MANUAL
TRANSMITTAL

4.70.5

Department of the Treasury
Internal Revenue Service

MARCH 7, 2024

EFFECTIVE DATE

(03-07-2024)

PURPOSE

(1)   This transmits revised IRM 4.70.5, TE/GE Examinations, Issue Identification and Research.

BACKGROUND

(1)   This IRM provides an overview of Tax Exempt and Government Entities (TE/GE) identification and development of compliance activity.

MATERIAL CHANGES

(1)   This revision is a complete restatement of IRM 4.70.5.2. This revision changes some terminology used in the identification and development of compliance activity. The revision also introduces the use of the Portal for submitting issues for consideration as potential new compliance activities as well as for recordation of the steps in each issue's consideration and development process.

(2)   IRM 4.70.5.1 revised to change references to the Compliance Strategy Development Process (CSDP) to reference compliance activity development which is done through the compliance strategy process. Changes were also made to define the terms, personnel and acronyms used in the compliance strategy process.

(3)   IRM 4.70.5.2 title was changed from *Compliance Strategy Development Process (CSDP)* to *Compliance Strategy Process*. The section was revised to change references to the Compliance Strategy Development Process (CSDP) to reference compliance activity development which is done through the compliance strategy process. Changes were also made to other terminology used in the compliance strategy process.

(4)   IRM 4.70.5.2.1 title was revised from *Issue Identification and Research Group (IIR Group)* to *Issue Identification and Special Review* and the types of employees in the group were added to the section.

(5)   IRM 4.70.5.2.2, **The Portal**, was added to provide information on the usage of the Portal for issue identification. Information was also provided on the positions having access to the portal, as well as a description of the various sections in the Portal.

(6)   IRM 4.70.5.2.3 title was changed from *Case Identification Methodology* to *Receive Issue Submission* and the information from the previous IRM 4.70.5.2.15.5 was moved to this section and clarifications were made to make the information more understandable to the user.

(7)   IRM 4.70.5.2.4 title was changed from *Research* to *Screen Submission* and information was included to explain the initial screening of the issues submitted to the Portal.

(8)   IRM 4.70.5.2.5 title was changed from *Hospital Report* to *Joint Scoring of Issue* and information was included to detail Issue Identification's (IID) work with Knowledge Management to score the issue for the purpose of determining the order the issue will be assigned for development.

(9)   IRM 4.70.5.2.6 title was changed from *Customer Satisfaction Survey* to *Preliminary Review* and the information from the previous IRM 4.70.5.2.2.2 was moved to this section and clarifications were made to make the information more understandable to the user and to include usage of the Portal.

(10)   IRM 4.70.5.2.7, **Prepare for Open Discussion**, was added to detail the formation of the issue identification team and the steps taken to prepare for an open discussion on an issue with the Board.

(11)   IRM 4.70.5.2.8, *Initial Decision to Continue*, was added to detail the initial presentation of an issue to the Board and recordation of decisions.

(12)   IRM 4.70.5.2.9, *Proposal Development*, was added to detail all the items to be considered to fully develop the proposal and prepare for the full presentation to the Board.

(13)   IRM 4.70.5.2.10, *Functional Exam Director Briefing*, incorporates the data from the old IRM 4.70.5.2.2.4 and modifies it to accommodate the compliance strategy process and the Portal rather than the CSDP.

(14)   IRM 4.70.5.2.11, *Finalize Proposal*, was added to detail the steps necessary after the presentation to the Functional Exam Director and leading up to the presentation to the Board for approval of the proposal.

(15)   IRM 4.70.5.2.12, *Board Approval of the Proposal*, was added to detail the presentation of the proposal to the Board for approval. Most of the information in this section was moved from the old IRM 4.70.5.2.3.2 and was updated to add information regarding the Portal.

(16)   IRM 4.70.5.2.13, *Preparation for Implementation*, was added to detail the necessary steps to prepare the approved proposal for implementation. Most of the information was moved from the old IRM 4.70.5.2.3.3 and was updated for the new compliance strategy process.

(17)   IRM 4.70.5.2.14, *Evaluation Process*, was added to provide details of the post-strategy monitoring and feedback to the Board. The information from the old IRM 4.70.5.2.3.4 was moved to this section and revised to add details of the compliance strategy process.

