

**Joint Oireachtas Committee
on the
Strategic Management Initiative (SMI)**

First Report

Quality Customer Service in the Office of the Revenue Commissioners

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Seirbhís ar Ardchaighdeán do Chustaiméirí in Oifig na gCoimisinéirí Ioncaim

Réamhfhocal

Seo é an chéad tuairisc ón gComhchoiste ar an Tionscamh Bainistíochta Straitéiseach (SMI). Scrúdaíonn an tuairisc caighdeán na seirbhíse do chustaiméirí in Oifig na gCoimisinéirí Ioncaim.

Dhírigh tuairiscí eile an Choiste, de réir an seasamh atá aige mar Choiste Oireachtais II-Pháirtí, ar an Roinn Talmhaíochta agus Bia agus ar Earnáil na Mara agus na hÍascaireachta i Roinn na Mara agus Acmhainní Nádurtha. Tá an tuairisc seo le fáil ar láithreán greasáin an Choiste ag www.bettergov.ie. Tá an dá thuairisc a rinneadh roimhe seo le fáil ag bettergov.ie/qsc.food.htm agus bettergov.ie/report.htm faoi seach.

Tá tionchar measartha mór ag oibríocht Oifig na gCoimisinéirí Ioncaim ar an ngeilleagar agus ar leas gach saoránach. Tá an geilleagar ag brath ar Oifig na gCoimisinéirí Ioncaim chun bailiú éifeachtach a dhéanamh ar ioncam an Rialtais a bhí £19,718 milliún in 2000 agus atá beagnach méadaithe faoi thrí le deich mbliana. Chomh maith leis sin tá formhór na saoránach, mar íocóirí cánach nó dleachta, ag brath ar chaighdeán na seirbhíse custaiméirí a sholáthraíonn an fhoireann de 6,200 duine in Oifig na gCoimisinéirí Ioncaim.

Aontaíonn an Coiste go hiomlán le straitéis Oifig na gCoimisinéirí Ioncaim an leas is fearr a bhaint as comhlíonadh deonach na gcóid chustaim agus cánach trí sheirbhís chustaiméirí ar ardchaighdeán a sholáthar. Tugann sé seo an deis don Oifig díriú orthu siúd nach bhfuil ag comhlíonadh a gcuid oibleagáidí.

Aithnímid go bhfuil tiomantas den scoth i leith an SMI léirithe ag Cathaoirleach na gCoimisinéirí Ioncaim agus a fhoireann. Tá fianaise de sin ina gclár cuimsitheach mórthionscnamh lena n-áirítear foilseachán Caighdeáin Seirbhísí do Chustaiméirí, feidhmiú an Láithreáin Greasáin Ioncaim, Seirbhís Ar-Líne Ioncaim agus an t-athfhócasú atáthar a dhéanamh faoi láthair ar an eagraíocht iomlán Ioncaim.

Cé go bhfuil go leor bainte amach, tá obair le déanamh fós go háirithe ó thaobh barr feabhais a chur ar chaighdeán agus ó thaobh feidhmíocht i roinnt réimsí a thomhas agus a fheabhsú go córasúil. Tá baill an Choiste cinnte de go bhfuil an Cathaoirleach Ioncaim agus a fhoireann tiomanta don obair seo agus tá siad ag súil go leanfaidh Ioncam ag cur leis na rudaí móra atá bainte amach acu i bhfeidhmiú seirbhíse custaiméirí ar ardchaighdeán.

Ba mhaith liom buíochas freisin a ghlacadh le foireann Roinn an Taoisigh a ghníomhaigh mar Rúnaíocht don Choiste II-Pháirtí ag tús na tuairisce seo, ár rúnaí An tUasal Derek Dignam agus an tUasal Gus Mulligan, ár gcomhairleoir a rinne athbhreithniú ar an ábhar agus a thug cothrom le dáta é.

*Dick Roche T.D.
Cathaoirleach
Comhchoiste Oireachtais ar SMI
Samhain 2001*

Quality Customer Service in the Office of the Revenue Commissioners

Foreword

This is the first report of the Joint Committee on the Strategic Management Initiative (SMI). The Report looks at the quality of customer service in the Office of the Revenue Commissioners. Previous reports of the Committee, in its standing as an All Party Oireachtas Committee, have focused on the Department of Agriculture and Food and the Sea Fishing Sector in the Department of the Marine and Natural Resources. This Report is available on the Committee's website www.bettergov.ie. The two previous reports are available at *bettergov.ie/qsc.food.htm* and *bettergov.ie/report.htm* respectively.

The operation of the Office of the Revenue Commissioners has a sizeable impact on the economy and on the welfare of all citizens. The economy is vitally dependent on the Office of the Revenue Commissioners for effective and efficient collection of Government revenues which amounted to £19,718 million in 2000 and have grown almost three-fold in the last decade. In addition, the majority of citizens and organisations rely, as tax or duty payers, on the quality of the customer service provided by the 6,200 staff of the Office of the Revenue Commissioners.

The Committee fully endorses the strategy of the Office of the Revenue Commissioners of maximising voluntary compliance with the tax and customs codes through the provision of excellent customer service. This allows the Office to focus on those who are not complying with their obligations.

We recognise that the Chairman of the Revenue Commissioners and his staff have demonstrated exceptional commitment to SMI. This is evidenced in their comprehensive programme of major initiatives, which include publication of the Customer Service Standards, implementation of the leading edge Revenue Website and Revenue On-line Service and the current refocusing of the entire Revenue organisation.

While much has been achieved, work remains to be done, particularly on the refining of standards and the systematic measurement and improvement of performance in some areas. The members of the Committee are convinced that the Revenue Chairman and his staff are committed to this work and anticipate that Revenue will continue to build on their major achievements in implementing quality customer service.

I would also like to thank the staff in the Department of the Taoiseach who acted as the secretariat to the All-Party Committee at the inception of this Report, our secretary, Mr. Derek Dignam and Mr. Gus Mulligan, our consultant, who revised and updated its contents.

