

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



The Taxpayer Advocate Service Office of Systemic Advocacy Needs to Improve Program Oversight to Ensure Taxpayer Problems Are Effectively Identified and Resolved

February 26, 2025

Report Number: 2025-300-006

HIGHLIGHTS: The Taxpayer Advocate Service Office of Systemic Advocacy Needs to Improve Program Oversight to Ensure Taxpayer Problems Are Effectively Identified and Resolved

Final Audit Report issued on February 26, 2025

Report Number 2025-300-006

Why TIGTA Did This Audit

The Taxpayer Advocate Service's (TAS) statutory function is to assist taxpayers in resolving problems with the IRS, identify areas in which taxpayers have problems in dealings with the IRS, propose changes in the administrative practices of the IRS, and identify potential legislative changes to mitigate those problems.

TAS's Office of Systemic Advocacy identifies areas in which the IRS's administrative practices are adversely affecting a wide population of taxpayers.

This audit was initiated to evaluate the efficiency and effectiveness of the Office of Systemic Advocacy and determine the extent to which the office fulfills its mission.

Impact on Tax Administration

TAS is responsible for the identification and resolution of systemic, procedural, and legislative issues that affect many taxpayers.

TAS considers a problem to be systemic if the impact:

- Affects multiple taxpayers.
- Involves IRS systems, policies, or procedures.
- Affects taxpayer rights, increases taxpayer burden, causes disparate treatment of taxpayers, or involves essential taxpayer services.

What TIGTA Found

To resolve systemic problems that impact taxpayers, the Office of Systemic Advocacy sometimes works with the IRS using cross-functional teams. These collaborative teams may include Office of Systemic Advocacy analysts and IRS employees from various business operating divisions.

Our review of 26 collaborative teams that closed from Oct. 4, 2021, through July 3, 2023, found that only 6 teams (23 percent) had both a documented objective or mission and a measurable outcome. The remaining 20 teams lacked a documented objective or mission, did not have a measurable outcome, or both. Additionally, the Office of Systemic Advocacy does not conduct quality reviews of the collaborative teams.

TAS has not developed additional performance measures to capture the overall effectiveness of advocacy projects and their impact on tax administration from a previous TIGTA recommendation they agreed to in Fiscal Year 2011.

Issues submitted by taxpayers and other stakeholders into the Systemic Advocacy Management System (SAMS) and resulting information gathering projects were not always reviewed or worked timely. Of 51 issues reviewed, 40 were not reviewed timely by the Office of Systemic Advocacy, and delays were not always documented. Also, 7 of the 10 information gathering projects we sampled were not worked timely or updated quarterly as required.

Finally, the Office of Systemic Advocacy does not analyze the SAMS submissions to determine if trends in systemic issues exist or monitor or track systemic issues that are closed prior to resolution.

What TIGTA Recommended

We made eleven recommendations including to: ensure that collaborative teams have measurable outcomes to track program effectiveness; develop additional performance measures to assess whether projects are effective in addressing systemic issues; analyze trends in issues raised in SAMS to help ensure that emerging issues are identified and addressed before they become more widespread; and develop a system to track and monitor SAMS issues that are raised due to priority or taxpayer rights, as well as for those issues closed in which a known systemic issue exists but has not yet been resolved.

TAS agreed with all eleven recommendations and plans to take corrective actions.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

U.S. DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20024

February 26, 2025

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

FROM: Danny Verneuille
Acting Deputy Inspector General for Audit

SUBJECT: Final Audit Report – The Taxpayer Advocate Service Office of Systemic Advocacy Needs to Improve Program Oversight to Ensure Taxpayer Problems Are Effectively Identified and Resolved (Audit No.: 202330009)

This report presents the results of our review to evaluate the efficiency and effectiveness of the Taxpayer Advocate Service's Office of Systemic Advocacy and determine the extent to which the office fulfills its mission. This review was part of our Fiscal Year 2024 Annual Audit Plan and addresses the major management and performance challenge of *Taxpayer Service*.

Management's complete response to the draft report is included as Appendix III. If you have any questions, please contact me or Matthew Weir, Assistant Inspector General for Audit (Compliance and Enforcement Operations).

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Background

The Taxpayer Advocate Service (TAS) is an independent organization within the Internal Revenue Service (IRS) that is statutorily required to help individual and business taxpayers resolve problems (such as those causing financial difficulty) that have not been resolved through normal IRS channels.¹ TAS's statutory function also includes identifying areas in which taxpayers have problems in dealings with the IRS, proposing changes in the administrative practices of the IRS, and identifying potential legislative changes to mitigate those problems. The National Taxpayer Advocate (NTA) runs TAS and acts as an ombudsman for the taxpayer. TAS's mission is to treat every taxpayer fairly and ensure that taxpayers know and understand their rights.

TAS has two main offices to address its statutory requirements, which are described in Figure 1.

Figure 1: The TAS's Office of Case Advocacy and Office of Systemic Advocacy Descriptions



Source: Treasury Inspector General for Tax Administration's review of Fiscal Year 2022 National Taxpayer Advocate Annual Report to Congress and the Internal Revenue Manual 13.2.3.

¹ Pub L. 105-206; the Office of the Taxpayer Advocate is under the supervision and direction of an official known as the National Taxpayer Advocate. Internal Revenue Code § 7803(c)(2)(A).

The Taxpayer Advocate Service Office of Systemic Advocacy Needs to Improve Program Oversight to Ensure Taxpayer Problems Are Effectively Identified and Resolved

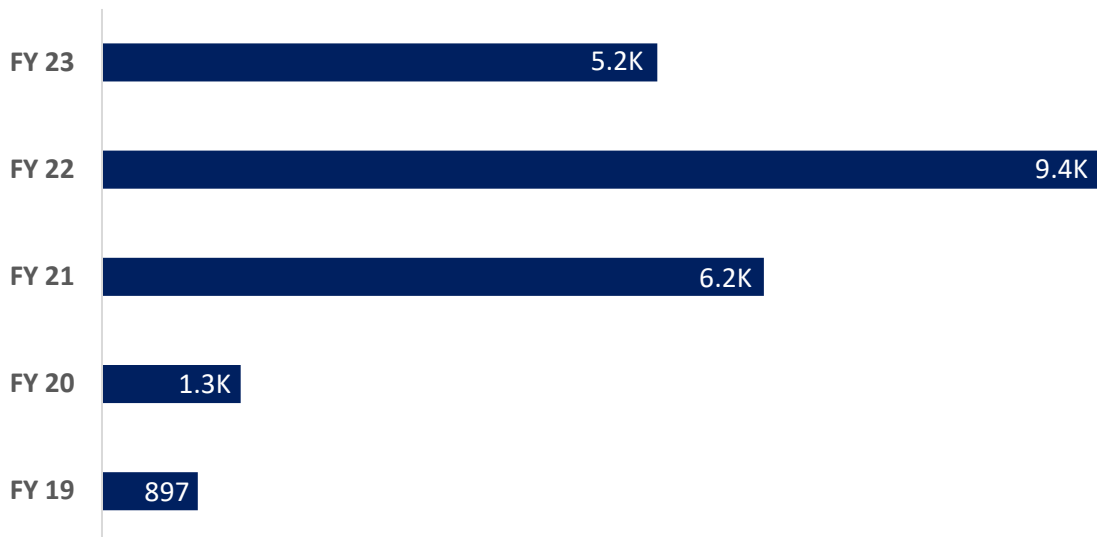
The Office of Case Advocacy has over 1,400 employees and at least one Local Taxpayer Advocate in every state. The Office of Systemic Advocacy has 100 employees. This audit focused on the Office of Systemic Advocacy.²

The Office of Systemic Advocacy includes the Proactive Advocacy, Technical Advocacy, Attorney Advisors, and Technical Liaisons departments. Each of these departments have groups of analysts and other subject matter experts. Employees work with the IRS and the public to identify concerning trends involving IRS practices, resolve systemic problems, and make recommendations to improve IRS policies and procedures. Systemic issues are identified by:

- Collaborating with the Office of Case Advocacy to elevate trends identified through reviews of TAS casework and during outreach events.
- Collaborating with stakeholders in the Taxpayer Advocacy Panel, Low-Income Taxpayer Clinics, and Volunteer Income Tax Assistance sites.
- Reviewing items raised directly through its issue submission database Systemic Advocacy Management System (SAMS).