(18)   IRM 4.70.5.2.15, *Research*, includes information from the old IRM 4.70.5.2.4 regarding the work Research does to contribute to the compliance strategy process.

(19)   IRM 4.70.5.2.15.1, *Hospital Report*, contains the information previously included in IRM 4.70.5.2.5.

(20)   IRM 4.70.5.2.6, *Customer Satisfaction Survey*, was removed.

EFFECT ON OTHER DOCUMENTS

This supersedes IRM 4.70.5 dated August 5, 2021.
This incorporates Interim Guidance Memo TE/GE-04-0721-0013, Interim Guidance on CP&C Procedures for Compliance Query Sets into the Research section .

AUDIENCE

The primary users of this IRM are TE/GE personnel and others impacted by TE/GE's shift toward issue-based identification.

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Tax Exempt and Government Entities

4.70.5
Issue Identification and Research

Table of Contents

4.70.5.1 (03-07-2024) **Program Scope and Objectives**	(1)	**Purpose:** This IRM provides an overview of TE/GE identification and development of compliance activities, often referred to as the compliance strategy process. The Director, Compliance Planning and Classification (CP&C) is responsible for administering compliance activity development and the governance of the compliance strategy process.

(2) **Audience:** The primary users of this IRM are TE/GE employees and others impacted by TE/GE's shift toward issue-based identification.

(3) **Policy Owner:** Director, CP&C.

(4) **Primary Stakeholders:** The primary stakeholders are TE/GE employees.

(5) The TE/GE Compliance Issue Submission Portal (the "Portal") opened to all TE/GE employees on November 1, 2017.

(6) The objectives of TE/GE compliance activity development include:

    a. Providing TE/GE employees with a workload focused on strategic issues while balancing resources.
    b. Providing feedback methods for capturing input on effectiveness of data analyses, issue identification filters, treatment streams, training and tools so that strategies can be refined, improved or reconsidered.

(7) **Program Owner:** CP&C is responsible for the administration of the compliance strategy process.

4.70.5.1.1 (09-24-2018) **Background**	(1)	On May 1, 2017, TE/GE formed the CP&C office to streamline and consolidate processes that identify, research, select and monitor inventory using data analytics.

4.70.5.1.2 (03-07-2024) **Authority**	(1)	The TE/GE Compliance Governance Board (the "Board"):

    a. Authorizes the operation of the compliance strategy process.
    b. Governs the identification, selection, assignment, and allocation of resources for all compliance and enforcement activities for TE/GE taxpayers.
    c. Considers proposals from Issue Identification (IID) manager and analysts, resulting from the compliance strategy process.
    d. Approves proposals for implementation or recommends other actions commensurate with compliance risk and resources.

(2) The compliance strategy process replaced the compliance initiative process in TE/GE.

(3) The Board's charter lists the following TE/GE officials as voting members of the Board:

- Commissioner, TE/GE
- Deputy Commissioner, TE/GE
- Director, Exempt Organizations and Government Entities (EO/GE)
- Director, Employee Plans (EP)
- TE/GE Division Counsel

(4) The Board's non-voting members include:

- TE/GE Deputy Division Counsel

- • Senior Technical Advisor, TE/GE
- • Director, CP&C - Board Chair

(5)   The Board Chair is responsible for presiding over meetings and performing administrative activities (e.g., preparing agendas and meeting minutes).

| 4.70.5.1.3 (03-07-2024) **Roles and Responsibilities** | (1)   CP&C's responsibilities include, but are not limited to, the following tasks: |

a.   Aligning compliance work with TE/GE's strategic goals.
b.   Collaborating across the various areas of TE/GE to improve taxpayer compliance.
c.   Analyzing the Portal submissions.
d.   Developing return selection filters.
e.   Preparing and reviewing compliance strategy and data driven approach proposals for presentation to the Board.
f.   Delivering work to the TE/GE functional offices.
g.   Maintaining the Portal.

