

IRS/Internal Reviews TY13

Regional Meetings
September 2014

IRS Quality Site Requirement Reviews:

QSR Adherence Based on QSS Site Reviews						All Programs Percent Change	AARP Percent Change
QSR NUMBER	QSR	FY2013		FY2014			
		All Programs	AARP	All Programs	AARP		
1	Certification	96%	96%	98%	98%	+2%	+2%
2	Intake & Interview Process	84%	81%	79%	79%	-5%	-2%
3	Quality Review Process	93%	88%	84%	85%	-9%	-3%
4	References	100%	100%	100%	100%		
5	Volunteer Agreement	96%	97%	96%	97%		
6	Timely Filing	100%	100%	90%	90%	-10%	-10%
7	Title VI	89%	87%	93%	95%	+4%	+8%
8	SIDN	96%	96%	96%	97%		+1%
9	EFIN	98%	99%	99%	98%	+1%	-1%
10	Security, Privacy, & Confidentiality	95%	94%	89%	92%	-6%	-2%

Total number of Tax-Aide sites reviewed:

20 Shopping Reviews (included QSR)

58 QSR Reviews only

TY13 Intake & Interview

Usage (Form 6729R)	National			AARP		
	Total Reviews	Correct Returns	Return Accuracy Rate	Total Reviews	Correct Returns	Return Accuracy Rate
Correct Process	263	252	95%	161	154	96%
Incorrect or No Intake Process	39	29	76%	21	18	86%
Total	302	281	93%	182	172	94%

Accuracy rate with correct process

Accuracy rate without correct process

FY14 Quality Review

Usage (Form 6729R)	National				AARP		
	Total Reviews	Correct Returns	Return Accuracy Rate		Total Reviews	Correct Returns	Return Accuracy Rate
Correct Process	272	262	95%		170	164	96%
Incorrect or No QR Process	30	19	65%		12	8	67%
Total	302	281	93%		182	172	94%

Accuracy rate with correct process

Accuracy rate without correct process

IRS Plans for TY14

Local Coordinators and/or back-up coordinators are required to be available for an IRS site visit during hours that the site is in operation

- ✓ To “assist and correct noncompliant QSR”
- ✓ May be in person or by phone

- No Shopping Reviews
- Look for QSS Reviews in states that were not covered in TY13
- Field site visits will be used
 - ✓ 10% remote (done by local RM)
 - ✓ Recommend site asks to schedule time
 - ✓ No written report to National Office

TY13 Tax-Aide Internal Reviews

387 completed*

Quality Site Requirement	Yes	Needs Improvement	Site Demonstrates Highest Level	New England	North Atlantic	Eastern	Gulf	Great Lakes	Central	Plains	Western	Northwest	Pacific
Thorough use of Intake & Interview form at both intake and QR	362	20	95%	3	3	3	0	3	1	4	2	1	0
Adequate QR done in front of TP	351	32	92%	5	3	3	1	5	7	4	0	1	3
Explained Return to TP	369	12	97%	0	2	1	0	3	1	2	0	2	1
Explained Responsibility to TP	349	32	92%	0	3	6	1	3	4	9	1	3	2
References available	377	8	98%	0	0	0	0	3	1	0	0	3	1
Timely e-file & Backup plan	373	6	98%	0	1	3	0	1	1	0	0	0	0
D-143 Posted	341	48	88%	2	12	5	5	5	1	8	4	1	6
SSN Verified	372	7	98%	1	0	1	1	0	1	2	0	0	1
Photo ID Verified	359	20	95%	1	6	1	0	1	2	2	1	3	3

Internal Review Plans for TY14

Approximately 400 sites will be Reviewed

- Any site that IRS determined did not have adequate Intake/Interview or QR Protocol in TY13
- Any site that was identified through Internal Reviews as “Needs Improvement” on either Intake/Interview or QR process
- Any site that was involved in an Incident Review for TY13 that demonstrated inadequate or non-existent protocol to ensure the safety of taxpayer data
- Any site that RC/SC or National Office determines is vulnerable due to isolation, new leadership or other reasons

One Day Accuracy Review TY13

48 Tax-Aide States Participated

FED Total Documented	Fed--Total Accurate	Fed--with Errors	Input Errors	Tax Law Errors	TW Errors
1185	840	345	213	50	111
	71%	29%			

State Total Documented	State--No Errors	State--with Errors	Input Errors	Tax Law Errors	TW Errors
905	781	124	61	26	46
	86%	14%			

Note: numbers on "type of error" don't match as some returns had multiple errors

What about Accuracy Reviews?