SAMS allows taxpayers and other stakeholders to bring systemic issues directly to the TAS's attention and is open to anyone aware of a tax problem that affects more than one taxpayer, involves IRS processes, or affects taxpayer rights.³ Office of Systemic Advocacy personnel review issues submitted by taxpayers and determine whether a systemic advocacy project, information gathering project, or collaborative team is required. Figure 2 shows the total number of issues (systemic and non-systemic) received in SAMS from Fiscal Years (FY) 2019 through 2023.

Figure 2: Total SAMS Receipts for FYs 2019 Through 2023



Source: Total SAMS receipts from the Office of Systemic Advocacy. K=Thousands.

² Treasury Inspector General for Tax Administration's Fiscal Year 2025 Annual Audit Plan includes an audit of the Office of Case Advocacy.

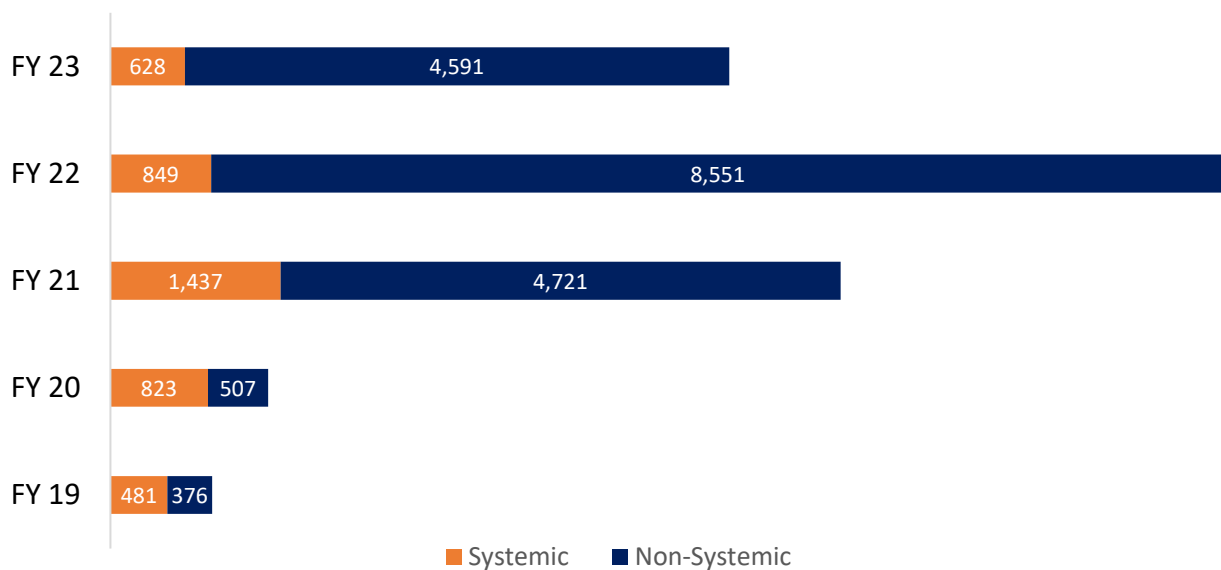
³ Systemic issues are submitted into the SAMS located at: TAS, *Systemic Advocacy: Report a systemic issue* <https://www.irs.gov/advocate/systemic-advocacy-management-system-sams> (last visited Oct. 23, 2024).

The Taxpayer Advocate Service Office of Systemic Advocacy Needs to Improve Program Oversight to Ensure Taxpayer Problems Are Effectively Identified and Resolved

The total SAMS receipts increased significantly from 897 in FY 2019 to 5,206 in FY 2023, a 480 percent increase. Similarly, the NTA reported in the FY 2022 Annual Report to Congress that there were 2,078 systemic issues receipts, an increase of 143 percent above the 854 systemic issue receipts in FY 2019. The NTA also stated that the steep rise in receipts does not meaningfully reflect an increase in the number of identified systemic issues; rather, it illustrates how taxpayers' frustration and inability to communicate directly with the IRS to resolve their tax issues has prompted them to seek assistance wherever they believe they can find help. Despite this, there was a significant increase in actual systemic issues.⁴

Figure 3 shows the overall number of issues that were closed in SAMS from FYs 2019 through 2023 and whether they were determined to be systemic or non-systemic.⁵

Figure 3: SAMS Issue Closures for FYs 2019 Through 2023



Source: Total SAMS issue closures from the Office of Systemic Advocacy.

SAMS issue closures increased from 857 in FY 2019 to 5,219 in FY 2023, a 509 percent increase, of which, 481 issues in FY 2019 and 628 issues in FY 2023 were systemic. TAS management explained the increases were attributed to:

- Multiple SAMS issues regarding concerns already identified by the Office of Systemic Advocacy. TAS considers these issues related and associates them with the original issue or with the information gathering project (IGP) or advocacy project.
- The Coronavirus Disease 2019 Pandemic (Pandemic) led to backlogs and low levels of service for taxpayers.

⁴ Non-systemic issues submitted through SAMS are generally individual issues, meaning the taxpayers coming through SAMS were not reporting systemic problems but were simply looking for help related to their individual or business tax returns.

⁵ We considered issues to be systemic if they were closed with the following disposition codes in SAMS: Already Resolved, Annual Report to Congress/Most Serious Problem, Created Information Gathering Project, Promoted, all the Related Issues, Resolved by SAMS Program Manager, and Systemic Issue Elevated. We considered issues to be non-systemic if they were closed with the following disposition codes in SAMS: Individual, Duplicate, Systemic Problem not Validated, Potential Legislative Recommendation, Transferred, and Not a Systemic Issue.

- Confusion created by new tax laws, which required the IRS to implement significant programming changes and implement complex new tax credits.

The Systemic Issue Review and Evaluation (SIRE) group manager reviews and assigns submissions based on the type of issue, its urgency, and complexity.⁶ Issues are generally worked in advocacy efforts such as an IGP, advocacy project, immediate intervention, or in a collaborative team as subsequently described:

- **Information Gathering Projects** – The IGPs can monitor or research new and complex issues or make Internal Revenue Manual (IRM) recommendations. The goal of the IGP is to move the issue to an advocacy channel, such as an advocacy project or collaborative team, as soon as possible, if appropriate.
- **Advocacy Projects** – For less urgent issues, advocacy projects identify and address systemic and procedural issues, analyze the underlying causes of problems, and propose corrective action. The problem could involve the burden or effectiveness of current procedures and processes, consistency with statutory requirements, or communications and products offered to the public. These projects generally result in administrative procedure changes, published guidance proposals, or legislative recommendation proposals.
- **Immediate Interventions** – The goal of immediate interventions is to bring relief quickly to affected taxpayers, typically in 30 days because of immediate and/or significant harm to multiple taxpayers. These projects also generally result in advocacy proposals or recommendations to the IRS.
- **Collaborative Teams** – Teams include both Office of Systemic Advocacy analysts and IRS employees from various business operating divisions collaborating to resolve systemic issues (therefore, they are not worked independently by TAS). Cross-functional teams, task forces, and advocacy issue teams provide the Office of Systemic Advocacy with an opportunity to make administrative changes to existing processes, without making a formal recommendation to the IRS.

Figure 4 shows the number of closed projects and collaborative teams from FYs 2019 through 2023.

⁶ See Appendix IV for a glossary of terms.

Figure 4: Closed Systemic Advocacy Projects and Collaborative Teams

Type of Project/Team	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total Closures	Percentage
Immediate Interventions	2	4	1	0	0	7	1%
Advocacy Projects	12	8	15	11	7	53	7%
Collaborative Teams	8	7	2	11	15	43	6%
Information Gathering Projects	150	160	100	122	72	604	85%
Total Closures	172	179	118	144	94	707	100%

Source: Treasury Inspector General for Tax Administration's analysis of project/collaborative team closures from the Office of Systemic Advocacy. Percentages do not total to 100 percent due to rounding.