Dick Roche T.D.
Chairman
Joint Oireachtas Committee on the SMI
November 2001

Quality Customer Service in the Office of the Revenue Commissioners

Executive Summary

1. The All-Party Oireachtas Committee on the SMI held its first meeting on 12th March 1998. In the course of its meetings the Committee concentrated on the Quality of Customer Service Action Plans of Government Departments and Offices. The First and Second Reports of the Committee respectively dealt with Customer Service in the Department of Agriculture and Food and the Sea Fishing Sector of the Department of the Marine and Natural Resources.
2. The Committee was formally constituted as a Joint Oireachtas Committee by orders of the Dail on 30th January 2001 and the Seanad on 8th February 2001. While this could be considered a third report of the Committee it is the first report of the Committee as a Joint Oireachtas Committee. This Report reflects the Committee's consideration of issues relating to the quality of service provided by the Office of the Revenue Commissioners following presentations and meetings with Revenue officials, presentations from professional tax and trade organisations and submissions from members of the public.
3. We acknowledge the co-operation of the officials of the Office of the Revenue Commissioners in appearing before it, providing copies of its publications and providing further information and clarifications necessary for the preparation of this report.
4. Significant achievements of the Office of the Revenue Commissioners covering a wide range of key customer service areas, which impressed the Committee, include:
 - ❑ Developing, publishing and implementing a Charter of Rights
 - ❑ Development and publication of Customer Service Standards
 - ❑ Publication of a comprehensive Customer Service Action Plan
 - ❑ Inclusion of a chapter on Quality Service Delivery in the Revenue Annual Report
 - ❑ Measurement and publication of performance against standards
 - ❑ Achievement of significant culture change
 - ❑ Staff training, development and consultation
 - ❑ Development of consultation and feedback mechanisms
 - ❑ Simplification of legislation and procedures
 - ❑ Implementation of Internet and information technology
 - ❑ Customer Communications
 - ❑ Accessibility of Revenue services
 - ❑ Complaints and appeals handling
 - ❑ Implementation of Integrated Tax Processing and creation of a customer-focused organisation.

The Committee recognises that these changes arose through the leadership and commitment of the Chairman and Senior Management of the Revenue Commissioners and the commitment and cooperation of Revenue staff and their representatives. The Committee believes that these achievements far exceed those of other parts of the Public Service and believes that they should serve as a model for other departments and state agencies to follow.

The combined effect of these initiatives has been to transform the relationship between Revenue and its customers.

5. Feedback from professional and trade organisations as well as members of the public was particularly impressive and confirms that Revenue customers perceive a major improvement in the service being offered by Revenue.
6. The Committee feels that the expertise and experience of Revenue in the provision of quality customer service and particularly in the area of Information and Communication Technology should be made available to other Government Departments.
7. The Committee acknowledges that Revenue are committed to ongoing improvement in the quality of customer service. While the positives far outweigh the negatives, nevertheless, the Committee has a number of areas of concern, namely:
 - ❑ The variation in Customer Service Standards set for different areas.
 - ❑ Low performance against Standards in some areas and overall low rate of improvement in performance against Standards.
 - ❑ Monitoring of the Charter of Rights and Customer Service Standards.
 - ❑ Systematic collection and analysis of feedback from organisations and individual taxpayers.
 - ❑ Monitoring of telephone service quality at Revenue offices.
 - ❑ Possible variability in approach and attitude between individuals within the Revenue Audit Staff.
 - ❑ Equality of access and service for Irish-speaking taxpayers.
 - ❑ Logging and review of customer complaints.
 - ❑ Compensation / redress for Revenue mistakes.
 - ❑ Consistency of approach between Tax Districts.
 - ❑ Possibility of backlogs in PAYE offices at peak periods.
 - ❑ Availability of Tax clearance certificates to all taxpayers.
 - ❑ Cumbersome requirements for verification of C.2. certificates.
8. Arising from these areas of concern the Committee recommends:
 - ❑ Review of Standards and establishment of action plans to rectify areas of under-performance.
 - ❑ Appointment of a designated officer to monitor the implementation of the Charter of Rights and achievement of Customer Service Standards.
 - ❑ Structured customer surveys at regular intervals, identification of trends and implementation of corrective actions.
 - ❑ Monitoring and analysis of telephone response times at Revenue offices and implementation of corrective actions.
 - ❑ Monitoring of the use of voice mail within Revenue to avoid misuse.
 - ❑ Establishment of a National Forms Agency with responsibility for audit and simplification of all official forms and an annual audit of all Revenue Forms.
 - ❑ Ensuring that all audits are conducted within the Charter of Rights.

- ❑ Restriction on repeat audits to cases where there are clear grounds for believing that these are necessary. Consideration should be given to a right of appeal where a taxpayer feels he/she is being subject to excessive multiple audits.
- ❑ Development, publication and implementation of a strategy for providing consistent high quality services to Irish speakers.
- ❑ Review of the complaints handling system. Implementation of a formal logging and review procedure for all customer complaints. Use of the information from complaint reviews to improve processes. Provision of an alternative routing process for complaints relating to the conduct of an official. Strengthening of the Office of The Ombudsman, as necessary, to ensure the timely and effective processing of complaints relating to Revenue.
- ❑ Development and implementation of a system of compensation for taxpayers where Revenue makes mistakes that cost taxpayers money.
- ❑ Review of communication policy to ensure a consistent approach between districts.
- ❑ Management of workloads at PAYE offices to avoid the build up of backlogs.
- ❑ Tax Clearance Certificates be made available on request to all compliant taxpayers.
- ❑ Allowing verification of C.2. Certificates by one public body on behalf of all public bodies.

Quality Customer Service in the Office of the Revenue Commissioners

Main Report

Introduction

- A. In March 1998, the Committee received its first presentation from officials of the Office of the Revenue Commissioners, referred to hereafter as Revenue. At the outset the Chairman stated that the Committee was aware of the advances made by Revenue in recent years in relation to customer service and of the fact that Revenue's policy predates the Strategic Management Initiative. It was the Committee's intention to monitor developments under the customer service agenda to ensure that the customer service plans produced by Departments and Offices are translated into action and also to identify instances of best practice that can then be disseminated to other areas.
- B. In July 1999 and March 2000, the Committee asked Revenue to give them an update on the progress being made. Presentations were also made to the Committee by the following bodies:
- The Institute of Taxation in Ireland.
 - The Consultative Committee of Accountancy Bodies of Ireland.
 - The Office of the Ombudsman.
 - The Small Firms Association.
 - The Vintners Association of Ireland.
- C. In addition, submissions were sought from taxpayers through advertisements in National Newspapers.
- D. In May 2001 Revenue published its Customer Service Action Plan 2001-2004. In July 2001 Staff from the Customer Service Policy Unit, Office of the Revenue Commissioners provided further clarifications and updates for the purpose of this completing this Report.
- E. The terms of reference and the membership of the Committee are set out at appendices H & I respectively.