4.70.5.1.4 (03-07-2024) Terms/Definitions/ Acronyms

(1)   Classification: The group within the Classification & Case Assignment (C&CA) function in CP&C that is responsible for classifying cases. See IRM 4.70.6, **Classification and Case Assignment Procedures,** for more information on Classification.

(2)   Classifier: A person in C&CA responsible for classifying compliance activity cases.

(3)   Compliance Governance Board (the "Board"): See IRM 4.70.5.1.2, above.

(4)   Compliance Activity: The development of issue submissions into compliance strategies and data driven approaches.

(5)   Compliance Strategy: An issue developed through the compliance strategy process and approved by the Board.

(6)   Data Driven Approach: A recurring compliance activity approved by the Board that may be the result of the compliance strategy process or another research effort. Both compliance strategies and data driven approaches allow TE/GE to identify, prioritize, and allocate resources to TE/GE compliance activities.

(7)   Exam Director: The Examination Director in EO or EP and the Director, Government Entities.

(8)   Issue Development Team (ID Team): The team of experts brought together by the IID analyst to participate in the compliance strategy process. This may include employees from the functions and from Knowledge Management (KM), Communications and Liaison or Leadership Education and Delivery Services.

(9)   Issue Identification and Special Review (II&SR): A function within CP&C that is responsible for issue identification, research and special review.

(10)   IID Analyst: The analysts in II&SR, Issue Identification (IID) group that review submissions, develop proposals, and make recommendations of compliance activities to the Board.

(11)   IID Manager: The frontline manager of the IID group.

(12)   Planning and Monitoring (P&M) Coordinator (PMC): P&M personnel assigned to one or more compliance strategies or data driven activities—from proposal development through the presentation of results and recommendations.

(13)   Research: A group within II&SR that is staffed with analysts, economists, and statisticians who provide analytical support throughout compliance activity development and respond to ad hoc data requests.

(14)   Research Manager: The frontline manager of the research group.

(15)   Stocking Report: A report prepared by the VSM and sent to C&CA that requests the amount of work to be added to the virtual shelf (work type, grade)

(16)   TE/GE Issue Submission Portal (the "Portal"): A SharePoint-based site where employees can submit ideas about an area of non-compliance. The compliance strategy process determines if the submission is viable and could be developed into a compliance strategy or data driven approach.

(17)   Virtual Shelf Monitor (VSM): P&M employee who requests establishment of compliance activity cases in anticipation of functional casework needs.

(18)   Work Plan Analyst (WPA): P&M employees designated to provide support on developing submissions and Board approved compliance strategies and data driven approach activities with consideration of the effect on the annual functional workplans.

(19)   Acronyms:

Acronym	Description
AIMS	Audit Information Management System
C&CA	Classification & Case Assignment
C&L	Communications & Liaison
CP&C	Compliance Planning & Classification
CSIS/ DDIS	Compliance Strategy Information Sheet/Data Driven Information Sheet
EO/GE	Exempt Organizations and Government Entities
EP	Employee Plans
ICN	Issue Control Number
ID team	Issue Development Team
IDR	Information Document Request
IID	Issue Identification
II&SR	Issue Identification & Special Review (function within TE/GE, CP&C)
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
KM	Knowledge Management

Acronym	Description
KM Team	Knowledge Management Team (individuals within KM)
P&M	Planning & Monitoring
PII	Personally Identifiable Information
PMC	Planning & Monitoring Coordinator
RAAS	IRS' Research, Applied Analytics & Statistics
RRA 98	Restructuring & Reform Act of 1998
RCCMS	Reporting Compliance Case Management System
SBU	Sensitive but Unclassified
SHOTs	Self-Help Online Tutorials
SME	Subject Matter Expert
TECU	Tax Exempt Compliance Unit
TE/GE	Tax Exempt & Government Entities Division
VOD	Video on Demand
VSM	Virtual Shelf Monitor
WPA	Work Plan Analyst

4.70.5.1.5
(03-07-2024)
Program Objectives and Review

(1) The IRS has the following main objectives surrounding workload selection:

   a. Selecting cases or compliance activities with the highest positive impact on voluntary compliance and tax administration

   b. Selecting work in an unbiased manner without retaliating against, or harassing, a taxpayer (see IRM 4.1.5.1.1, and Section 1203(b)(6) of the IRS Restructuring and Reform Act of 1998 (RRA 98))

   c. Protecting the confidentiality of the criteria used to select work so taxpayers cannot easily avoid detection

   d. Ensuring fairness and integrity in the enforcement selection process (see IRS *Policy Statement 1-236*)

(2) CP&C was created to address concerns regarding the separation of classification and workload selection from the exam functions.