The IGPs had the most closures because the goal of the IGP is to move the issue to the proper advocacy channel as soon as possible. However, there is an increase in collaborative teams, and decrease in advocacy projects and immediate interventions. Office of Systemic Advocacy projects have significantly decreased over the years. In our FY 2011 report, we found that it closed 109 advocacy projects and 25 immediate interventions in FY 2009.⁷ In contrast, the Office of Systemic Advocacy closed an average of 11 advocacy projects and an average of 1 immediate intervention each year, from FYs 2019 through 2023.

If an issue is accepted as any type of project or team, Office of Systemic Advocacy analysts and TAS and/or IRS subject matter experts work together to address the systemic issue, research the underlying cause of the problem, and propose a resolution. Resolutions may include administrative procedural changes, published guidance proposals, or legislative recommendation proposals.

When the IRS is slow or reluctant to embrace TAS's concerns, the Office of Systemic Advocacy and the NTA may consider issuing an Advocacy Proposal, Taxpayer Rights Impact Statement, or Taxpayer Advocacy Directive as subsequently described.

Advocacy Proposal

An Advocacy Proposal is a formal, written memorandum of a recommended change presented to the IRS process owner empowered to implement the change. If the IRS still does not agree, the Executive Director, Systemic Advocacy, may ask the NTA to consider issuing a Taxpayer Rights Impact Statement or a Taxpayer Advocate Directive.⁸

Taxpayer Rights Impact Statement

A Taxpayer Rights Impact Statement is a written analysis from the NTA to the IRS process owner of an action(s) that infringes on taxpayers' rights or unnecessarily burdens taxpayers. TAS will

⁷ Treasury Inspector General for Tax Administration, Report No. 2011-10-052, *The Identification and Evaluation of Systemic Advocacy Projects Designed to Resolve Broad-Based Taxpayer Problems Can Be Improved* (June 2011).

⁸ IRM 13.2.1.5.5 (Sept. 29, 2020).

generally not send a Taxpayer Rights Impact Statement until after the IRS is given an opportunity to work with the NTA to resolve the issue.

Taxpayer Advocacy Directive



IRS Delegation Order 13-3 authorizes the NTA to issue a Taxpayer Advocate Directive “to mandate administrative or procedural changes to improve the operation of a functional process or to grant relief to groups of taxpayers (or all taxpayers) when implementation will protect the rights of taxpayers, prevent undue burden, ensure equitable treatment, or provide an essential service to taxpayers.”

NTA Reports to Congress



The NTA submits two statutory reports to Congress each year, including the Objectives Report, due June 30, and the Annual Report to Congress, due Dec. 31.⁹ The NTA directs the Office of Systemic Advocacy to play a significant role in preparing both reports.

Objectives Report to Congress:

The NTA’s Fiscal Year Objectives Report (commonly referred to as the June Report to Congress) outlines for Congress the plans and goals of TAS for the coming fiscal year. The Office of Systemic Advocacy plays a large role in identifying key issues to be addressed, which may include significant ongoing issues, new issues that arose during the filing season, or any other issues identified by the NTA. The Office of Systemic Advocacy highlights tax administration issues causing problems or burden for taxpayers and lists the advocacy actions TAS intends to take in the upcoming fiscal year.

Annual Report to Congress:

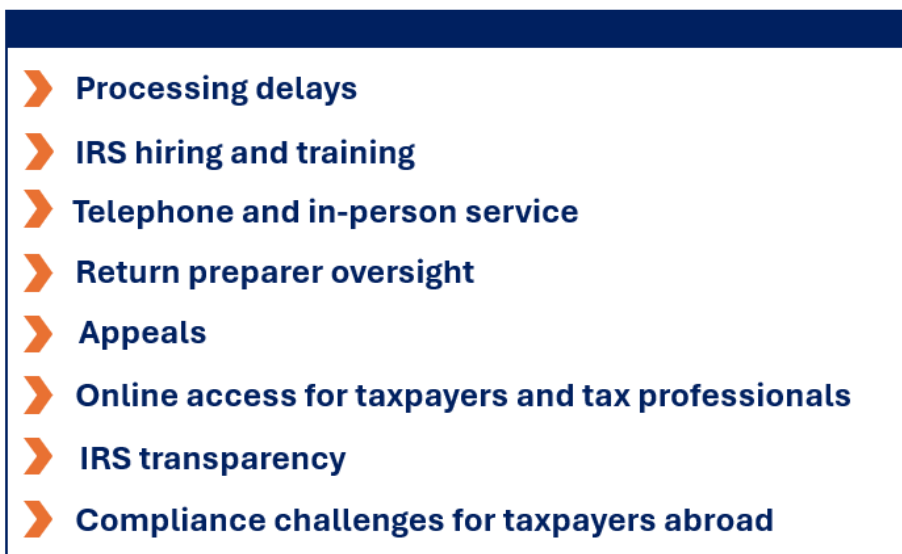
The NTA’s Annual Report to Congress discusses the 10 most serious problems taxpayers face in their dealings with the IRS, summarizes frequently litigated tax issues, and makes administrative and legislative recommendations. The Office of Systemic Advocacy plays a significant role in identifying the IRS’s 10 Most Serious Problems, as well as identifying other topics for the report. It also manages the Annual Report process and tracks the IRS’s responses to the recommendations in the report.

Most Serious Problems

These high-risk problems are identified through a variety of sources including the year-round case advocacy and systemic advocacy performed by all functions of TAS, an ongoing solicitation for ideas, and an analysis of TAS casework. Several Most Serious Problems continue to cause taxpayer burden and were included in both the FY 2022 and FY 2023 Annual Report to Congress (see Figure 5).

⁹ Internal Revenue Code § 7803(c)(2)(B)(i) – (ii).

Figure 5: Most Serious Problems in Both FYs 2022 and 2023



Source: Treasury Inspector General for Tax Administration's review of the FY 2022 and FY 2023 Annual Reports to Congress.

Each Most Serious Problem has recommendations that TAS believes may resolve or mitigate the issue(s) affecting taxpayers. In FYs 2022 and 2023, TAS made 46 and 73 administrative recommendations, respectively, to the IRS to improve taxpayers' experience with the IRS. TAS also proposed 65 legislative recommendations to Congress in FY 2022 and 66 in FY 2023, highlighting issues the IRS cannot (or declines to) address through administrative remedy.

The NTA is required to report to Congress on IRS actions (or lack of actions) taken in response to the recommendations identified in the Annual Report to Congress. After the report is released, the NTA submits a memorandum to the IRS Commissioner requesting a response to the administrative recommendations and any planned corrective actions to address TAS's concerns. The Office of Systemic Advocacy tracks the IRS's responses and updates open recommendations quarterly until they are closed. This information is publicly available on TAS's website.¹⁰

In addition, the Office of Systemic Advocacy reviews IRS publications and guidance that relate to taxpayer burden and protecting taxpayer rights. TAS works with the IRS to review IRM guidance and external IRS products, such as IRS notices, forms, and publications. The collaborative review allows TAS to help the IRS business operating divisions make changes that relieve taxpayer burden, protect and promote taxpayer rights, and ensure that the IRS is an efficient tax administrator.

¹⁰ NTA, *TAS Administrative Recommendations* <https://www.taxpayeradvocate.irs.gov/arc-recommendations-tracker/> (last visited Oct. 23, 2024).

Results of Review

Collaborative Teams Lack Measurable Outcomes, a Quality Review Process, and Consistent Executive Oversight

Our review of 26 collaborative teams closed from Oct. 4, 2021, through July 3, 2023, found that:

- 4 teams (15 percent) did not have a measurable outcome or a documented objective or mission.
- 15 teams (58 percent) did not have a measurable outcome.
- 1 team (4 percent) did not have a documented objective or mission.
- 6 teams (23 percent) had both a documented objective or mission and a measurable outcome.

Additionally, the Office of Systemic Advocacy does not conduct quality reviews of collaborative teams and has not developed requirements to ensure consistent executive oversight.