Investigation of Issues

1. Development of Quality Customer Service

1.1 Customer Service Strategy

The development of Quality Customer Service is central to Revenue's strategy of maximising voluntary compliance with the tax and customs codes.

Revenue officials explained that the greater the level of voluntary compliance, the more resources Revenue is able to devote to those who evade their obligations or who fail to meet their obligations fully or in a timely manner.

It is their intention that they can deliver on this by treating all customers fairly and courteously, making it as easy as possible for them to comply with the tax and customs codes, and pursuing those who fail to voluntarily comply with their statutory obligations.

The Revenue officials related Revenue's Customer Service Policy to the Strategic Management Initiative. The officials were well aware that the provision of quality customer services is a central plank of SMI and the Chairman of the Revenue Commissioners, Mr. Dermot Quigley, is Chairman of the SMI working group on Quality Customer Service for the whole Civil Service.

The Committee recognises that the personal commitment and leadership of the Chairman was fundamental to achieving the level of change which has been achieved.

1.2 Development of Quality Customer Service

The Revenue officials gave the background to their approach to quality customer service. Up to the mid-1980s, Revenue systems were very much process-driven and Revenue did very little case working. For the most part, they were a desk-bound organisation with very little face-to-face contact with taxpayers in their places of business. There were other problems. When people did not submit tax returns, Revenue issued estimates. In many cases, these estimates were excessive and were either ignored or appealed. This had the effect of building up a stock of fictitious debt as well as clogging up the appeals system.

At that stage the quality of customer service was poor and basic things often went wrong. Revenue was slow in issuing receipts and staff rarely expressed thanks when customers paid their taxes. Staff morale was low and Revenue was regarded as an unattractive place to work.

In 1980 the then Government appointed a Commission on Taxation to undertake a fundamental review of the tax system. The Commission produced five reports. The Government also engaged the services of the International Monetary Fund. Having gone through a review of the tax process, it was decided to move to a system of Self-Assessment with a new focus on the provision of Quality Customer Services.

Quality customer service involved a very significant cultural change. Some Revenue staff had particular difficulty with the concept of taxpayers as customers on the basis that paying taxes is a statutory obligation and taxpayers have no choice in the matter. Getting over 6,000 staff to buy in

to the new customer services approach has been a real test of management's leadership and communications skills.

The customer service approach involved:

- ❑ Revenue looking at internal procedures to see whether they were relevant or necessary.
- ❑ Changing the relationship between Revenue and its customers so that each has a better understanding of the other's needs.

The Committee accepted that improving customer service does not happen overnight. It takes a long-term view and a long-term commitment if it is to be achieved.

Revenue's commitment to this process started over ten years ago and the changes have really only become noticeable in the last few years.

1.3. Management of the Quality Process

The Customer Service Policy Unit (CSPU) is a support function which acts as an engine and coordinator of Customer Service within Revenue. The CSPU works with a liaison group of divisional managers to coordinate quality customer service across the divisions.

Revenue officials emphasise that responsibility for the delivery of Quality Customer Service lies with Board, managers and staff of Revenue. The CSPU is not publicised directly to customers, as they believe this might encourage customers to contact CSPU with complaints, which would actually hold up rather than facilitate complaint resolution.

Revenue officials confirmed that the management of the Customer Service Function is being reviewed and any recommended changes can be looked at as part of this process.

1.4 Customer Feedback

The success of Revenue in implementing Quality Customer Service is reflected in many highly complimentary statements contained in submissions received. The following are some examples:

- ❑ The submission of the Consultative Committee of Accountancy Bodies in Ireland (CCAB-I) says the situation has changed dramatically and that major cultural change has taken place. The CCAB-I refers specifically to the willingness of staff to give their names, courteous attitudes, and efficient dealing with problems and describes the service as “mostly impartial, efficient and fair”. The CCAB-I submission identifies the Tax Briefing Publications and the system of pre-transaction Revenue opinions as particularly helpful.
- ❑ The Institute of Taxation submission says the Revenue has performed extremely strongly and successfully implemented major improvements. It identifies the introduction of Self-Assessment as an enormously positive development which facilitated a complete transformation and was instrumental in developing a customer-focused approach by Revenue. The Institute refers to a huge change in culture and attitude towards taxpayers and a more approachable and user-friendly approach.

- The submission from the Ombudsman confirms that the level of complaints made to the Ombudsman has fallen significantly since 1986 and has remained static for the 3 years to 1999. The Ombudsman's submission attributes this to:
 1. Revenue initiatives which have impacted the quality of customer service
 2. Amended procedures arising from Ombudsman's findings
 3. Many complaints are now referred to the internal complaints system and are resolved without reference to the Ombudsman.

The Revenue Board Report for 2000 confirms that complaints to the Ombudsman fell by a further 33% to a level of 88 in 2000. This level represents only 9% of all complaints to the Ombudsman against the Public Service. The Ombudsman's reports confirm that no Section 7 notices had been issued by the Ombudsman in 1999 or 2000.

- The Small Firms Association describes the service currently being offered as a "huge improvement on the old service"
- One firm of solicitors describes the service from the Stamping Branch as "extremely good" while a submission from a second firm of solicitors congratulates the Revenue on the improvement of service and the speed which they process applications and tax returns.

1.5 Conclusion

The Committee recognises the major achievements of Revenue in implementing Quality Customer Service as part of its SMI process and the commitment and effort which Revenue have given to this process. The Committee considers that Quality Customer Service in Revenue is considerably better than other areas of public life and can serve as an exemplar for other Government departments and agencies.

1.6. Recommendation

- **The valuable lessons from the success of Revenue in implementing Quality Customer Service should be applied to other departments and areas of the Public Service.**

2.0 Customer Service Standards

Revenue have published their Customer Service Standards in a widely circulated booklet.