(3) Program Reports: Within CP&C, electronic systems are used to house documents related to the compliance strategy process. Access to the systems (e.g., AIMS, RCCMS, Portal) is restricted.

(4) TE/GE ensures that adequate and effective controls are in place during the development, approval, and execution of compliance activity. Functional offices within TE/GE will provide resources to assist in the development of compliance strategies and data driven approaches and take appropriate actions as submissions move through the compliance strategy process.

(5) Program Effectiveness:

      a.   The Board:

- Analyzes and reviews program goals
- Considers information, including related metrics in the reports
- Determines whether approved compliance activities should continue, be modified, or be discontinued

      b.   Documentation submitted to the Board for review includes:

- Proposals for compliance activity from the IID analysts
- Summary reports from P&M
- Periodic feedback on compliance activities from the PMCs and IID analysts
- Recommendations on compliance activity from PMCs

      c.   CP&C:

- Maintains a portfolio of all active and discontinued submissions in the Portal
- Documents decisions of the Board

(6)   Annual Review: The Director, CP&C reviews IRM 4.70.5 annually to ensure accuracy and promote consistent tax law administration.

4.70.5.1.6 (03-07-2024) **Related Resources**	(1) Access the *Portal* directly, or through the *TE/GE CP&C Submission Portal landing page*, which can be accessed from the TE/GE Connect homepage.
4.70.5.2 (03-07-2024) **Compliance Strategy Process**	(1) Part of TE/GE's mission is to identify the highest potential compliance risks among TE/GE taxpayers and to assign resources to address these potential risks. The compliance strategy process is a component of this approach.

(2)   The compliance strategy process includes a thorough analysis of data to support the identification and evaluation of potential compliance risks within TE/GE taxpayers and development of proposals to the Board, in a well-documented systematic manner.

(3)   During the process, the IID Group:

      a.   Partners with Research to use internal and external data sources to their fullest potential.

      b.   Encourages collaboration and effective use of the KM team and other subject matter experts.

      c.   Selects compliance treatments that will effectively and efficiently impact non-compliance.

      d.   Identifies key measures for monitoring success.

      e.   Collaborates with P&M to report on the results of each compliance treatment and re-evaluate the compliance treatments, when needed.

(4)   The process considers:

- Potential treatment streams
- Deployment of resources

- Identification and delivery of training
- Audit tools
- Metrics
- Feedback mechanisms

4.70.5.2.1
(03-07-2024)
Issue Identification and Special Review

(1) II&SR includes IID analysts with various technical backgrounds from the TE/GE functional offices (EP and EO/GE) and Research analysts, economists, and statisticians.

(2) IID analysts assess the submissions and develop proposals through the compliance strategy process, including:

a. Documenting all steps taken in the Portal.
b. Coordinating development of each issue by assembling ID teams with appropriate background, based on the issue submitted.

4.70.5.2.2
(03-07-2024)
The Portal

(1) The compliance strategy process establishes controls and procedures to focus resources on potential non-compliance.

(2) The Portal uses Power Apps, Power Automate and SharePoint to aid in documenting the compliance strategy process through the life cycle of a submission.

(3) All TE/GE employees have access to make a submission into the Portal. Full access to the Portal is limited to CP&C employees who are developing proposals, building cases, stocking the virtual shelf, monitoring implementation of compliance activities and those requiring oversight.

(4) The Portal contains a section to allow for the KM team and IID analysts to jointly score issue submissions.