As shown in Figure 4, the number of closed collaborative teams increased from FY 2019 to FY 2023, while closed advocacy projects decreased for the same period. Also, there were no closed immediate intervention projects in FYs 2022 or 2023. TAS management stated that collaborative teams are proactive in identifying issues quickly and working with the IRS, and therefore are replacing immediate interventions. However, while both immediate interventions and advocacy projects generally have measurable outcomes in the form of recommendations and a quality review process, our review found that the collaborative teams did not have recommendations included in their outcomes and they do not have a quality review process. Given TAS's use of collaborative teams, it is important for TAS to have clearly defined measurable outcomes, a quality review process, and consistent executive oversight.

One of the principles in the Green Book states management should design control activities in response to the entity's objectives and risks to achieve an effective internal control system.¹¹ Some examples of control activities are:

- Top-level reviews of actual performance.
- Reviews by management at the functional or activity level.
- Establishment and review of performance measures and indicators.
- Appropriate documentation of transactions and internal control.

Measurable Outcomes

Measurable outcomes, such as recommendations, are a crucial tool that provides insights into performance and intended results of carrying out a program or activity. TAS management stated

¹¹ Government Accountability Office, GAO-14-704G, *Standards for Internal Control in the Federal Government*, Principle 10 – Design Control Activities (September 2014). The *Standards for Internal Control in the Federal Government*, known as the "Green Book," sets the standards for an effective internal control system for federal agencies. Internal control helps an entity run its operations efficiently and effectively, report reliable information about its operations, and comply with applicable laws and regulations.

that when an employee requests to start a new collaborative team, they are supposed to include the team's mission, but this is not always completed. TAS management also stated that typically when there is a request to close a team, there will be a final history entry stating the outcome. During our review we found that teams did not always have a mission or a final entry stating the outcome. Without measurable goals and outcomes, there is no benchmark to track progress or determine whether the collaborative team was successful.

Quality Review Process

TAS management stated they have not yet developed a quality review process or developed an IRM requirement for quality reviews. However, there is an IRM with clear criteria for quality reviews of advocacy projects.¹² These quality measures include:

- Accuracy - The correctness of actions defined by statute and guidance.
- Efficiency - The cost of producing a quality (accurate, complete, timely) product.
- Timeliness - Completing actions within time frames in statute and guidelines.
- Customer Satisfaction - Customer's view of product provided.
- Employee Satisfaction - Employee's view of work life.
- Effectiveness - TAS's success in resolving taxpayers' problems.

Without a quality review process the Office of Systemic Advocacy cannot evaluate the quality of the work completed by the collaborative teams, such as accuracy and timeliness.

Consistent Executive Oversight

TAS management does not have a requirement for consistent executive oversight of collaborative teams. Quarterly reports of all open teams and their progress were shared with executives.¹³ However, TAS management stated that the required quarterly reports are no longer in use because of programming issues. The last quarterly report shared with executives was from the fourth quarter of FY 2021.

TAS management stated that they plan to revise the IRM to remove the reporting requirement and instead, create a method for the executives to monitor collaborative teams electronically. A dashboard was created that provides executives with real-time access to data on the teams rather than relying on reports prepared on a fixed schedule. However, management also stated that these efforts are currently delayed because of software issues. In addition, there is no requirement for executives to monitor the dashboard on a consistent basis.

Without access to the dashboard or a requirement for consistent executive oversight, upper management may not know the progress collaborative teams are making and whether the systemic issues are being adequately addressed.

¹² IRM 13.2.5.1.4 (Nov. 4, 2020).

¹³ IRM 13.2.7.1.1(2) (Oct. 8, 2024).

The TAS, Executive Director, Systemic Advocacy, should:

Recommendation 1: Ensure that collaborative teams have measurable outcomes to track program effectiveness.

Management's Response: TAS, Systemic Advocacy, agreed with this recommendation. Systemic Advocacy will form a team to develop notional measures and conduct a baseline assessment of the measures, with plans to grow to more mature measures thereafter. When establishing collaborative teams, Systemic Advocacy will ensure a mission and goals are clearly defined.

Recommendation 2: Develop and implement a quality review process for collaborative teams.

Management's Response: TAS, Systemic Advocacy, agreed with this recommendation. Systemic Advocacy will form a team to create a quality review process for collaborative teams. Additionally, TAS, Systemic Advocacy management will coordinate with the TAS, Office of Executive Director, Case Advocacy, Intake and Technical Support to create a collaborative teams review product guide for independent monthly reviews to be completed by the Quality Review Program staff based on a statistical sampling of closed collaborative teams.

Recommendation 3: Develop and implement a method to monitor collaborative teams through a dashboard view.

Management's Response: TAS, Systemic Advocacy, agreed with this recommendation. Systemic Advocacy currently monitors the progress of collaborative teams. They update the Systemic Trends and Analysis Report monthly to show the status of current teams. Additionally, the collaborative teams' site is also available to all Systemic Advocacy employees working teams, managers, and executives to review at any time. Systemic Advocacy will create a "dashboard" view that summarizes this information and update it at regular intervals.

Recommendation 4: Develop guidance to ensure consistent executive oversight for collaborative teams.

Management's Response: TAS, Systemic Advocacy, agreed with this recommendation. Systemic Advocacy will form a team to draft and implement guidance that will include ensuring consistent executive oversight for collaborative teams.

Performance Measures Do Not Always Capture Advocacy Projects' Effectiveness

While the Office of Systemic Advocacy has some performance measures for advocacy projects, those measures do not capture the effectiveness of the projects' impact on tax administration. As discussed previously, the Green Book has a principle for designing control activities, which includes the establishment and review of performance measures and indicators. In our FY 2011 review, we found that the performance measures did not provide management with enough information to assess whether projects benefited tax administration. TAS management had implemented only two specific performance measures to assess advocacy project effectiveness:

1. The number of projects closed per Full-Time Equivalent.
2. The timeliness of IRS management's corrective actions on recommendations made by TAS.

We recommended that the NTA develop additional performance measures to capture the effectiveness in identifying and resolving systemic issues impacting taxpayers, such as:

- The number of advocacy projects that resulted in recommendations.
- The number of taxpayers that were potentially affected by a project issue.
- The number of procedural and/or legislative changes that were recommended.

TAS management agreed with the recommendation. TAS reports on the percentage of projects validated as involving a systemic issue, the number of advocacy effort recommendations made to the IRS, and the number of advocacy effort recommendations accepted by the IRS in their TAS Performance Indicators report. Additionally, as part of the Annual Report to Congress, the NTA will propose legislative recommendations intended to strengthen taxpayer rights and improve tax administration, which are documented in the NTA Purple Book.

Further, a FY 2021 Government Accountability Office (GAO) report on the Office of Systemic Advocacy found that in its reports to Congress, TAS did not include the actual results achieved against objectives, so it was not possible to assess related performance and progress.¹⁴ They recommended that TAS define measurable outcomes, for example, aligning TAS's existing performance goals with its objectives, and where gaps may exist, develop more performance goals. TAS management stated they are addressing the GAO's recommendation, with expected completion in March 2025.

TAS management stated that they implemented our previous recommendations and referred us to the annual Objectives Report to Congress as support.¹⁵ In the FY 2023 Objectives Report to Congress were 23 key organizational objectives for the coming fiscal year of which, the Office of Systemic Advocacy had 14.¹⁶ Each of the 14 objectives include proposed activities that TAS plans to complete to achieve those objectives. TAS management said these activities are assigned to analysts and relate to their work on projects and collaborative teams. For example, in one objective, TAS will assist the IRS in identifying ways to alleviate the backlog of paper-filed tax returns and lists two activities.

- Activity 1: Review and analyze the source of processing backlogs.
- Activity 2: Recommend actions the IRS can take to alleviate the backlog of paper-filed tax returns, including the use of automation.

While we agree that the FY 2023 objectives have some activities that can be measured, TAS does not use the results to determine the overall effectiveness of the work done in systemic advocacy projects, such as whether projects are identifying and resolving systemic issues impacting taxpayers. Also, additional measures that link the results of systemic advocacy work to the

¹⁴ GAO, GAO-21-217, *Taxpayer Advocate Service: Opportunities Exist to Improve Reports to Congress* (June 2021).

¹⁵ Generally, the Joint Audit Management Enterprise System document is used to show the steps that IRS management takes to address Treasury Inspector General for Tax Administration recommendations. This document was unavailable due to document retention timelines and the prior audit report being over a decade old.