The booklet includes:

- The Charter of Rights:
- The Customer Service Standards

2.1 The Charter of Rights

The Charter of Rights, which was first published by Revenue in 1989, describes the entitlements of customers in their dealings with Revenue. The Charter states that "In your dealings with the Revenue Commissioners, you are entitled to":

- Courtesy and Consideration
- Presumption of Honesty
- Timely and Accurate Information
- Impartiality
- Privacy and Confidentiality
- A right to Independent Review
- Minimum Compliance Costs
- Consistent Administration

Notices displaying the Charter are placed in prominent positions in each of Revenue's 130 offices countrywide. In addition, every time Revenue visits a taxpayer for audit, they forward a copy of the Charter in advance.

2.2 The Customer Service Standards

These set out the detailed standards which customers can expect from Revenue. The Customer Service Standards include specific targets and commitments for completion of transactions and resolution of issues. For example:

“Process 90% of income tax returns within 20 working days and 100% within 30 working Days”

In the Customer Service Action Plan 2001-2004 Revenue indicate their intention to review the Charter of Rights and the Detailed Customer Service Standards in consultation with Revenue staff and Customers. Revenue officials state that Revenue has moved on enormously since the Charter was developed. The principles included in the Charter of Rights are the same as those incorporated in the 12 Principles of Quality Customer Service which have been agreed by all Government Departments as part of the SMI process.

2.3. Performance Measurement

For every activity, which it carries out on behalf of customers, Revenue has set a target completion time which is published in the Customer Service Standards.

Examples of these targets are:

PAYE Refunds – Current Year:

- Refund 80% of claims within 20 working days.
- Refund the remaining claims within a further 10 working days

Corporation Tax Returns:

- Process 90% of returns within 20 working days
- Process the remainder within 30 working days

Thus Revenue has two targets against which to measure its performance in respect of each of these activities. In total there were 46 such targets in 1999 and 47 in 2000 against which Revenues measured its overall performance.

A review of the Customer Service Standards shows that the percentage targets for initial completion vary widely between activities. For instance the primary target for processing Self Assessed Inheritance, Gift and Trust Tax returns is set at 40% completion within 5 Days while the Target for processing Income Tax Returns specifies 90% completion within 5 days. Revenue Officials explain that the variation in the percentage targets is explained by the fact that some taxes or operations are more difficult to administer than others.

Targets were originally set by reference to the actual standards being achieved in different areas plus a targeted improvement.

They further expressed the view that the service standards are challenging, especially given the cyclical nature of Revenue's work, which results in some very busy peak periods. However, they added that Revenue considers that it is better to have challenging targets that stretch the organisation than to lower the standards.

Each division currently compiles performance information on a monthly basis and decides on its own mechanisms for data collection and measurement. Revenue officials state that they intend in future to have the measurement mechanisms assessed by the Internal Audit function to ensure the integrity of the figures.

2.4. Achievement of Standards

Revenue reports the actual performance against each standard in its Annual Board Report.

A review of the published results indicates that Revenue has experienced difficulties in meeting its Customer Service Standards in some areas.

- In its Customer Service Action Plan 2001-2004 Revenue State that “more needs to be done in meeting the standards in some cases”. The Plan commits Revenue to review performance and take action where targets are not met.
- The year 2000 Board Report states: “Unfortunately for a variety of reasons, such as increases in volumes of business, and legislative, administrative and technological changes, not all

published standards have been met”. The Report affirms the Revenue’s commitment to review practices and procedures to achieve those targets which are not yet being met and to improve others further.

- The Committee carried out an analysis of the published results from the Board Reports for 1999 and 2000. For comparison purposes the analysis excluded one standard which was measured in 2000 but not in 1999. The Committee’s analysis indicates that overall achievement based on a simple average of all standards was as follows:

1999	86% of Target
2000	87% of Target

The range of Achievement against the 46 standards which are measured is shown in Table 1 below:

Table 1		
Percentage of Target Achieved	Number of Standards	
	1999	2000
less than 50%	2	1
50- 79%	12	16
80-89%	7	6
90-99%	14	11
100%	6	6
Greater than 100%	5	6
Total	46	46

Note: Achievement is measured by comparing the actual performance against the Revenue’s standard. For example, if Revenue had a target to process 80% of tax returns within 5 days and actually processed 70% this would give an achievement of 87.5% i.e. 70 divided by 80 multiplied by 100.

The figures in the “Number of Standards” column indicate the number of standards which fell within each range of achievement. For example, the Table indicates that in 2000 Revenue achieved their target for 6 standards and exceeded the target for a further 6 but failed to achieve the target for the remaining standards.

- The Committee also analysed the degree to which performance against standards had improved or disimproved between 1999 and 2000. The results of this analysis are shown in Table 2 below.

Table 2	
Performance	No. of Standards
Improved over 1999	20
Same as 1999	8
Disimproved over 1999	18
Total	46

Table 2 measures how performance against the set standards in year 2000 compared with performance in 1999. The table indicates that while performance against 20 of the standards had improved, it had actually disimproved against a further 18 standards.

2.5. Customer Feedback

- The Institute of Taxation queried whether the Customer Service Standards are being enforced and measured and expressed concern that the original Customer Service Action Plan did not include any contact names where a taxpayer feels that the standards are not being adhered to.
- The Small Firms Association expresses a “need for customer friendly goals, simple communications and forms and omission of threats”.
- One submission complained of the lack phone numbers and other contact information on letterheads. Revenue states that it is standard practice to provide this information. In the experience of some Committee members there are occasions when the practice is not fully adhered to.

2.6. Conclusion

The Committee commends the Revenue on the publication of the Charter of Rights and Customer Service Standards and on the publication of the results annually in the Board Report. These provide clear evidence of the Revenue’s commitment to Quality Customer Service.

However, the Committee has a number of concerns:

1. There is a wide variation in the standards between different areas.
2. Some standards appear unreasonably low e.g. 40% of returns processed within 5 days for Inheritance, Gift and Discretionary Trust Tax.
3. Many standards are not being met
4. The overall rate of improvement is low and performance in a large number of areas has disimproved in 2000. Although the disimprovements may be marginal the Committee is concerned at the large number of standards in which there has been no improvement.
5. The failure to meet the published standards may detract from the many excellent achievements of Revenue in the area of Quality Customer Service.

