

IRS PERFORMANCE REPORT

## Goal 2: Enforce the Law to Ensure Everyone Meets Their Obligations to Pay Taxes

| PERFORMANCE MEASURES   | FY2011 ACTUAL | FY2012 PLAN | FY2012 ACTUAL    | FY2013 PLAN |
|--|---------------|-------------|------------------|-------------|
| <b>GOAL 2: ENFORCE THE LAW TO ENSURE EVERYONE MEETS THEIR OBLIGATIONS TO PAY TAXES</b>           |               |             |                  |             |
| Automated Collection System Accuracy   | 94.9%         | 94.5%       | <b>94.7%</b>     | 94.5%       |
| Automated Underreporter Coverage   | 3.3%          | 3.2%        | <b>3.2%</b>      | 3.0%        |
| Automated Underreporter Customer Satisfaction (SB/SE)  | 62.0%         | 62.0%       | <b>63.0%</b>     | 62.0%       |
| Automated Underreporter Customer Satisfaction (W&I)  | 69.0%         | Baseline    | <b>71.0%</b>     | TBD         |
| Automated Underreporter Efficiency   | 2,007         | 2,067       | <b>2,041</b>     | 1,967       |
| Collection Coverage  | 50.0%         | 47.8%       | <b>48.1%</b>     | 46.8%       |
| Collection Efficiency  | 1,952         | 2,073       | <b>1,997</b>     | 2,028       |
| Compliance Services Collection Operation Customer Satisfaction (SB/SE)                           | 57.0%         | 57.0%       | <b>57.0%</b>     | 57.0%       |
| Compliance Services Collection Operation Customer Satisfaction (W&I)                             | 69.4%         | 69.0%       | <b>66.6%</b>     | 69.0%       |
| Compliance Services Collection Operation Days To Close - Business                                | 19.4%         | 24.0        | <b>29.3</b>      | 24          |
| Compliance Services Collection Operation Days To Close - Individual                              | 16.0%         | 18.0        | <b>15.7</b>      | 19.0        |
| Conviction Efficiency Rate   | \$310,029     | \$325,000   | <b>\$270,511</b> | \$325,000   |
| Conviction Rate  | 92.7%         | 92.0%       | <b>93.0%</b>     | 92.0%       |
| Correspondence Exam Customer Satisfaction (SB/SE)  | 47.0%         | 47.0%       | <b>47.0%</b>     | 48.0%       |
| Correspondence Exam Customer Satisfaction (W&I)  | 57.0%         | Baseline    | <b>48.0%</b>     | TBD         |
| Criminal Investigations Completed  | 4,697         | 4,000       | <b>4,937</b>     | 4,000       |
| Exam Timeliness (Coordinated Industry And Industry Combined) - # Months                          | 31.5          | 30.0        | <b>29.8</b>      | 31.0        |
| Examination Coverage - Business (Assets >\$10m)  | 6.1%          | 5.6%        | <b>6.4%</b>      | 4.6%        |
| Examination Coverage - Individual  | 1.1%          | 1.0%        | <b>1.0%</b>      | 1.0%        |
| Examination Efficiency - Individual  | 139           | 134         | <b>142</b>       | 146         |
| Examination Quality - Coordinated Industry   | 96.0%         | 97.0%       | <b>96.0%</b>     | 90.0%       |
| Examination Quality - Industry   | 90.0%         | 90.0%       | <b>90.0%</b>     | 90.0%       |
| Field Collection Customer Satisfaction   | 70.0%         | 70.0%       | <b>69.0%</b>     | 70.0%       |
| Field Collection National Quality Review Score   | 80.3          | 78.0%       | <b>80.4%</b>     | 80.4%       |
| Field Exam Customer Satisfaction   | 60.0%         | 60.0%       | <b>62.0%</b>     | 60.0%       |
| Field Examination National Quality Review Score  | 85.8%         | 85.8%       | <b>87.4%</b>     | 86.9%       |
| Number Of Convictions  | 2,350         | 2,175       | <b>2,634</b>     | 2,175       |
| Office Examination National Quality Review Score   | 90.4%         | 90.4%       | <b>91.3%</b>     | 91.1%       |
| Percent Of Offers-In-Compromise Field And Campus Cases Closed In Less Than 9 Months <sup>3</sup> | 72.4%         | 74.0%       | <b>84.0%</b>     | 81.5%       |
| SB/SE Correspondence Exam Cycle Time (EITC) - # Days   | 200           | 193         | <b>202</b>       | 193         |
| SB/SE Correspondence Exam Cycle Time (Non-EITC) - # Days   | 167           | 177         | <b>174</b>       | 177         |
| Tax Exempt/Government Entities Determination Case Closures                                       | 91,205        | 65,794      | <b>87,000</b>    | 62,473      |
| W&I Service Center Correspondence Exam Timeliness (Discretionary) - # Days                       | 160           | 185         | <b>180</b>       | 185         |
| W&I Service Center Correspondence Exam Timeliness (EITC) - # Days                                | 209           | 209         | <b>212</b>       | 209         |

