



Revenue's Data Strategy

April 2010

Data /Statistics Strategy for Revenue Commissioners

1. Introduction.

- 1.1** This Data/Statistics Strategy (“**Data Strategy**”) has been developed in accordance with a Government decision in April 2003 that each Department should develop a formal Data/Statistics Strategy as an integral part of its information strategy. The Data Strategy has been prepared in line with the best practice guidelines issued by the National Statistics Board.
- 1.2** Revenue is represented on the inter-departmental Data Strategy Liaison Group, chaired by the Department of the Taoiseach, which assists Departments in the development of their Data Strategies.

2. Revenue’s Operating Environment

- 2.1** Revenue is the Irish Tax and Customs Administration. It is responsible for the administration, assessment and collection of taxes and duties and the implementation of customs law. Its mission is to serve the community by fairly and efficiently collecting taxes and duties and implementing Customs controls.
- 2.2** Revenue processes more than 200 different types of declarations and returns covering all categories of taxes and duties. The data on the forms is required for a number of reasons, namely, the calculation of tax liability and/or repayment, fulfilment of statutory obligations and to support risk analysis.
- 2.3** Revenue collects a wide range of data from the administration of taxes and duties for which it has responsibility. This covers excise, VAT, income tax, stamp duty, corporation taxes, tax reliefs and allowances and many other areas. Revenue also collects a wide range of data in the course of its operation of Customs controls.
- 2.4** Because of its activities Revenue is required to interact with more citizens of this country than any other State body. The current customer base consists of approximately 2.2m taxpayers and over 750,000 businesses (March 2010). As a result, the data that Revenue collects is an extensive and useful source of statistical data. The data is used for a range of purposes within Revenue including the assessment and collection of taxes and duties, risk analysis, management, policy advice and fiscal planning.
- 2.5** Revenue also performs agency work on behalf of other departments and agencies which is closely allied to our core business and fits in with our structures, systems and expertise. Examples of such work include the implementation of import and export prohibitions and restrictions, the collection and remittance of PRSI and Health Levies for the Department of Social Protection and the Department of Health and Children, respectively, and the collection of trade data for the Central Statistics Office. The implementation of these cross-departmental functions helps to avoid duplication of effort by State agencies and minimise the number of impacts on citizens and businesses.

3. Services Supported by Revenue's Data- Main uses of Revenue Data

3.1 Revenue's data is used for the following major functions :

- Support for strategic tax policy development and evaluation such as the assessment of how the overall tax system affects individuals and business, and how well the tax system meets the objectives of the Government. The data can be used to predict the possible impacts of specific measures, the likely behavioural response and the probable exchequer cost or yield of various tax options;
- Providing the basis for risk analysis and profiling, and an analysis of our customer base that enables risk based targeted compliance interventions;
- Support for our customer relationship management model to deliver an improved range of services to our customers;
- Ongoing forecasting and monitoring of tax collection, and the development of annual forecasts;
- Monitoring, evaluation and performance measurement of all of Revenue's business programmes; and
- To support a number of wider national and EU programmes on the basis of its data sources, for example statistics provided to the Central Statistics Office, and the Department of Social Protection.

4. Revenue's Data/Statistics Strategy

4.1 Revenue's data needs are dictated primarily by its obligations in law in relation to the administration of the tax and duty codes, the effective and efficient assessment and collection of taxes and duties, and to the provision of statistical information to Government, the Minister for Finance and other relevant agencies.

4.2 Data Strategy Committee: The "Business Intelligence and Analytics" Project Board is to constitute Revenue's Data Strategy Committee and it will accordingly have added to its terms of reference the task of preparing, updating and reporting on Revenue's Data Strategy.

4.3 Our Data Strategy is to:

- Formally identify the Data needs of Revenue. As part of this process we have undertaken an initial survey of all areas in the Office to establish the extent of our Data needs and any gaps that exist;

- Carry out an analysis of the data available /not available according to our survey results;
- Take all possible steps to fill identified gaps in our data, either from existing sources in other Departments or Agencies or by other feasible means;
- Maintain the integrity and security of our data sources and only provide data to outside bodies subject to compliance with required security standards;
- Participate on a reciprocal basis in making Data available/accessible to other Departments and Agencies, subject to any legal constraints and our overarching responsibility and duty to maintain the confidentiality of information provided to us by taxpayers and/or limitations in its use/exchange;
- Participate where possible in relevant Data networks; and
- Develop our Data Strategy in the light of experience so as to be better able to achieve our business goals through effective strategies and actions.

5. Data Strategy – Alignment with the Revenue Statement of Strategy

- 5.1** Good quality information and data are vital components of the Revenue operation and critical to the achievement of our goals and the management of our performance. The utilisation and enhancement of this data informs many of Revenue’s business and strategic goals and outputs.
- 5.2** Some specific examples of data utilisation and initiatives for data enhancement contained in our Statement of Strategy 2008 to 2010 and our ICT Strategy 2006 to 2008 are as follows:

Goal 1- Ensure everyone complies with their Tax and Customs responsibilities

A main performance indicator for this Goal is the effective gathering and distribution of information and intelligence to support our compliance and enforcement activities.

Central to identifying non-compliant customers is the deployment of risk profiling tools and providing for the capture of relevant data to support risk identification. The knowledge base for Revenue’s risk analysis system is contained in our data warehouse which contains a profile of the customer drawn from returns and payments over a number of years together with data on their own background and lifestyle in addition to externally sourced data, including commercial datasets (Dunn and Bradstreet, OneSource, Experian).