In the opinion of the Committee these indicate a need for a fundamental review of standards as well as a concerted programme to achieve the standards which are set.

2.7. Recommendations:

- **Nominate a designated officer at senior level with responsibility for monitoring adherence to the Charter of Rights and achievement of standards. The designated officer should report directly to the Chairman of the Revenue Commissioners and the Revenue Annual Board Report should refer to the annual report of the designated officer.**

- ❑ **Monitor the degree to which the Charter of Rights is incorporated into everyday work procedures and becomes part of the normal way of working.**
- ❑ **Carry out a fundamental review of all standards and set standards which are stretching while being realistic and achievable.**
- ❑ **Standardise the completion targets where possible e.g. set 80% and 100% completion targets for all transaction types.**
- ❑ **Establish an action plan to achieve all standards within a reasonable timeframe (say, maximum 3 years) and set challenging intermediate targets to be met at intervals of, say, six months.**

3.0. Corporate & Business Planning

In the Revenue context, quality customer service means meeting customer needs through the fair and efficient administration of the tax and customs codes, and thereby minimising customer compliance costs.

Revenue gives effect to the Charter of Rights through the Office's Corporate and Business Planning process. Revenue's second Corporate Plan 1997-1999 was formulated in consultation with staff. Nine working groups, involving over 160 staff at all levels, were set up and each given a Business Area Programme to consider, including Customer Service. The Corporate Plan is implemented through the more detailed annual Business Plans. Revenue staff are also involved in this process. Revenue published its Statement of Strategy 2001- 2003 (Revenue's third corporate plan) in April 2001 and confirms that this Statement of Strategy also was prepared in consultation with Revenue staff.

The Statement of Strategy 2001-2003 commits Revenue to "offering a world-class standard of customer service to individuals and businesses". A key objective is to promote voluntary compliance by improving taxpayers' understanding of the tax and customs codes and by providing even better services. The Revenue Statement of Strategy 2001-2003 includes "Deliver Quality Customer Service to Encourage Voluntary Compliance" as one of its eight Key Objectives.

In pursuit of their objectives, Revenue has addressed a number of major areas including:

- ❑ Customer Service Standards
- ❑ Organisation Development
- ❑ Integrated Tax Processing
- ❑ Staff training and development
- ❑ Consultation with staff and customers
- ❑ Simplification of legislation and procedures
- ❑ Use of technology.
- ❑ Provision of information
- ❑ Improving customer access to Revenue
- ❑ Complaints and Appeals procedures

4.0. Organisation Development

Revenue is currently undertaking a major restructuring. This follows a review which identified the need to move away from a traditional organisation focused on specialist functions and individual tax categories to one which deals with customers in a more modern and holistic way.

The Revenue Annual Report 2000 describes the restructuring as:

“ designed to improve Revenue’s effectiveness and efficiency, both by improving the service to compliant tax and duty payers and facilitating a sharper focused response to non-compliance”.

4.1 Conclusion

The Committee recognises that creation of a customer-focused organisation is a major initiative in delivering quality customer care and is in line with best practice. The Committee commends Revenue on this major initiative.

5.0. Integrated Tax Processing

5.1 The Integrated Tax Processing Initiative

The Integrated Taxation Processing initiative (ITP) is a major project which will enable Revenue to deal with its customers on a consolidated basis for all taxes as opposed to dealing with each tax separately. Major taxes already implemented in ITP include Employers PAYE/PRSI and VAT.

Revenue has previously been compartmentalised around individual taxes. Implementation of ITP together with restructuring of the Revenue organisation will enable customers to have all their tax affairs dealt with in a single area. This will have the benefits of:

- ❑ Reducing the number of points of contact
- ❑ Cutting red tape
- ❑ Reducing compliance costs

ITP, combined with the organisational restructuring, described at paragraph 4.0 above, Organisation Development, above, will give Revenue a rounded all-taxes view of the customer and will enable the Revenue to better provide quality customer service and to enforce compliance.

Revenue will work with OASIS, the Irish e-Government system providing access to comprehensive information on public services, to provide an integrated service to citizens and businesses.

5.2. Conclusion

The Committee commends Revenue on this major initiative and recognises the major contribution of Revenue, management, staff and staff unions in making this change possible.

6.0. Staff Training and Development

Delivery of Quality Customer Service requires staff who are highly motivated, well trained, and competent. In addition, staff must be supported by high quality equipment appropriate to the task.

The Customer Service Action Plan 2001- 2004 affirms the commitment of Revenue to continued training and support in order to enable staff maintain and further improve the quality of service delivered, especially during implementation of major changes.

6.1. Initiatives

Existing and planned initiatives to increase the motivation and effectiveness of Revenue staff include:

- ❑ Quality Customer Service will be integrated with the Performance Management and Development System
- ❑ Customer service has been identified as a core competence for all staff participating in the Performance Management and Development System.
- ❑ Recognition of the principle of the internal customer.
- ❑ Development of internal customer service standards.
- ❑ An enhanced staff suggestion scheme
- ❑ Exceptional performance awards
- ❑ Consultation with staff on customer service issues.
- ❑ Further development of the Revenue Intranet.

6.2. Customer Feedback

- ❑ Many submissions were complimentary about the attitudes and helpfulness of Revenue staff.
- ❑ The Customer Service Action Plan 2001- 2004 states that surveys indicate a high level of customer satisfaction with the competence and expertise of Revenue staff.
- ❑ Some submissions referred to an adversarial tone being adopted by some audit staff.
- ❑ One submission complained of a lack of understanding of manufacturing processes among the staff administering the Seed Capital Scheme. The Committee accepts that as this is a relatively isolated complaint it may arise from a difference in expectations and understanding between Revenue and the complainant regarding the Seed Capital Scheme.

6.3. Conclusion

- ❑ The Committee recognises the major achievement of Revenue in the areas of culture change and staff development. It further recognises that this culture change could not have taken place without the active and positive cooperation of managers, staff and staff unions within Revenue.

