Potential Financial Benefits related to Taxpayer Rights and Entitlements. Taxpayer Rights concern the protection of due process that is granted to taxpayers by law, regulation, or IRS policies and procedures. These rights most commonly arise in the performance of filing tax returns, paying delinquent taxes, and examining the accuracy of tax liabilities. Entitlements involve the acceptance of claims for issuance of refunds relating to instances when taxpayers legitimately assert that they have overpaid their taxes.

Potential Value of Inefficient Use of Resources defined as the value of efficiencies gained from recommendations to reduce cost while maintaining or improving the effectiveness of specific programs. These cost savings would not lower the total operational cost of the agency; rather, the resources saved will be available to other IRS programs.

2) Protection of dollars at risk and potential financial recoveries, defined as: Monetary outcomes of closed investigations during a fiscal year, which includes tax assessments potentially compromised by a bribe, threat or embezzlement, value of government property recovered, resources protected against malicious loss, dollar value of court ordered criminal and civil penalties, restitution and seizures, forfeitures, and recoveries.

Performance Measure: Percentage of Audit products delivered when promised to stakeholders.

Percentage of audit products delivered when promised to stakeholders defined as: The likelihood that our products will be used is enhanced if they are delivered when needed to support congressional and Internal Revenue Service decision making. To determine whether our products are timely, we track the percentage of our products that are delivered on or before the date promised (Contract date) because it is critical that our work be done on time for it to be used by the IRS or the Congress.

Performance Measure: Percentage of recommendations made that have been implemented.

Percentage of recommendations made that have been implemented is defined as: Recommendations designed to improve administration of the Federal tax system. For our work to produce financial or non-financial benefits, the IRS must implement these recommendations. This measure assesses our effect on improving the IRS's accountability, operations, and services. Because the IRS needs time to act on recommendations, we track the percentage of recommendations that we made four years ago that have since been implemented rather than the results of our activities during the fiscal year in which the recommendations are made. This timeframe is used because four years is the point at which we believe that if a recommendation has not been implemented, it is not likely to be.

Performance Measure: Percentage of results from investigative activities.

Percentage of results from investigative activities is defined as: Cases within the universe of all TIGTA cases, which most accurately align with the mission of the organization, and provides the greatest impact on the protection of the integrity of tax administration.

This category would include closed criminal, civil, and administrative cases at the end of the fiscal year. The number of cases showing a result is then divided by the total cases closed in the fiscal year to arrive at a ratio. The percentage increase is then reflected in the expected change from one fiscal year to the next.

Performance Measure: Achieve at least a 75% positive response rate on employee satisfaction surveys.

A survey questionnaire is disseminated to all TIGTA employees. Employee surveys are conducted biennially (FY 2007, 2009, etc.). All TIGTA employees are provided the opportunity to participate in the survey.

The percentage is calculated by dividing the number of employee respondents indicating that TIGTA provides a positive work environment by the total number of employee respondents.