(5) The chart below describes all the Portal sections:

Action	Section	Tabs	Purpose
Identify	Submission Information		Identifies areas of non-compliance or situations with a potential for non-compliance observed by the submitter of information into the Portal
Triage	Screening & Scoring	Scoring	Prioritizes the submission by addressing the impact and prevalence of the issue submitted; scores are discussed at monthly KM/IID Group meetings
		Old Scoring Method	Historical prioritization using an old scoring methodology, originally submitted by KM managers and IID analysts

Action	Section	Tabs	Purpose
Develop	Development	Development Information	Documents the development of ID team's preliminary plan for identifying and addressing the potential non-compliance submission
		Related Issue(s)	Documents the impact on TE/GE resources and functions, identify the tax form to ID the issue, and associate related submissions
		Workstream(s)	Documents the compliance treatment(s) proposed to address the submission and a analysis of the anticipated resources
	Data Methods		Documents the sources and techniques for using data to identify returns / taxpayers and where to find the identified or potential non-compliance. Identifies the sensitivity of the issue and possible direction
	Objectives & Measures		Documents how to best capture business results to inform decisions of future activities and actions based on the compliance strategy
	Briefings / Outcomes		Documents the decision point meetings and outcomes as issue submissions progress to proposals to compliance strategies
	Treatment Plan	Treatment Plan(s)	Documents date of approval for compliance treatments, identifies PMC, and establishes frequency of monitoring
		Plan Details	Documents approved compliance strategy treatments and data driven approach activities for the workplan, including P&M codes used to monitor implementation

4.70.5.2.3
(03-07-2024)
Receive Issue Submission

(1) The main goal of the compliance strategy process is to identify areas of potential non-compliance as soon as possible. All employees are encouraged to make submissions when non-compliance may be present in a broader population.

(2) Non-compliance can be identified by:

- Employees in TE/GE field groups or compliance units
- Employees working within Voluntary Compliance programs
- KM team members
- Other TE/GE employees

(3) The submitter must:

a. Describe the issue.
b. Explain how they identified the issue.
c. Include the tax form related to the issue.
d. Include the IRC section related to the issue.

(4) The submitter may include attachments to the submission.

Note: Attachments should **NOT** include Sensitive but Unclassified (SBU) or Personally Identifiable Information (PII).

(5) The Portal automatically generates email notifications at various stages of the compliance strategy process in relation to issue submission.

a. Submitters are notified by email of their completed submission and on updates throughout the process, specifically when the Portal submission status is changed.
b. IID Manager is notified of the initial submission to allow the process to proceed.

(6) The Portal is **NOT** for examination tips, asking questions or requesting IRM or form changes.

4.70.5.2.4
(03-07-2024)
Screen Submission

(1) The IID manager and analysts review submissions monthly. As a group they:

a. Reject submissions not associated with a compliance issue (e.g., a submission related to an IRM issue).
b. Select the primary function for remaining submissions, which prompts the Portal to automatically assign an ICN.

4.70.5.2.5
(03-07-2024)
Joint Scoring of Issue

(1) IID group collaborates with KM team to score the submission to determine if it is truly a compliance issue (e.g., a suggestion to change a form or process is not a compliance issue).

a. If the team determines the submission is not a compliance issue or cannot obtain necessary data to identify the issue, they may recommend rejection of the issue to the IID manager.
b. If the submission is a valid compliance issue, the team scores the issue.

(2) IID manager monitors work portfolios of IID analysts and, as appropriate and based on the joint score, assigns the submission to the appropriate Issue ID analyst.

4.70.5.2.6
(03-07-2024)
Preliminary Review

(1) IID analyst reviews the assigned submission and sets the status to In Development within the Portal. Specifically, the IID analyst:

1. Opens the submission
2. Reviews the submission and contacts the submitter for additional information, if needed
3. Reviews the IRC section in the submission for accuracy, making corrections in the Portal as needed
4. Decides whether to proceed with preliminary development, combine it with another related submission, or reject the submission
5. Records their findings in the Portal.

4.70.5.2.7
(03-07-2024)
**Prepare for Open
Discussion**

(1) IID analyst assembles the ID team, including a researcher and a KM team member, to begin development of the proposal.

(2) IID analyst performs initial research (What is the law? Is the proposal a viable violation?) based on scoring priorities. The IID analyst documents their findings within the Portal, including any delays in assembling the ID team or developing a proposal.