Goal 2 – Provide quality and innovative service that supports all our customers

A main performance indicator for this Goal is to give customers more tax credits and reliefs, or to prompt the making of claims for credits/reliefs, on an automated basis on foot of information already available to us or on foot of additional sources of third party data. This strategy is in line with Revenue's policy of providing quality customer services and reducing the number of customer contacts.

Revenue is also committed under this Goal to using available data to customise and better target communications with customers.

Goal 3 – Contribute to economic and social development by participating effectively both Nationally and Internationally

A key strategy for the achievement of this Goal is to make an effective contribution to economic and social issues by active participation in Government programmes.

A main performance indicators for this strategy is the provision of information, statistics and analysis and other supports as required to the soon to be established Commission on Taxation. The provision of this material will help to inform the Commission's deliberations on measures to promote economic development and improve the competitiveness of the economy.

A further performance indicator is the timely provision, in Budget, Finance Bill and other legislative matters within Revenue's areas of responsibility of

- Balanced, clear and comprehensive policy advice
- Accurate statistics, costings and forecasts
- Draft legislation that is workable, capable of withstanding detailed scrutiny and designed in a way that is both understandable and e-friendly.

Goal 4 – Develop our people, processes and technology to make sure we are a capable, responsive, results-oriented Organisation

A key strategy for the achievement of this Goal is the continued investment in Information and Communications Technology (ICT) so as to deliver improved operational efficiency. The key objectives of Revenue's ICT programme include the:

- Increased integration and enhancement of IT systems via Revenue's core Integrated Taxation Services applications. These include a common transaction processing framework for all taxes and duties administered by Revenue, and a consolidated customer register for all tax paying entities and their agents.
- Continued development of solutions to improve productivity and enhance the quality of service to the public.
- Enhanced systems to support whole case management, targeting and compliance interventions.

A main performance indicator for this strategy is the migration of further taxes and duties into the Integrated Taxation Services framework.

6. Revenue Data Strategy in Context.

6.1 Before establishing a formal data strategy, Revenue has historically been a key user and provider of data/statistics (**Data**) for the purposes of administration of taxes and duties. Our annual Statistical Report is a prime example of the structured detailed information provided on all taxes and duties for which the Office of the Revenue Commissioners is responsible. Revenue has also been a provider of other key information about taxes, duties and related matters to the Department of Finance and to the Central Statistics Office.

In addition and subject to legal constraints regarding confidentiality, Revenue provides Data where available, to other Departments and Agencies on request. We will continue to do this.

However, Revenue also requires data to assist it in formulating and meeting its own policy needs. Revenue generates much of this data itself, but also relies on other external data sources.

6.2 In order to satisfy our obligations Revenue has a well-developed business planning process in place. Revenue Statements of Strategy and Key Corporate Priorities dictate to a large extent the business undertaken throughout Revenue for the purposes of administration of taxes and duties and for providing advice and Data to other Departments/Agencies.

6.3 Revenue has key performance indicators in place in relation to its Key Corporate Priorities. In addition, all areas within Revenue have established performance indicators in relation to their specific business plans and expected outputs.

6.4 Revenue maintains Data primarily to satisfy these business needs. To the extent that Data provided for these purposes is maintained in a format that can readily be made available to other Departments and agencies Revenue will do so where requested and where permitted by law, **subject to compliance with required security safeguards and standards.**

7. Limitations on Data Availability

7.1 Because of the significant effort involved, Revenue is not in a position to collect or maintain data that it does not require for its own business purposes, solely to satisfy the Data needs of other Departments and Agencies, without giving careful consideration to a number of issues, such as: authority to do so; cost of doing so; IT development requirements; interference with Revenue's core business; and security issues.

7.2 Notwithstanding this, Revenue does and will continue to do all that it reasonably can to facilitate the Data requirements of other Departments and Agencies. Revenue expects the same level of co-operation from these other Departments and Agencies.

8. Current Initiatives and Future Directions for Revenue's Data Strategy

8.1 Revenue is currently involved in the following cross-governmental initiatives:

Participation in the cross-Departmental High Level Group on Business Regulation, chaired by the Department of Enterprise, Trade and Innovation. This Group was established following the publication of the Business Regulation Forum on the impact of the regulatory environment on business. The terms of reference of the High Level Group on Business Regulation include:

- The identification of the administrative burdens placed on businesses, in particular small and medium sized enterprises, arising from Regulation or other administrative requirements, particularly in the areas of taxation, health and safety regulation, employment law, environmental regulations, company law and statistical returns; and
- The determination of ways to reduce and simplify administrative burdens and to eliminate them where they are unnecessary.

Associated with this Revenue, the Central Statistics Office and the Companies Registration Office are working together to ensure that optimal use is made of submitted data and that duplication and, therefore, the reporting requirements on businesses are minimised.

Revenue is also actively participating in the Government's programme to reduce the administrative burden on business by 25% by 2012.

Participation in a cross-departmental group chaired by the Department of Enterprise, Trade & Innovation to examine the feasibility of the introduction of a unique business identifier and associated central business register.

8.2 Future Direction

The further development of this Data Strategy will be addressed through our Data Strategy Committee and our business and planning programmes.