6.4. Recommendation

- ❑ **Continuing high priority should be given to the areas of culture change and staff development.**

7.0. Consultation

The Revenue Officials explained that Revenue's experience has been that ongoing consultation is essential to ascertain what is important to customers. An improved understanding of the customers' needs leaves Revenue in a better position to decide on appropriate strategies to improve compliance. This is particularly important, as voluntary compliance of the vast majority of taxpayers is a critical success factor in any Revenue system, especially one with a significant element of self-assessment. For this reason Revenue seeks to generate constant feedback by opening up as many feedback channels as possible.

7.1. Consultative Mechanisms

Revenue has established a number of consultative fora which now facilitate communication and consultation between Revenue and their customers. The Committee recognises that these fora have an important role to play in helping to build trust and promote an open, proactive relationship between Revenue and the tax and customs practitioners.

The main consultative fora are:

- ❑ Tax Administration Liaison Committee (TALC), composed of representatives of Revenue, The Consultative Committee of Accountancy Bodies in Ireland, The Institute of Taxation and Lawyers.
- ❑ The Customs Consultative Committee, composed of Revenue and various trade associations including the Irish Exporters Association, Irish Road Haulage Association and Shipping Agents.
- ❑ The Revenue/ICTU Liaison Committee, which discusses and makes recommendations on matters of particular relevance to PAYE taxpayers.
- ❑ The Small Business User Panel, composed of Revenue, Department of Social, Community and Family Affairs, the Irish Small and Medium Enterprises Association (ISME), the Small Firms Association, the Construction Industry Federation and Chambers of Commerce focuses on the administration of PAYE and Social Welfare systems.
- ❑ Revenue also has ongoing contact with a number of representative organisations including the Small Firms Association, the Irish Small and Medium Enterprises Association and the Society of the Irish Motor Industry (SIMI).

The Customer Service Action Plan 2001- 2004, describes contact with consultative bodies as taking place on the basis of "identified need" e.g. when significant changes are planned.

Revenue staff are also consulted on an ongoing basis. Revenue has found that consultation with staff helps ensure their continued commitment and gains the benefit of their experiences with customers.

7.2. Surveys and Other Feedback Channels

Revenue undertook two major customer surveys in 1994 and 1995 covering the general body of taxpayers and the business community respectively. Revenue officials stated that the results were generally positive in both surveys. Smaller surveys were undertaken in the interim. For example, a

survey of traders who had been the subject of customs audits indicated a high level of satisfaction with Revenue's procedures.

More recently Revenue has introduced Comment Cards, which are now available with Freepost envelopes in all Tax Offices countrywide. The Customer Service Policy Unit reviews all Comment Cards. The Committee notes the experience to date is that customers usually use Comment Cards to compliment Revenue while unhappy customers tend to write longer, more detailed letters.

In the Customer Service Action Plan 2001- 2004, Revenue affirms its commitment to continuing and expanding the consultation and evaluation process by:

- Using Customer Surveys, Customer Comment Cards, Exit Polls and Customer Panels
- Setting up a consultative panel on Stamp Duty in 2001.
- Identifying new groups for consultation.

7.3. Customer Feedback

- A number of submissions were very complimentary about the consultative mechanisms in place.
- Both the Institute of Taxation and the Consultative Committee of Accountancy Bodies in Ireland submitted that the time allowed for consultation on the Finance Bill is inadequate given the length and complexity of the issues. Both bodies recommended formal advance consultation on tax legislative changes.

Revenue officials point out that while the subject of Tax Rules is always on the Revenue agenda, the issue of advance consultation on Tax Policy and Legislation is one for the Department of Finance, not Revenue. Officials suggest that these are issues which can be raised and discussed through TALC.

7.4. Conclusion

The Committee recognises the major work which Revenue has done in this area but recognises that much of the focus to date has been on consultation with professional tax and customs practitioners and corporate bodies. The Committee feels that there is a need to ensure that individual taxpayers are being reached by the consultation mechanisms. In addition, the Committee is concerned that it is now six years since a comprehensive survey has taken place.

7.5. Recommendations

- **Devise consultation/feedback mechanisms which will reliably collect feedback from individual taxpayers as well as organisations and tax professionals**
- **Carry out consistent surveys at fixed intervals, perhaps yearly, covering a representative sample of taxpayers. This will enable Revenue to compare the results of successive surveys, measure trends, take action to deal with unsatisfactory trends, and monitor the success of actions taken.**

8.0. Simplification - Reducing Red Tape

8.1 Simplification

The simplification agenda includes initiatives to:

- Reduce the frequency of returns
- Provide easier and more varied payment options
- Further simplify forms.
- Tax Consolidation

A number of initiatives under these headings are referred to in section 9 below.

8.2. Tax Consolidation

The Revenue officials explained that Revenue has worked hard over the past number of years to consolidate legislation. The availability of the Consolidated Taxes Acts makes life much simpler for customers, and particularly for tax practitioners. Consolidated legislation covering Income Tax, Capital Gains Tax and Corporation Tax has been produced and consolidation is currently being extended to Capital Taxes and Indirect taxes.

In the Customer Service Action Plan 2001-2004 Revenue commit themselves to continue consolidation of tax legislation, with the objective of ultimately consolidating all tax laws.

8.3. Customer Feedback

- In their submission, the Consultative Committee of Accountancy Bodies in Ireland recommend the simplification of all tax rules particularly in areas such as Motor Tax, VAT, Accounts and Tax Schedules.
- The Submission of the Small Firms Association (SFA) advocates a reduction in the number of forms while a submission for a firm of solicitors recommends rationalisation of Capital Tax forms to eliminate duplication of information.
- The Institute of Taxation recommends a task force to simplify the tax code and simplification of a number of tax areas where the degree of complexity is out of line with the tax revenue, for example:
 1. Motor Expenses and Lease Expenses for Motors
 2. Aggregation of CAT liabilities
 3. Small shareholders selling some shares.

8.4 Conclusions

The Committee was impressed by the fact that there seems to be a genuine commitment in Revenue to reducing red tape and strongly supports further simplification measures. The Committee recognises the progress which has been made but believes that there is more work to be done in making forms more user- friendly. Areas of particular concern for the Committee were:

- Information being sought on forms which was not really required,

- ❑ Duplication of information on different forms,
- ❑ Lack of structured cut-off points on multi - page forms which would allow users to fill in only the information required.