(3) IID analyst and the ID team refine the focus and scope to compile an initial recommendation for discussion by the Board, as appropriate. If the open discussion by the Board doesn't take place, the ID team continues development (see IRM 4.70.5.2.9, *Proposal Development*). The IID analyst:

    1. Discusses initial research and recommendation with the IID manager
    2. Shares/discusses the initial recommendation with the Exam Director and functional SMEs to gather their input.

(4) IID analyst documents all meetings and feedback within the Portal.

4.70.5.2.8
(03-07-2024)
**Initial Decision to
Continue**

(1) IID analyst presents the initial recommendation to the Board for open discussion.

    a. If the decision to continue development is 'NO,' development of the issue stops.
    b. If the decision to continue development is 'YES,' the IID analyst begins preliminary development of the issue.

(2) All meetings and feedback are documented within the Portal.

4.70.5.2.9
(03-07-2024)
Proposal Development

(1) IID analyst continues to expand the ID team as necessary adding new members to the Portal.

    a. Considers including C&L; other SMEs; RAAS; and WPA, as needed and appropriate
    b. Coordinates with P&M to get a PMC involved early in the process to ensure they have the requisite knowledge to track implementation of the compliance activity upon approval, and to preliminarily determine the appropriate compliance unit to perform the work.

Note: The compliance workstream may change based on ultimate work type selected.

(2) IID analyst provides initial input to the Development Plan and Workstream(s) sections of the Portal.

    a. This step may require work by research analysts or RAAS in conjunction with the ID team. See IRM 4.70.5.2.15, *Research,* for more information on the Research group. Data sources may include internal sources (e.g., information from filed tax and information returns, prior compliance activity results, etc.) and external sources (e.g., publicly available information, data provided to the IRS from other federal, state and local governments, etc.).

       Note: Some internal IRS information is not readily available because it is not transcribed or is not a searchable field in system databases.

      b.   This step results in a preliminary population. If the analyst cannot determine a sufficient population, they should recommend termination of the issue. Upon identification of the population, the analyst works with the ID team to determine if they need to refine the population or apply thresholds.

      c.   The IID analyst and the ID team recommend treatment workstreams (i.e., examinations or compliance checks) and determine training needs, as appropriate.

      d.   The IID analyst and the ID team determine the need for a communication plan (internal, external, or both) and any training or reference materials that may be necessary (e.g., VODs, SHOTs, irs.gov updates, webinars, newsletters, changes to publications).

      e.   The IID analyst and ID team also determine the need for letters (education, appointment, closing) and IDRs (for field or correspondence audits).

      f.   The IID analyst and WPA estimate resources needed for each workstream. In addition, they establish compliance goals, metrics, and a framework to gather feedback.

(3)   IID analyst determines if other Business Units are doing similar work (e.g., LB&I campaign or SB/SE campus program). If so, the IID analyst contacts the appropriate point of contact to avoid duplication of work, maintain consistency across IRS, and to identify any differences between their efforts and those of TE/GE. The information gathered should include who is performing the work (e.g., field - general or specialists, campus, etc.) how their population was identified, what their parameters and thresholds are, available training and letters, and any preliminary or final results of their work.

(4)   IID analyst uses a pro-forma PowerPoint to build the draft Board presentation, which may be presented to the Exam Director to gain their insight. The presentation may include draft language for letters or IDRs specific to the proposed compliance strategy (i.e., not the entire letter).

4.70.5.2.10
(03-07-2024)
Functional Exam Director Briefing

(1)   The IID analyst delivers a summary of the proposal to the appropriate Exam Director. The synopsis is based on information contained in the Portal which includes:

- ID team's plan for identifying the issue
- The proposed workstream(s)
- General timeline of the compliance strategy process
- Training needs and compliance tools required

(2)   The ID analyst updates the Portal to:

      a.   Include comments made by the Exam Director during the briefing

      b.   Display the current status

      c.   Complete the briefing information, including the date and meeting attendees.

4.70.5.2.11
(03-07-2024)
Finalize Proposal

(1)   After the Exam Director briefing, the IID analyst continues strategy development by working through the other Portal sections and finalizing the PowerPoint slides for presentation to the Board.

      a.   IID analyst completes the Case Identification Methodology.

    b.   IID analyst works with P&M (PMC and WPA) and KM to draft Estimated Resources and Measures.