¹⁶ See Appendix II for the FY 2023 TAS Systemic Advocacy Objectives.

overall goals of the projects would help management in evaluating the projects' success and ensure TAS resources are focused on the most impactful areas. Selecting meaningful performance measures is essential for management to evaluate the success and impact of its projects.

Recommendation 5: The TAS, Executive Director, Systemic Advocacy, should develop additional performance measures to assess whether systemic advocacy projects are effective in addressing systemic issues.

Management's Response: TAS, Systemic Advocacy, agreed with this recommendation. Systemic Advocacy will develop notional performance measures to help assess whether systemic advocacy projects are effective in addressing systemic issues and conduct a baseline assessment of the measures, with plans to grow to more mature measures thereafter. This will include analyzing recommendations made in working advocacy projects and the impact of those recommendations to taxpayers.

The Advocacy Project Quality Review Process Was Suspended for 18 Months

From Sept. 13, 2021, through April 1, 2023, 13 advocacy projects were not quality reviewed by the TAS Quality Review Program. According to TAS management, the Quality Review Program was suspended so that staff could help with the Office of Case Advocacy's backlog work due to the Pandemic. Office of Systemic Advocacy Quality Review Program staff were reassigned to help complete the case closure process.

According to the IRM, the TAS Quality Review Program performs reviews on all closed systemic advocacy projects and immediate interventions to determine if required standards and procedures were followed.¹⁷ The Quality Review Program reviews quality attributes in the following three categories:

- Advocacy Focus.
- Customer Focus.
- Procedural Focus.

Once the quality review process was restarted in April 2023, TAS could have performed reviews on the 13 advocacy projects. Not completing quality reviews can lead to unidentified errors and the repetition of mistakes in future projects, which impacts quality and can delay resolving taxpayer issues. Regular reviews are crucial for identifying areas of improvement and ensuring adherence to the IRM and other standards.

Recommendation 6: The TAS, Executive Director, Systemic Advocacy, should ensure that quality reviews are conducted on the 13 advocacy projects completed while the reviews were suspended. Additionally, ensure that if quality reviews are suspended in the future, that any projects whose reviews were not done due to the suspension, are completed when the quality review process restarts.

Management's Response: TAS, Systemic Advocacy, agreed with this recommendation. Systemic Advocacy will work with the TAS, Office of the Executive Director, Case

¹⁷ IRM 13.5.1.4.2.1 (Mar. 16, 2023).

Advocacy, Intake and Technical Support to complete a review of the advocacy projects completed while reviews were suspended. Systemic Advocacy will also put a policy in place to ensure that any future suspended quality reviews are eventually completed.

Submitted Issues Were Not Always Reviewed and Information Gathering Projects Were Not Always Worked Timely

Submitted issues were not always reviewed timely

Of the 9,400 systemic and non-systemic issues closed from SAMS in FY 2022, 809 (9 percent) issues were not reviewed timely and took more than 40 days to close. Of the 809 untimely issues, 147 issues took over 90 days.¹⁸ The IRM states that in general, the recommended treatment for the issue should be developed within 40 business days.¹⁹ Depending on the complexity of the issue, some issues are resolved within a few days, but others may take longer. For example, an issue may take longer if it requires a subject matter expert to help evaluate the issue.

We selected a judgmental sample of 51 issues (31 systemic issues and 20 non-systemic issues) from the 9,400 issues closed in SAMS in FY 2022 and found that 40 of the 51 sampled issues were not reviewed timely.²⁰

- 20 systemic issues took from 61 to 217 days to resolve. We did not find a reason in the case file for why these issues were untimely. The remaining 11 issues were either reviewed timely or had the reasons for the delays documented in the case file.
- 20 non-systemic issues took from 92 to 186 days to resolve. We did not find a reason in the case file why these issues were untimely.

TAS management agreed that the 40 issues were untimely and responded that some of the causes for not meeting the 40-day requirement included:

- 20 issues were delayed due to staffing. TAS management stated that in FY 2022, TAS experienced a significant increase in SAMS issue inventory, along with analysts being detailed to the SIRE group, which required the permanent staff to train them (the SIRE group only had three permanent analysts and two detailed analysts). Additionally, staffing issues affected their technical teams and IRS function employees who provided input and research on the issues.
- 20 issues were delayed due to improper management of an employee's inventory. TAS management said that they developed inventory management tools, including inventory

¹⁸ These issues included all issues submitted to SAMS, which were both systemic and non-systemic issues. All issues are reviewed by TAS Systemic Advocacy to determine if they are systemic. Non-systemic individual issues are generally identified immediately and are closed with an email directing the submitter to the proper IRS function for assistance. Non-systemic issues may also be sent to a TAS Case Advocate to be reviewed if they are determined to be individual issues.

¹⁹ IRM 13.2.3.4.1.5 (Nov. 18, 2020).

²⁰ A judgmental sample is a nonprobability sample, the results of which cannot be used to project to the population. See Appendix I for details on the sample.

reports, and used computer scheduling tools to address the delays once the problem was identified.

TAS management further explained that the number of SAMS issues was unprecedented because of the Pandemic, multiple new tax laws, and difficulty reaching the IRS. They proactively worked to notify individuals with refund status or other tax account issues and directed them to the right place for help. However, if the SIRE group is not timely reviewing and closing issues, taxpayers may experience additional burden.

Information gathering projects were not always worked timely

We selected a judgmental sample of 10 IGPs from a population of 89 started in FY 2022 and found that 7 IGPs were not worked timely or updated quarterly in accordance with IRM requirements.²¹ These 7 IGPs were open from 170 days to 995 days. The remaining three IGPs were worked timely and updated appropriately. There are 3 types of IGPs – Internal Management Document/Single Point of Contact, Research, and Monitoring – each with their own timeliness goals of 30 days, 90 days, and 1 year, respectively.²² In some instances, IGP closures may be delayed while waiting for the IRS to make recommended changes. However, we excluded delays caused by the IRS during our review.

TAS management agreed that the seven IGPs were not worked timely and explained that some of the causes included analysts on details or analysts working more urgent priorities such as the Annual Report to Congress, as well as delays waiting for the IRS to make requested changes. However, these delays should be documented in the IGPs. TAS management responded that they are changing the IRM requirement for analysts to complete a monthly update versus a quarterly update. This update is expected to be completed by March 2025.

Delays on IGPs could cause taxpayers to perceive TAS as unresponsive or indifferent to their concerns. Without timely intervention, systemic issues may persist leading to ongoing inefficiencies in the tax system, causing taxpayers to experience additional burden as they await resolution.

The TAS, Executive Director, Systemic Advocacy, should:

Recommendation 7: Ensure that management addresses staffing issues and timely reassigns inventory when delays are identified in the SAMS issue review.

Management's Response: TAS, Systemic Advocacy, agreed with this recommendation. Systemic Advocacy will fill vacant positions in the SIRE group to the extent possible. Systemic Advocacy management further stated that staffing issues are often beyond their control and affected by budget constraints and hiring freezes.

Office of Audit Comment: Although Systemic Advocacy agreed with this recommendation, we feel that the corrective action does not fully address the recommendation. We recommended that inventory be timely reassigned when delays are identified. The response does not include a plan to do so. Reassigning

²¹ See Appendix I for details on the sample.

²² IRM 13.2.4 (Oct. 19, 2022).

inventory is important because if the SIRE group is not timely reviewing and closing issues, taxpayers may experience additional burden.

Recommendation 8: Remind employees of the timeliness criteria for IGPs.

Management's Response: TAS, Systemic Advocacy, agreed with this recommendation. Systemic Advocacy stated that a reminder email will be sent to all staff to reinforce the IRM timeliness requirements in working projects.

Systemic Advocacy Management System Submissions Are Not Analyzed for Trends and Some Issues Are Not Monitored and Tracked

SAMS submissions are not analyzed for trends and some issues are not tracked

Every year, taxpayers and stakeholders submit thousands of issues to TAS via SAMS. However, the Office of Systemic Advocacy does not analyze this data for trends, nor does it have a tracking system for issues raised to the SIRE Chief or related to taxpayer rights issues. Additionally, there is no guidance or requirement to analyze trends on systemic issues, or track issues. On the contrary, the NTA Annual Report to Congress shows the top 10 issues received by the Office of Case Advocacy. Many of TAS's case receipts involve taxpayers experiencing economic burden. TAS requires employees to prioritize these cases because taxpayers can face immediate, adverse financial consequences. TAS then dedicates significant resources to resolving the systemic causes of these issues. However, the Office of Systemic Advocacy does not handle the issues submitted in SAMS in a similar manner.