What did we learn last year?

- The “second set of eyes and ears” is catching and correcting errors—QR works!
- But, Counselors are making significant errors on about 1 out of 3 returns
- State returns appear to have a substantially higher level of accuracy, but is it true?

What else do we need to know?

- **What type of tax law errors are we making?**
- **Are the errors the result of lack of training, lack of communication or lack of process?**

Accuracy Reviews TY14

Two Days, all sub-states, 4 sites each

Week March 2

Week March 23

(1 day/week)

Key Dates

- ✓ SCs will select sites by Jan 15
- ✓ Lead/back-up selected/trained by mid January
- ✓ Data entered by April 1

- Is there a difference in accuracy across the country?
 - If so, what is root cause? Training gaps, leadership vacuum, communication issues, other?
 - Ability to give training promptly to correct errors
- Does accuracy increase as season progresses?

Added Bonus: Process keeps focus on accuracy for sites/volunteers!

Incident Reviews TY13

Regional Meetings
September 2014

Summary of Incidents

- 132 Received:

- 68 were considered “Advisory Only”

- 64 were taken “Under Review”

- 15 Volunteers terminated or decided to resign position

- 3 involved in security/data issues

- 4 potential criminal behavior or serious violation of IRS Standards

- 4 rude to taxpayers or other volunteers

- 3 refused to follow AARP Foundation Tax-Aide policy

- 1 continued to do OOS returns after counseling

Three Major Areas of Concern:

- ❑ Mis-directed Taxpayer Refunds
 - ❑ Data/Security Issues
 - ❑ Volunteers Ignoring Policy

Mis-directed Taxpayer Refunds

Why it Happens

- Handling errors caused taxpayer documents to be mixed-up
- Counselors taking verbal information w/o verification
- Data entered later onto wrong return

Solutions

- Data checked twice
- Numbers verified/initialed by taxpayer
- Process in place to ensure monitoring

However: Potential for fraudulent activity by Volunteer

Actions to be Taken:

- **Get Funds to Taxpayer**
 - IRS Form 3911
 - Taxpayer Advocate's Office
 - Internal Fraud Unit investigation
- **Determine if Criminal Behavior present**
 - Several areas where crime could have been committed
 - Who touched the return?
- **Hard look at site process to prevent re-occurrence**

Data/Security Issues

Why it Happens

- Failure to follow Protocol
 - Failure of training or communication?
 - Failure of leadership at site?