(2)   The IID analyst identifies a population and must either prioritize the case list or, if no priority order can be identified, use a sample from the list to meet WP needs. IID and P&M coordinate with the WPA to recommend a suitable number of cases to work.

    a.   The IID analyst may prioritize the population based on specific criteria such as project tax, asset amount, etc.

(3)   The IID analyst finalizes the PowerPoint for the Board presentation. IID analyst coordinates with P&M analysts (e.g., WPA, VSM, PMC) and includes Exam Director's input to make a preliminary determination based on priority of compliance strategy and proposed placement within the Workplan.

4.70.5.2.12
(03-07-2024)
Board Approval of the Proposal

(1)   CP&C Director reviews the proposal before it is presented to the Board.

(2)   The IID analyst posts the final PowerPoint proposal presentation to the Board's SharePoint site (restricted access). Other supporting documents are stored within the Portal, which the Board members have access to.

(3)   Board members review the PowerPoint and other proposal documents prior to the monthly Board meeting.

(4)   The IID analyst or other ID team member(s) summarize the team's proposal(s) at the next monthly Board meeting.

(5)   Board members ask questions during the presentation and may request additional information be provided at a future meeting.

(6)   The proposal becomes a compliance strategy only when the Board approves it.

    a.   The Board notifies the function's designated person within five business days regarding approved compliance activity.
    b.   The IID analyst updates the Portal to reflect the Board's decision.

4.70.5.2.13
(03-07-2024)
Preparation for Implementation

(1)   Based on the approved workstream(s), the ID team works with the functional champion, if assigned, and KM team to identify any relevant tools, training, documents and other information that is available or needs to be developed.

(2)   The ID team prepares the compliance strategy package which includes:

- A CSIS or DDIS describing the issue and any audit steps to be taken in determining whether the issue exists. If applicable, the cover sheet mentions by name the training and KM resources specifically identified for the compliance strategy.
- A case build sheet for C&CA with system codes and instructions for establishing the cases, classification requirements, and documents to be included in the RCCMS case files
- A list of the identified cases

(3)   The IID analyst uploads the compliance strategy package documents to the Portal and adds a new Plan Details record with handoff date. This notifies P&M

that the compliance strategy treatment plan(s) is (are) ready for implementation. The VSM updates the Portal to input the stocking report and C&CA is notified that case building can begin.

4.70.5.2.14 (03-07-2024) **Evaluation Process**	(1)	The PMC is responsible for project management of the implementation phase of the compliance strategy process, which includes post-strategy monitoring and periodic updates to the Board.

    a.   If an approved compliance strategy needs to be modified, the PMC consults the P&M manager to determine whether the recommended changes need to be presented to the Board for approval.

    b.   The PMC provides feedback and metrics to the IID analyst and the Board to help them determine whether a compliance strategy should be continued, modified, or terminated.

    c.   IID analysts provide technical support to the PMC in their analysis of results and recommendations to the Board.

(2)   The Board considers the progress of all implemented compliance strategies. Specifically, they:

    a.   Are presented reports on the effectiveness of previously approved compliance strategies, including, but not limited to, the allocation of resources to the portfolio of previously approved and newly approved compliance strategies

    b.   Vote on whether it is appropriate to continue, modify (e.g., change to data driven approach), or terminate a compliance strategy based on recommendations from the PMC.

4.70.5.2.15 (03-07-2024) **Research**	(1)	Research supports the IID analyst during the compliance strategy process and develops, maintains, and evaluates data-driven compliance efforts for compliance activity development.

4.70.5.2.15.1 (03-07-2024) **Hospital Report**	(1)	The Affordable Care Act (formally, the Patient Protection & Affordable Care Act, Public Law 111-148) §9007(e)(1) requires reporting to Congress, annually. The annual report includes specific information on private, tax-exempt, taxable, and government-owned hospitals.

(2)   Research assists Headquarters, TE/GE by providing summary statistics and trends for the annual report, using data from the Centers for Medicare and Medicaid Services, reporting hospital cost report data for each cost report year, and Form 990 Schedule H data files provided by Statistics of Income.