8.5. Recommendations

- ❑ **Establishment of a National Forms Agency with responsibility for audit and simplification of all official forms.**
- ❑ **Annual audit of all Revenue Forms to address, inter alia, the issues of concern expressed above.**

9.0 Information and Communication Technologies (ICTs)

Revenue has in recent years focused on eliminating, minimising and simplifying the paperwork customers are required to complete. While continuing to improve the position for those using paper based systems, Revenue is also working towards eliminating paperwork by developing Electronic Filing of tax returns.

With this in mind, Revenue has significantly enhanced its information and communication capabilities. These technologies allow Revenue to provide a better service by enabling it to process customers' affairs more speedily.

9.1. The Revenue Website (www.revenue.ie)

Revenue has pioneered the use of a website in a Government office. In July 1999, the officials gave a presentation to the Committee that included a demonstration of the Revenue Website.

The Website has been a major success. The high level of customer awareness of the site together with the quality and relevance of its content are reflected in the fact that the site received 7.7 million "hits", an increase of 116%, in the year 2000. This dramatically exceeded the growth in Correspondence (1%), Personal Visits (4%) and Telephone Calls (4%). In 2000, Website hits accounted for 44% of all public contacts with the Revenue as against an estimated 28% in 1999.

Revenue have recently revamped the site and added new features including:

- A new on-line forms and leaflet ordering service.
- A new Newsletter Subscription Service
- A new on-line Quotations service for Vehicle Registration Tax
- Downloadable software (e.g. P 35)

The Revenue officials informed the Committee that their aim is to have every document available on the website at the time of its publication in paper format.

9.2. The Revenue On- Line Service (ROS)

Revenue launched the first phase of its Revenue On-line Service(ROS) on 29th September 2000. ROS enables Revenue customers to file user -friendly returns and make payments over the Internet and offers them a paperless electronic means of communication with Revenue, 24 Hours a day with instant acknowledgement issued when a tax return is received. This will provide a speedier and more efficient service and lower compliance costs. In the Customer Service Action Plan 2001-2004 Revenue has set as a target to have at least half of all business tax returns filed electronically by year 2005.

Phase 2 of ROS was launched in April 2001 providing customers with the facility to electronically file P35 and P35L forms. Phase 3 planned for October 2001 will allow electronic filing of Form 11s, Form CT1s and allow customers to have on-line access to their own Income Tax, Corporation Tax and Capital Gains Tax details.

The Customer Service Action Plan 2001-2004 commits Revenue to continue to develop and update the ROS. For example, a future phase of ROS will provide electronic automation of the tax

clearance process. Revenue plan to explore the possibilities of processing Transfer of Residence applications electronically and of an electronic ships register.

Importers and exporters have for some time had the option of paperless processing of Customs entries through Direct Trader Input under the AEP (Automatic Entry Processing) system which means customs clearance can be completed in seconds.

The Revenue Annual Report 2000 states that ROS puts Revenue at the leading edge of tax administration being one of the few Revenue services to offer an interactive on-line service.

Revenue customers currently have a number of payment options e.g. Bank Giro, Direct Debit, EFT and it is expected that payment by Laser card will be provided in a future phase of ROS.

9.3. Customer Feedback

- ❑ The submission by the Institute of Taxation describes Revenue as being at the leading edge in introducing ICT developments throughout the organisation
- ❑ The submission of the Small Firms Association describes the Revenue website as “a model of its kind”.
- ❑ Other submissions recommended that all relevant forms should be computerised and made available for download. Revenue officials believe this has now been achieved.

9.4. Conclusion

The Committee strongly welcomes the major advances that Revenue is making in this area and would urge other public sector organisations to follow their example. The Committee particularly welcomes the evidence that the website is establishing itself as the channel of preference for many customers in communicating with the Revenue and believes it will eventually lead to a significant fall in the number of queries being dealt with by letter and telephone.

9.5. Recommendations

- ❑ **Make the Revenue experience in the area of ICT available to other Government agencies.**
- ❑ **Benchmark the website against leading private sector organisations**
- ❑ **Actively market the Website to all customers.**
- ❑ **Ensure that development of the Website as the preferred means of communicating does not disadvantage the large proportion of Revenue customers who do not have Internet access.**

10.0 Customer Communications

10.1. Provision of Information

Revenue view the provision of accurate, timely and relevant information at all points of contact as vital to the delivery of quality customer service. The key objective is to create high levels of awareness amongst customers as to their entitlements and obligations as well as familiarising them with procedures and new initiatives.

The range of communication methods being employed by the Revenue is reflected in the extensive communications on the change to a Calendar Tax Year. These included:

- ❑ Leaflets
- ❑ Mailshots
- ❑ Electronic Newsletter
- ❑ National Media Campaign
- ❑ Workshops/Seminars

Examples of initiatives taken by Revenue include:

- ❑ Simplifying forms
- ❑ Issuing more and better-designed information leaflets
- ❑ Using up-to-date technology to provide assistance to taxpayers
- ❑ Providing taxpayers with more customer friendly access to Revenue at Revenue Information Offices, seminars, exhibitions, trade shows and open days
- ❑ Visits to new businesses
- ❑ Using RTE's Aertel teletext facilities and Revenue's Website
- ❑ Interactive VRT kiosks where the public can establish the value of a used vehicle for VRT.

Revenue received 372 requests for information under the Freedom of Information Act, 1997, in year 2000. This was down from 511 in 1999 and may reflect improved access to information outside FOI as well as ongoing development of information systems, including the Website.

10.2. Telephone Communications

Revenue officials recognise that telephone communications is an area in which there are still some problems but feel that the situation is improving.

A number of significant initiatives to improve telephone communications have been taken, including:

- ❑ The Central Telephone Enquiry System
- ❑ Lo-Call access to selected offices
- ❑ 24/7 line for ordering leaflets
- ❑ Freefone help line for 2 days following the Budget.
- ❑ Information line for ROS Queries
- ❑ Lo-Call helplines during Euro changeover.

The Central Telephone Enquiry System operated from the Office of the Chief Inspector of Taxes currently provides information on PAYE, Capital Gains Tax and Corporation Tax from a single telephone number.