One of the principles in the Green Book is identifying, analyzing, and responding to risks. Risk assessment is the identification and analysis of risks related to achieving the defined objectives to form a basis for designing risk responses. The principal outlines the steps management should take when identifying, analyzing, and responding to risks related to achieving the defined objectives, to include the following:²³

- Identification of risks.
- Analysis of risks.
- Response to risks.

The SIRE Program Manager guide, states: "If the SAMS [Program Manager] notices multiple submissions on the same topic and the topic could have an adverse effect on taxpayers, or the Program Manager finds that the submission warrants immediate action, the [Program Manager] should notify the SIRE Chief." To illustrate this, TAS management provided an example in which the Program Manager raised an issue to the SIRE Chief in June 2022, and two emails that were referred due to taxpayer rights issues. Trending issues are identified in real time while researching individual issues. Yet, TAS provided only one elevated issue from the thousands of SAMS issues submitted in FY 2022 stating that the number and the nature of the issue may call for the creation of a project for further analysis (IGP, advocacy project, *etc.*).

²³ GAO, GAO-14-704G, *Standards for Internal Control in the Federal Government*, Principle 7 – Identify, Analyze, and Respond to Risks (September 2014).

Previously, SIRE provided senior officials a “Top 5 Issue Key Word Count” report as part of their Business Performance Review. This report was based on the quantity or number of submissions categorized under the specific key word, not for analyzing trends. In general, the report listed refund issues that TAS does not consider systemic. In FY 2023, TAS management discontinued their Business Performance Reviews because much of the data are contained in other deliverables such as TAS reports to Congress. Currently, the key word report is available only by request. Management further stated that TAS is investing in developing new ways to gather, analyze, and report data internally and externally.

Without a tracking system in place, there is increased risk that staffing changes could result in missed opportunities to help taxpayers. Analyzing trends may help the Office of Systemic Advocacy identify emerging issues before they become more widespread problems and respond to risks based on their impact and frequency.

TAS does not always monitor and track issues that are closed prior to resolution

Our analysis of 18 issue categories identified 5 that may have an elevated risk of being a systemic issue that was not fully resolved by the Office of Systemic Advocacy. When an issue is closed in SAMS, it is given a reason code category. These categories included issues closed as:

- Already Resolved – the issue is systemic, but was already addressed or resolved by the IRS or TAS.
- Annual Report to Congress/Most Serious Problem – the issue is related to or has been addressed in the previous or current Annual Report to Congress and/or June Objectives Report.
- Not a Systemic Issue – the issue usually does not pertain to an IRS procedure, policy, or process problem and is not systemic in nature.
- Systemic Issue Elevated – a systemic issue exists, and the IRS has long-term plans to correct it but is not actively working it due to various reasons such as computer programming, funding, or additional resources needed.
- Systemic Problem Not Validated – a potential systemic issue could exist, but there is not enough evidence or data to identify a widespread trend.

We selected a judgmental sample of 41 issues from these 5 categories for further review.²⁴ Based on this review, we determined that three issues in two categories were concerning because we did not find any documentation in the issue notes or histories that showed what work was being completed, whether the issue was resolved, or what was being done to prevent the systemic issues from recurring in the future. For example:

- For one issue from the Systemic Issue Elevated category, the submitter suggested making a revision to IRM 3.11.6.4, to make income verification instructions clearer. The issue was elevated for revision in the summer of FY 2022.
 - TAS management stated this issue was resolved in January 2024, when the IRM was revised to clarify income verification instructions. However, TAS management explained that the IRM revision took two years to complete due to the IRS’s

²⁴ See Appendix I for details on the sample.

publishing schedule, and it appears the issue was not properly monitored to ensure timely completion once it was closed in SAMS.

- For one issue from the Systemic Problem Not Validated category, the submitter stated that there were processing delays for multiple Forms 843, *Claim for Refund and Request for Abatement*, claims. TAS research confirmed that claims were being processed but would not be completed for months due to systemic limitations.
 - TAS management responded that the underlying issue was processing delays due to the backlog from the Pandemic. However, the backlog from the Pandemic was a systemic issue and this issue was closed without ensuring that the Form 843 claims were all processed.
- For one issue from the Systemic Issue Elevated category, the submitter was concerned that taxpayer refunds were not issued because a control code in an IRS system was not being removed from surveyed exam cases. However, neither the issue notes nor the history documented what work was completed or whether the issue was resolved.
 - TAS management stated that the Technical Assistance and Guidance group resolved the issue in March 2022 when they submitted an update for IRM 4.19.14.9.2 to remind IRS employees to remove the control code on survey cases. However, the IRM was not updated until January 2024 due to the IRS's publishing schedule.

Another principle in the Green Book is to perform monitoring activities.²⁵ Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. The principle outlines the steps management should take when designing, implementing, and operating monitoring activities to include the following:

- Establish a baseline.
- Internal control system monitoring.
- Evaluation of results.

When asked whether issues closed out of SAMS with reason code Systemic Issue Elevated are tracked or monitored, TAS management responded that the SIRE team does not track the issues after they have been closed. They create a monitor IGP if an issue needs to be tracked. Any submission on the same issue received after the monitor IGP is created is associated with the IGP and closed in SAMS as Systemic Issue Elevated. However, we determined that there were no IGPs created from the 452 issues closed from SAMS in FY 2022 with reason code Systemic Issue Elevated.

Management also stated that some issues closed with reason code Systemic Issue Elevated are shared with the IRS business operating division by the subject matter experts (many instances through collaborative teamwork) and monitored through their meeting notes, so they continue to be discussed until resolved. Additionally, the subject matter experts across the technical groups address the elevated issues as needed and have their own processes to ensure that the IRS business operating division's take actions to address elevated issues. However, in our review,

²⁵ GAO, GAO-14-704G, *Standards for Internal Control in the Federal Government*, Principle 16 – Perform Monitoring Activities (September 2014).

we did not see any issue notes or histories documenting that the issue was monitored through the subject matter experts or collaborative teams.

While TAS management did provide details on what happened with each of these three issues, they do not appear to have a monitoring or tracking process for the closed issues. If the Office of Systemic Advocacy does not track or monitor issues that are closed before resolution and where a known systemic problem exists, then there is a risk that these issues will remain unresolved.

The TAS, Executive Director, Systemic Advocacy, should:

Recommendation 9: Analyze trends in issues raised in SAMS to help ensure that emerging issues are identified and addressed before they become more widespread.

Management's Response: TAS, Systemic Advocacy, agreed with this recommendation. Systemic Advocacy will analyze trends in receipts to ensure emerging issues are elevated or addressed in a prompt manner.

Recommendation 10: Revise guidance to contain clear criteria for the SIRE project manager to identify emerging systemic issues submitted to SAMS, including developing a method to track and monitor.

Management's Response: TAS, Systemic Advocacy, agreed with this recommendation. Systemic Advocacy stated that they prioritize the most pressing concerns in their daily work to address emerging systemic issues. Additionally, Systemic Advocacy stated they will create and implement a means to track and monitor emerging issues and will also revise guidance with clear criteria on how to identify, monitor, and track them.

Recommendation 11: Develop a system to track and monitor systemic issues closed when additional monitoring is needed to ensure that the issue is addressed.

Management's Response: TAS, Systemic Advocacy, agreed with this recommendation. Systemic Advocacy will create a tracking system to ensure issues elevated are monitored through resolution and provide written guidance on the process and time frames.

Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this audit was to evaluate the efficiency and effectiveness of the Office of Systemic Advocacy in the TAS and determine the extent to which the office fulfills its mission. To accomplish our objective, we:

- Determined whether an adequate process has been implemented to review and prioritize systemic advocacy issues.
- From the population of 9,400 SAMS issues closed in FY 2022, we selected a judgmental sample of 31 systemic issues.¹ There were 14 categories of issues that we determined were systemic.² We selected a random sample of 3 cases per category of issues that took over 90 days to close and were closed as systemic; however, for categories with less than 3 issues, we selected all of the cases for the sample regardless of how long they took to close. This resulted in a sample of 31 cases.
- From the population of 9,400 SAMS issues closed in FY 2022, we selected a judgmental sample of 20 non-systemic issues. There were four categories of issues that we determined were non-systemic.³ For three of the categories, we selected all the cases per category of issues that took over 90 days which resulted in 8 total cases. For the fourth category (systemic problem not validated), because it had the most issues that took over 90 days to close, we chose a random sample of 12 cases that took over 90 days. This resulted in a total sample of 20 cases.
- From the population of 9,400 SAMS issues closed in FY 2022, we selected a judgmental sample of 41 SAMS issues that were submitted internally by TAS personnel. We excluded all issues that were closed and turned into related projects or collaborative teams, transferred, duplicates, and individual issues and focused the judgmental sample on five categories determined to be elevated risk (Already Resolved, Annual Report to Congress/Most Serious Problem, Not a Systemic Issue, Systemic Problem Not Validated, Systemic Issue Elevated). Then, we selected the total populations for the Annual Report to Congress/Most Serious Problem and Not a Systemic Issue categories because each contained only four issues. We selected random samples of 11 issues each from the Already Resolved, Systemic Issue Elevated, and Systemic Problem Not Validated categories. This resulted in a sample of 41 cases.
- Determined whether the systemic advocacy projects conducted by TAS personnel were worked efficiently and effectively and resulted in changes that will help prevent systemic problems affecting taxpayers in the future.

¹ A judgmental sample is a nonprobability sample, the results of which cannot be used to project to the population.

² The categories of SAMS issues that we determined to be systemic were: already resolved, duplicate, Annual Report to Congress/Most Serious Problem, created IGP, created task force/working group, potential legislative recommendation, promoted, related advocacy issue team, related advocacy project, related collaborative effort, related IGP, related task force, resolved by SAMS project manager, and systemic issue elevated.

³ The categories of SAMS issues that we determined to be non-systemic were: individual issue, not a systemic issue, systemic problem not validated, and transferred.

- From the population of 89 IGPs started in FY 2022, we selected a judgmental sample of 10 projects to review. We selected a judgmental sample of the five oldest IGPs in “in-process” status as of April 20, 2023, to review. We also selected a random sample of five IGPs in “closed” status to review.
- Determined whether the Office of Systemic Advocacy Program clearly defines their yearly goals and objectives to include measurable outcomes and whether TAS management adequately measures the impact of systemic advocacy projects.

Performance of This Review

This review was performed with information obtained from the TAS Office of Systemic Advocacy located in Washington, D.C., during the period March 2023 through September 2024. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Data Validation Methodology

We performed tests to assess the reliability of data from the SAMS system and the TAS site. We evaluated the data by (1) performing electronic testing of required data elements, (2) reviewing existing information about the data and the system that produced them, and (3) interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for purposes of this report.

Internal Controls Methodology

Internal controls relate to management’s plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: policies and guidance found in the IRM. We evaluated these controls by requesting and reviewing the FY 2022 population of TAS Quality Review Program reviews on all closed systemic advocacy projects and immediate interventions, and by reviewing issues and IGPs in the SAMS system.

Appendix II

Fiscal Year 2023 Taxpayer Advocate Service Systemic Advocacy Objectives

1. Use Automation to Process Paper-Filed Tax Returns.
2. Seek Improvements in IRS Hiring and Recruitment Processes and Pursue Improvements in IRS Employee Training Strategy.
3. Improve IRS Telephone Service.
4. Enhance Transparency by Providing Regular Public Updates on the Processing of Returns and Forms and the Status of Taxpayer Refunds.
5. Identify Ways to Alleviate the Backlog of Paper-Filed Tax Returns.
6. Develop More Robust Digital Channels to Meet the Needs of Taxpayers and Practitioners.
7. Improve Omnichannel Service by Increasing Availability and Functionality of Digital Communication Tools.
8. Identify and Minimize Electronic Filing Barriers.
9. Eliminate Correspondence Audit Communication Barriers That Hinder Low-Income Taxpayer Audit Resolution and Lead to Increased Burden and Use of Downstream Resources.
10. Improve Collection Policies and Procedures.
11. Assess the Effectiveness of the IRS's Efforts to Reduce Its Backlog of Amended Returns and Work With the IRS to Improve Processing.
12. Mitigate the Unintended Effects of the 2020 and 2021 Filing Deadline Postponements on Timely Filed Claims for Credit or Refund.
13. Restore Tax Benefits That Were Disallowed Due to Individual Taxpayer Identification Number Renewal Processing Delays.
14. End Systemic Assessments of International Information Return Penalties, Which Harm Taxpayers and Burden the IRS.

Appendix III

Management's Response to the Draft Report



January 13, 2025

MEMORANDUM FOR DANNY VERNEUILLE
 ACTING DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: /s/ Kim Stewart *Kim S. Stewart*
 Deputy National Taxpayer Advocate

SUBJECT: Draft Evaluation Report –The Office of Systemic Advocacy Needs to Improve Oversight of the Program, Projects, and Collaborative Teams (Audit No. 202330009)

Thank you for the opportunity to respond to the above-referenced report. We appreciate your office's evaluation of the efficiency and effectiveness of the Taxpayer Advocate Service's (TAS) Office of Systemic Advocacy and the recommendations you have made to help us improve our efforts to identify and timely address systemic issues that impact taxpayers.

As background, Systemic Advocacy (SA) identifies systemic issues from many avenues, with a significant portion coming through the Systemic Advocacy Management System (SAMS) portal from both internal and external stakeholders. While SAMS is a tool to learn what is affecting taxpayers, it is not representative of all taxpayers or all issues, nor do multiple SAMS issues on the same topic necessarily indicate a bigger problem than an underlying problem we might learn about from a single issue. Issues that are validated as systemic are generally worked as an information gathering project, advocacy project, immediate intervention, or in a collaborative team.

During the COVID-19 pandemic, TAS and the IRS had many unprecedented challenges in various areas of tax administration, leading taxpayers to experience significant delays and other difficulties. To assist them in resolving these issues, many taxpayers turned to TAS, which created an overwhelming number of SAMS submissions and case advocacy assistance requests. In 2021, the quality review program was suspended so the quality review analysts could assist case advocates with their growing inventory. SA management realigned resources to attempt to address the increase in SAMS receipts and brought in additional staff to assist with the reviews. This required seasoned employees to train the new staff and contributed to the timeliness issues and management's ability to reassign work.

Creating meaningful performance measures continues to be an extremely challenging task. This was addressed in a 2010 TIGTA audit. The outcome of the work that TAS performs to prevent and resolve systemic problems cannot be easily captured. TAS consistently elevates the most serious problems facing taxpayers and makes recommendations for administrative and legislative changes to resolve identified problems. However, the challenge is how to quantify our contributions for the final outcomes. We work with the IRS on collaborative teams and submit ideas, but the final recommendations from the team's efforts do not always

The Taxpayer Advocate Service Office of Systemic Advocacy Needs to Improve Program Oversight to Ensure Taxpayer Problems Are Effectively Identified and Resolved

follow TAS suggestions, making the impact of TAS's participation hard to measure. In addition, accurately estimating the number of impacted taxpayers can often be difficult or impossible. We will continue to look for opportunities to measure the work we do on projects and teams.

Quality attributes for working projects are documented in the IRM 13.2.5.1.4, which was published in November 2020. The reviews first conducted in early 2021 were considered a "baseline" year for reviews that began 60 days after staff training was completed. Shortly after this, the quality review process was suspended until April 2023. During this time, SA revised some attributes with a new emphasis on Advocacy, Customer, and Procedural focus. The attributes continue to focus on areas of importance to our organization to ensure a quality work product.

Legislative recommendations (LRs) are discussed on Page 7 of the report. We want to point out that while LRs can be directly related to one the Most Serious Problems, many of the LRs have been made for years, and do not tie directly to the current year's Annual Report to Congress.