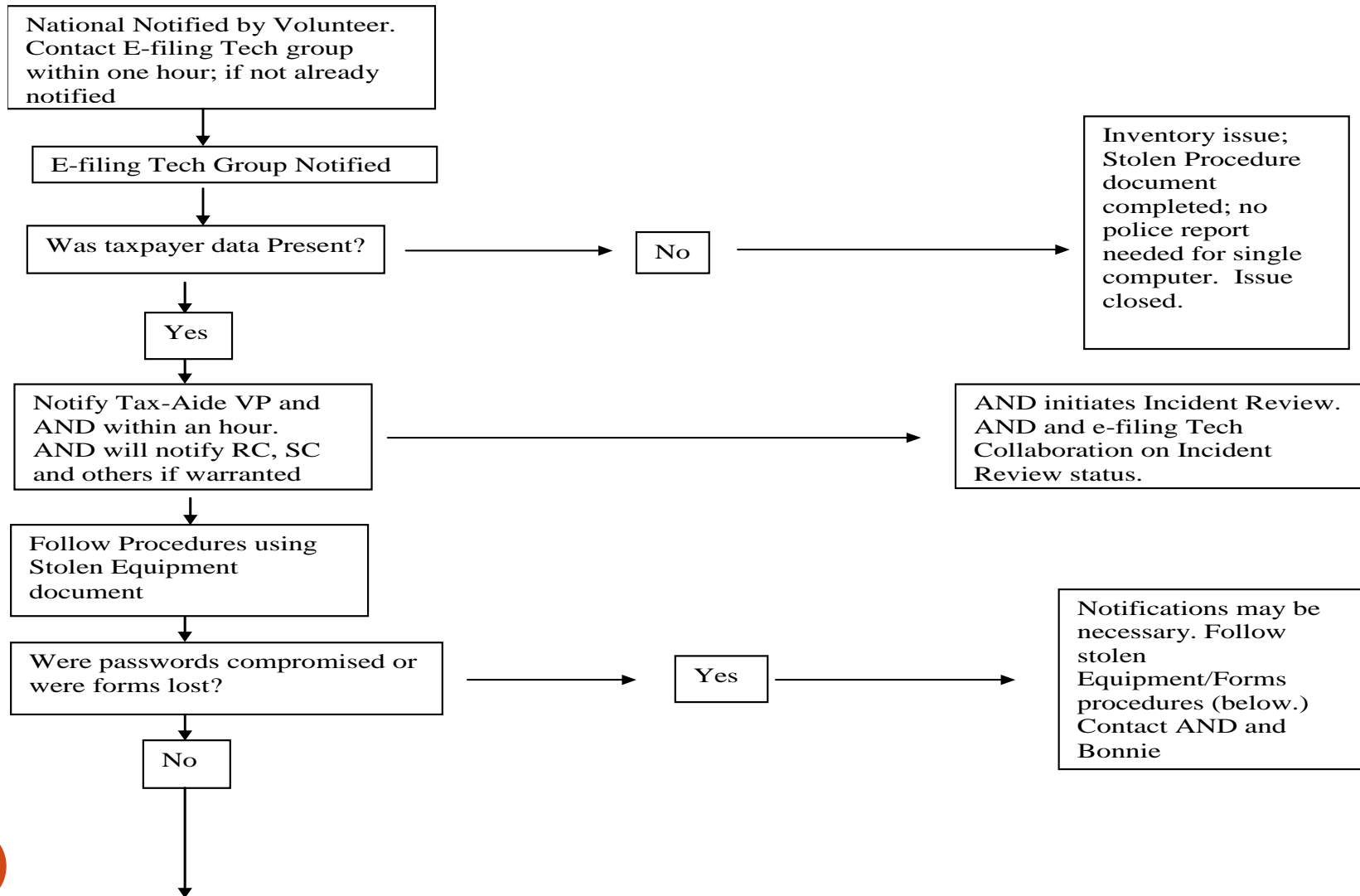
Solutions

- Increased emphasis on Password strength
- Increased monitoring for data breaches
- Increased awareness of impact on taxpayers

