

IRS FOCUS GROUPS – TEB EXAMINATION PROCESS

I. Introduction of Moderator

- A. IRS Planning asked to moderate these discussions
- B. No vested interest in receiving any particular point of view

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1349. Also, if you have any comments regarding the time estimates associated with this study or suggestions on making this process simpler, please write to the, Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224.

II. Ground Rules [5 minutes]

- A. You have been asked here to offer your views and opinions; participation from everyone is important.
- B. Audio taping and observers.
- C. Speak one at a time.
- D. No side conversations.
- E. No wrong answers, however I want you to be honest and forthright in your responses.
- F. It is OK to be critical. If you dislike something or disagree with something that is said, I want to hear about it.
- G. The group does not need to reach consensus, differing opinions are OK.
- H. Please know that any identifiable information used to bring this group together or that you share during the focus group will be removed before the information is summarized for future use. In addition, all your comments and information will be completely private and your name will not be associated with the focus group or research in any way. So please feel free to be candid in your responses.

III. Brief Explanation of the Focus Group Purpose/Introduction of Topic [5 minutes]

In our discussion today, we will talk about some of your views and perceptions of the examination or audit process as it relates to tax-exempt bonds.

The information that I gather today will be used to improve the audit process within the Tax-Exempt Bond Office of the IRS.

My role as a moderator is to guide the discussion by asking you a series of questions. My role will not be to answer your questions during this discussion,

IRS FOCUS GROUPS – TEB EXAMINATION PROCESS

unless they are questions for which you need clarification of something I've said.

IV. Warm-up [5 minutes]

To get us started, let's simply introduce ourselves and provide relevant background including what company you are representing, your audit or VCAP experience, and where you are from.

V. Understanding of "Audit" [10 minutes]

According to your responses, everyone was involved with an audit of a tax-exempt bond by the IRS. When I say an "audit by the IRS" what does that mean to you?

- What do you perceive to be the IRS' purpose for conducting the audit?
- In general, how was it working with the IRS through this process?

VI. Expectations [10 minutes]

When you first learned that your client was being audited by the IRS, what went through your mind?

- What were your expectations.
- How did the IRS manage these expectations?
 - o How did they communicate to you what the audit entails?
 - o How accurate were the expectations set by the IRS?

VII. Cycles of Service [20 minutes]

I'd like to understand the audit process as a whole from your perspective. When you think of the audit process, I want you to think about the process from when your client first received the IRS opening letter to when they received the IRS closing letter.

Describe for me the steps in the audit process from beginning to end.

- Allow one participant to describe the process.
- Allow others to describe their experience or indicate how their process was different.

Did you understand what was happening with regard to your client's case throughout the audit?

- How were you kept informed?
- Was the information adequate? What additional information would have been useful or helpful for you?

What part of the audit was the most difficult for you?

- Why was this step so difficult?
- How could the IRS make this process easier for you?

IRS FOCUS GROUPS – TEB EXAMINATION PROCESS

- How could the IRS improve the overall audit process?

VIII. The Customer Experience [20 minutes]

Let's discuss for a few minutes the timeliness of working with the IRS through an audit.

- Did you think the time it took the IRS was reasonable?
- Was the time allotted by the IRS to respond to the Information Document Request reasonable?
 - How much time was given?
 - What would have been a reasonable amount of time?
 - Were extensions granted?
- What type of delays do you experience on your side that should be taken into account?
- Were you updated on the status of your exam throughout the process?
- How were you updated?

Tell me about what it was like working with the agent?

- Probe for - Knowledgeable? Informative?
- How would you describe the communication that took place between you and the IRS agent?
- How could the IRS, or the actual agent, improve the audit process?

IX. Voluntary Compliance Agreement Program (VCAP) [20 minutes]

Now I'm switching gears to talk about the Voluntary Compliance Program. How many of you also have experience with the VCAP program?

When I say the "Voluntary Compliance Program" what does that mean to you?

- What is the IRS' purpose of the Voluntary Compliance Program?
- In general, what was your experience working with the IRS through this process?
- What are some of the challenges, if any, you faced while working with the IRS through this process?
- Suggestions for improvements?

How was the voluntary program process different from the regular examination process?

- Which aspects, if any, did you like better?
- Which aspects, if any, did you like less?

X. False Close [5 minutes]

Any other topics that should be explored with this particular group?

IRS FOCUS GROUPS – TEB EXAMINATION PROCESS

Any areas that need further clarification?

XI. Close

Thanks for your time.