**Performance Measures for Strategic Goal 2:  
Enforce the Law to Ensure Everyone Meets Their Obligations to Pay Taxes**

| <b>Performance Measure</b>  | <b>Definition</b>  |
|---|--|
| Automated Collection System Accuracy                                    | The percent of taxpayers who receive the correct answer to their Automated Collection System question.   |
| Automated Underreporter Coverage  | The total number of W&I and SB/SE contact closures divided by the total return filing for the prior year.  |
| Automated Underreporter Customer Satisfaction (SB/SE)                   | Customers' overall satisfaction with their Automated Underreporter experience stated as percent satisfied.   |
| Automated Underreporter Customer Satisfaction (W&I)                     | Total percentage of top ratings and bottom ratings given by Automated Underreporter Customer Satisfaction Survey question rating overall satisfaction. The taxpayer is asked, "Regardless of whether you agree or disagree with the final outcome, how would you rate your overall satisfaction with the way your discrepancy was handled?"                    |
| Automated Underreporter Efficiency                                      | The total number of W&I and SB/SE contact closures divided by the total full-time equivalent, including over-time.   |
| Collection Coverage   | The volume of collection work disposed compared to the volume of collection work available.  |
| Collection Efficiency   | The volume of collection work disposed divided by total collection full-time equivalent.   |
| Compliance Services Collection Operations Customer Satisfaction (SB/SE) | Customers' overall satisfaction with their Compliance Services Collection Operations experience stated as percent satisfied.   |
| Compliance Services Collection Operations Customer Satisfaction (W&I)   | Total percentage of top ratings given by Compliance Services Collection Operations Customer Satisfaction Survey question rating overall satisfaction. The taxpayer is asked, "Regardless of whether you agree or disagree with the final outcome, how would you rate your overall satisfaction with the way your correspondence collection issue was handled?" |
| Compliance Services Collection Operations Days To Close - Business      | The average time to close a case based on its "Days in Department" receipt date.   |
| Compliance Services Collection Operations Days To Close - Individual    | The average time to close a case based on its "Days in Department" receipt date.   |
| Conviction Efficiency Rate  | The cost of Criminal Investigation's program divided by the number of convictions. The number of convictions is the total number of cases with the following statuses: guilty plea, nolo contendere, judge guilty, or jury guilty.   |
| Conviction Rate   | The percent of adjudicated criminal cases that result in convictions.  |
| Correspondence Exam Customer Satisfaction (SB/SE)                       | Customers' overall satisfaction with their Campus Examination experience stated as percent satisfied.  |

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|---|---|
| Correspondence Exam Customer Satisfaction (W&I)                                     | Total percentage of top ratings (top boxes) and bottom ratings given by Correspondence Exam customer Satisfaction Survey question rating overall satisfaction. The taxpayer is asked, "Regardless of whether you agree or disagree with the final outcome, how would you rate your overall satisfaction with the way your audit was handled?" |
| Criminal Investigations Completed   | The total number of subject criminal investigations completed during the fiscal year, including those that resulted in prosecution recommendations to the Department of Justice as well as those discontinued due to a lack of prosecution potential.   |
| Exam Timeliness (Coordinated Industry and Industry Combined) - # Months             | The average number of months from file date to completion of the examination process for all Coordinated Industry and Industry Combined returns closed during the prior twelve months.  |
| Examination Coverage – Business (Assets >\$10M)                                     | The number of C and S Corporations with assets over \$10 million and all partnerships examined and closed during the current fiscal year divided by the number of filings for the preceding calendar year.  |
| Examination Coverage - Individual   | The sum of all individual 1040 returns closed divided by the total individual return filings for the prior calendar year.   |
| Examination Efficiency - Individual   | The sum of all individual 1040 returns closed divided by the total full-time equivalents expended in relation to those individual returns.  |
| Examination Quality - Coordinated Industry  | Average of the scores of Coordinated Industry Cases reviewed. Case scores are based on the percentage of elements passed within each auditing standard.   |
| Examination Quality - Industry  | Average of the scores of Industry Cases reviewed. Case scores are based on the percentage of elements passed within each auditing standard.   |
| Field Collection Customer Satisfaction  | Customers' overall satisfaction with their Field Collection experience stated as percent satisfied.   |
| Field Collection National Quality Review Score                                      | The score awarded to a reviewed collection cases by a Quality Reviewer using selected attributes.   |
| Field Exam Customer Satisfaction  | Customers' overall satisfaction with their Field Examination experience stated as percent satisfied.  |
| Field Exam National Quality Review Score  | The score awarded to a reviewed field examination case by a Quality Reviewer using selected attributes.   |
| Number Of Convictions   | The number of criminal convictions.   |
| Office Examination National Quality Review Score                                    | The score awarded to a reviewed office examination case by a Quality Reviewer using selected attributes.  |
| Percent Of Offers-in-Compromise Field And Campus Cases Closed In Less Than 9 Months | The percent of cases closed in Field and Campus in 0-9 months.  |

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|--|---|
| SB/SE Correspondence Exam Cycle Time (EITC) - # Days                       | Average number of calendar days from the start of a SB/SE EITC examination to closure.        |
| SB/SE Correspondence Exam Cycle Time (Non-EITC) - # Days                   | Average number of cycle days from the start of a Discretionary examination to closure.        |
| Tax Exempt/Government Entities Determination Case Closures                 | The number of cases closed, regardless of type of case or type of closing.                    |
| W&I Service Center Correspondence Exam Timeliness (Discretionary) - # Days | Average calendar days from the initiation of an examination or correction contact to closure. |
| W&I Service Center Correspondence Exam Timeliness (EITC) - # Days          | Average calendar days from the initiation of an examination or correction contact to closure. |