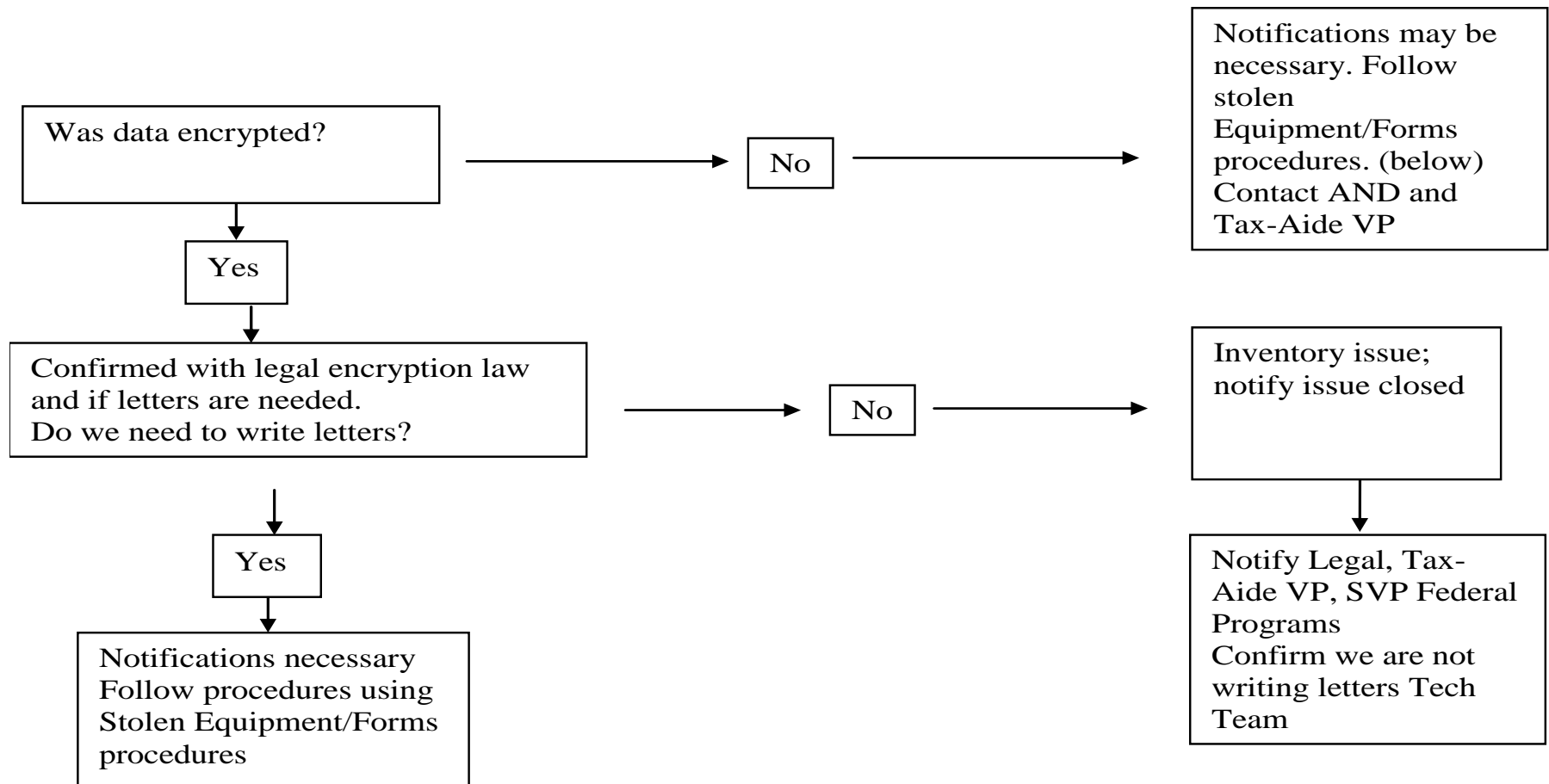
Actions to be Taken:

- Determine what needs to be done to protect Taxpayers
 - Identity Theft Protection Package offered by National Office
 - Communication plan as necessary
- Ensure protocol in place at site/District to prevent re-occurrence
 - Could include training and counseling
 - Monitoring as necessary
- Determine what action is appropriate in reference to volunteer(s)
 - Potential termination for failure to ensure security at site

E-Filing Technology Role



E-Filing Technology Role (Cont.)



Volunteers Ignoring Policy

Why it Happens

- Volunteers don't see value in policy so circumvent or ignore
- Volunteers feel policy negatively impacts productivity
- Volunteers unaware of policy or potential impact

Solutions

- Leadership sets the tone for state/district
- Give explanation; ask NO for assistance
- Focus in training and communication with SMT

Examples of Recent Problems

- Volunteers/Site refuse to use Client Intake Form or do QR
- Volunteer takes taxpayer documents home to do return then loses them
- Volunteer tries to self-help rather than inform supervisor or filed Incident Report



Report to IRS
Termination
Monitor
Counsel

Action Plan

- Discussion with SCs at Regionals
- RC/SC leadership to enforce IRS Standards of Conduct, Tax-Aide Standards of Professionalism, Tax-Aide Policy at State and District meetings
 - Recommend that SCs attend all DC meetings, if possible
- Additional Training in states/districts with known problems
- TCS emphasis on Security Issues