To strengthen internal controls, TAS agrees with TIGTA's recommendations for this audit. Attached is the detailed response outlining the corrective actions TAS will take to address them.

If you have any questions, please contact me or Andrew Beckwith, Executive Director, Systemic Advocacy.

Attachment

The Taxpayer Advocate Service Office of Systemic Advocacy Needs to Improve Program Oversight to Ensure Taxpayer Problems Are Effectively Identified and Resolved

Attachment

Taxpayer Advocate Service's (TAS) management response to TIGTA Draft Audit Report, Audit No. 202330009, The Office of Systemic Advocacy Needs to Improve Oversight of the Program, Projects, and Collaborative Teams

RECOMMENDATION 1

Ensure that collaborative teams have measurable outcomes to track program effectiveness.

CORRECTIVE ACTION

TAS agrees with the recommendation. TAS management will form a team to develop notional measures and conduct a baseline assessment of the measures, with plans to grow to more mature measures thereafter. When establishing collaborative teams, TAS will ensure a mission and goals are clearly defined.

IMPLEMENTATION DATE

June 30, 2027

RESPONSIBLE OFFICIAL

Executive Director, Systemic Advocacy

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 2

Develop and implement a quality review process for collaborative teams.

CORRECTIVE ACTION

TAS agrees with the recommendation. TAS management will form a team to create a quality review process for collaborative teams. TAS Systemic Advocacy management will also coordinate with the TAS Office of EDCA Intake and Technical Support (ITS) to create a collaborative teams review product guide for independent monthly reviews to be completed by the Quality Review Program staff based on a statistical sampling of closed collaborative teams.

IMPLEMENTATION DATE

June 30, 2027

RESPONSIBLE OFFICIAL

Executive Director, Systemic Advocacy

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 3

Develop and implement a method to monitor collaborative teams through a dashboard view.

The Taxpayer Advocate Service Office of Systemic Advocacy Needs to Improve Program Oversight to Ensure Taxpayer Problems Are Effectively Identified and Resolved

CORRECTIVE ACTION

TAS agrees with the recommendation. TAS management currently monitors the progress of collaborative teams. We update the Systemic Trends and Analysis Report (STAR) monthly to show the status of current teams. The collaborative teams' site is also available to all Systemic Advocacy employees working teams, managers, and executives to review at any time. We will create a "dashboard" view that summarizes this information and update it at regular intervals.

IMPLEMENTATION DATE

June 30, 2026

RESPONSIBLE OFFICIAL

Executive Director, Systemic Advocacy

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 4

Develop guidance to ensure consistent executive oversight for collaborative teams.

CORRECTIVE ACTION

TAS agrees with the recommendation. TAS management will form a team to draft and implement guidance that will include ensuring consistent executive oversight for collaborative teams.

IMPLEMENTATION DATE

December 31, 2025

RESPONSIBLE OFFICIAL

Executive Director, Systemic Advocacy

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 5

The TAS, Executive Director, Systemic Advocacy, should develop additional performance measures to assess whether systemic advocacy projects are effective in addressing systemic issues.

CORRECTIVE ACTION

TAS agrees with the recommendation. We will develop notional performance measures to help us assess whether systemic advocacy projects are effective in addressing systemic issues and conduct a baseline assessment of the measures, with plans to grow to more mature measures thereafter. This will include analyzing recommendations made in working advocacy projects and the impact of those recommendations to taxpayers.

IMPLEMENTATION DATE

June 30, 2027

RESPONSIBLE OFFICIAL

The Taxpayer Advocate Service Office of Systemic Advocacy Needs to Improve Program Oversight to Ensure Taxpayer Problems Are Effectively Identified and Resolved

Executive Director, Systemic Advocacy

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 6

The TAS, Executive Director, Systemic Advocacy, should ensure that quality reviews are conducted on the 13 advocacy projects completed while the reviews were suspended. Additionally, ensure that if quality reviews are suspended in the future, that any projects whose reviews were not done due to the suspension, are completed when the quality review process restarts.

CORRECTIVE ACTION

TAS agrees with the recommendation. We will work with the TAS Office of EDCA Intake and Technical Support (ITS) to complete a review of the advocacy projects completed while reviews were suspended. We will also put a policy in place to ensure that any future suspended quality reviews are eventually completed.

IMPLEMENTATION DATE

December 31, 2025

RESPONSIBLE OFFICIAL

Executive Director, Systemic Advocacy

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 7

Ensure that management addresses staffing issues and timely reassigns inventory when delays are identified in the SAMS issue review.

CORRECTIVE ACTION

TAS agrees to fill vacant positions in the SIRE group to the extent possible. Staffing issues are often beyond our control and affected by budget constraints and hiring freezes.

IMPLEMENTATION DATE

December 31, 2025

RESPONSIBLE OFFICIAL

Executive Director, Systemic Advocacy

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 8

Remind employees of the timeliness criteria for IGP.

The Taxpayer Advocate Service Office of Systemic Advocacy Needs to Improve Program Oversight to Ensure Taxpayer Problems Are Effectively Identified and Resolved

CORRECTIVE ACTION

TAS agrees with the recommendation. A reminder email will be sent to all staff to reinforce the IRM timeliness requirements in working projects.

IMPLEMENTATION DATE

February 28, 2025

RESPONSIBLE OFFICIAL

Executive Director, Systemic Advocacy

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 9

Analyze trends in issues raised in SAMS to help ensure that emerging issues are identified and addressed before they become more widespread.

CORRECTIVE ACTION

TAS agrees with the recommendation. TAS will analyze trends in receipts to ensure emerging issues are elevated or addressed in a prompt manner.

IMPLEMENTATION DATE

September 30, 2025

RESPONSIBLE OFFICIAL

Executive Director, Systemic Advocacy

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 10

Revise guidance to contain clear criteria for the SIRE project manager to identify emerging systemic issues submitted to SAMS, including developing a method to track and monitor.

CORRECTIVE ACTION

TAS agrees with the recommendation. TAS prioritizes the most pressing concerns in our daily work to address emerging systemic issues. We will create and implement a means to track and monitor emerging issues. We will also revise our guidance with clear criteria on how to identify, monitor, and track them.

IMPLEMENTATION DATE

June 30, 2026

RESPONSIBLE OFFICIAL

Executive Director, Systemic Advocacy

CORRECTIVE ACTION MONITORING PLAN

The Taxpayer Advocate Service Office of Systemic Advocacy Needs to Improve Program Oversight to Ensure Taxpayer Problems Are Effectively Identified and Resolved

We will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 11

Develop a system to track and monitor systemic issues closed when additional monitoring is needed to ensure that the issue is addressed.

CORRECTIVE ACTION

TAS agrees with the recommendation. We will create a tracking system to ensure issues elevated are monitored through resolution and provide written guidance on the process and timeframes.

IMPLEMENTATION DATE

January 31, 2027

RESPONSIBLE OFFICIAL

Executive Director, Systemic Advocacy

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

Appendix IV

Glossary of Terms

Term	Definition
Internal Revenue Manual	Contains the policies, procedures, instructions, guidelines, and delegations of authority which direct the operation for all divisions and functions of the IRS.
Purple Book	Contains the NTA's proposed legislative recommendations because of the Annual Report to Congress, intended to strengthen taxpayer rights and improve tax administration.
Systemic Issue Review and Evaluation group	Evaluates each submission to validate the issue, and if appropriate, funnel the issue to staff who work on resolving the problem. Possible outcomes may include changes to IRS procedures, policies, or legislative recommendations. The group also manages SAMS.

Appendix V

Abbreviations

FY	Fiscal Year
GAO	Government Accountability Office
IGP	Information Gathering Project
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
NTA	National Taxpayer Advocate
SAMS	Systemic Advocacy Management System
SIRE	Systemic Issue Review and Evaluation
TAS	Taxpayer Advocate Service



**To report fraud, waste, or abuse,
contact our hotline on the web
at <https://www.tigta.gov/reportcrime-misconduct>.**

**To make suggestions to improve IRS policies, processes, or systems
affecting taxpayers, contact us at www.tigta.gov/form/suggestions.**

Information you provide is confidential, and you may remain anonymous.