Revenue introduced a single 1890 Lo-Call telephone number for PAYE customers in September 2001. Revenue feel this offers major benefits to individual PAYE taxpayers and plan to publicise the service widely.

Revenue Officials state that no single solution, such as automatic call routing, can meet every requirement because of the range of services and the diversity of customer requirements. However, the extension of Lo-Call lines will help customers find the services they require more easily and the recently completed Virtual Private Network linking all Revenue offices Nationwide makes it much easier to re-route misdirected calls.

10.3. Customer Feedback

- ❑ The submission of the Institute of Taxation praised the Central Telephone Enquiry System and recommended it be more widely advertised.
- ❑ The submission of the Ombudsman states that complaints to the Ombudsman regularly cite lack of information as the cause. The Ombudsman confirms that reports from Revenue to his office in response to requests are detailed and comprehensive and when this information is passed on to the complainant the need for further enquiry is often unnecessary.
- ❑ The Small Firms Association recommends higher investment in media print and design to increase the quality of communications media.
- ❑ Some submissions mentioned long telephone delays and misrouting of calls when contacting Revenue offices. One submission recommended Automated telephone answering and routing within the Stamping and CAT Branches.
- ❑ Other submissions mentioned:
 1. A lack of written material for the Public on general taxation issues. Revenue officials say that there is an explanatory leaflet covering every possible aspect of taxation and are unaware of any gaps.
 2. Literature on the Seed Capital Scheme is not sufficiently informative.

10.4 Conclusions

The Committee welcomes the major commitment to providing information and the major initiatives such as the Lo-Call Lines and centralised enquiry facilities. The Committee particularly welcomes the introduction of the 1890 Lo-Call telephone number for PAYE customers as this initiative will directly benefit individual PAYE taxpayers.

However, the Committee has concerns about the quality of telephone service available from Revenue offices and believes that this should be monitored to establish an objective measure of the quality of service in this area. The Committee also has significant concerns about the tendency for voice mail to be misused within organisations in such away as to impede rather than facilitate communications and feels that Revenue should be monitor this area carefully. For example, best

practice would indicate that voicemail users should respond to all voicemail messages within a set period.

10.5. Recommendations

- ❑ Widely publicise the Central Enquiry Lines, actively encourage customers to use these facilities and monitor usage levels.**
- ❑ Establish response/ waiting time targets for switchboards in Revenue offices, monitor actual response times and actively pursue plans to reduce these.**
- ❑ Carefully monitor the use of voice mail within Revenue to ensure that it is not misused.**

11.0 Revenue Audits

11.1 Customer Feedback

Revenue audits attracted adverse comments in a number of submissions:

- ❑ The Institute of Taxation stated that feedback from its members indicated that audits are stressful for members and sometimes excessively prolonged. Institute members felt that attitudes of auditors were sometimes adversarial, which conflicts with the guarantee of a presumption of honesty. There is also a perception that most attention is focused on taxpayers who have filed returns rather than on those who have failed to file returns.
- ❑ The Institute of Taxation submitted that cash collection targets for audits are not appropriate, as the audit is not a cash collection exercise. The Institute suggests alternative measures e.g. frequency or number and recommends that the concept of materiality should be used as this will lead to more efficient use of Revenue resources.
- ❑ The Small Firms Association submission confirmed that audits are stressful for members.
- ❑ The Vintners Federation of Ireland indicated that it is in general happy with the way audits are conducted but suggested that audits should take into account the working of individual premises rather than area norms.

11.2. Conduct of Audits

In relation to audits, Revenue officials stated that:

- ❑ They recognise that audits impose a compliance cost on customers and they seek to minimise this.
- ❑ All audits are conducted under clear audit guidelines by trained audit staff.
- ❑ Selection for audit is done on the basis of perceived tax at risk. A number of cases are also randomly selected to ensure the possibility of every taxpayer being selected. The selection criteria do not penalise compliant taxpayers. Persons not making returns are more likely to be audited.
- ❑ Revenue staff have a vested interest in keeping audits as short as possible.
- ❑ The value of the audits is confirmed by the tax revenue raised, valued at £136 million in 2000. Cash Targets for the audit programme are agreed between the Director of Audit Policy, Regional Directors and individual District Managers but are not allocated to individual auditors. Revenue would not regard Cash Collection as a suitable Key Performance Indicator for audits since high levels of cash collection through audits would indicate a low level of voluntary compliance.
- ❑ While some variation in approach and ability is inevitable, as in all human activities, the Complaints and Appeals machinery provides a high level of safeguards for customers.
- ❑ Revenue states that they do not, in general, receive complaints about audits.

11.3 Conclusions

The Committee expressed concern at reports that some taxpayers have been subjected to multiple audits within very short time periods and in general the Committee agreed that repeat audits should not occur unless there were clear grounds for believing that these were necessary. The Committee believes that this is particularly important in view of the fact that audits can be both costly and stressful for the taxpayer.

11.4 Recommendations

- Revenue should ensure that Audits are conducted within the Charter of Rights and that they are always conducted with the utmost courtesy.**
- Repeat audits should be restricted to cases where there are clear grounds for believing that these are necessary. Consideration should be given to a right of appeal where a taxpayer feels he/she is being subject to excessive multiple audits. Consideration should also be given, if appropriate, to incorporating these rights into the Charter of Rights**

12.0. Accessibility

12.1. Initiatives

Revenue initiatives to improve access to its services include:

□ Physical Access

The Revenue Commissioners have paid great attention to improving the facilities and appearance of public offices to which Taxpayers have access. In refurbishing, priority is given to improving access for disabled persons and providing privacy for visitors.

□ Queue Management

In larger public offices a queuing system has been introduced to ensure customers are seen strictly on a “ first come, first served basis”. Revenue plans, where feasible, to upgrade the facility to include a monitoring system which will enable them to provide an improved response time and reduce delays.

□ Electronic Access

The Revenue website and ROS have dramatically increased public access to the Revenue's expertise and information. There are currently 138 separate forms available for download. Between 6000 and 7000 forms are downloaded every month, vastly reducing the number of telephone calls to be processed.

□ Customers with special Needs

Initiatives for customers with special needs include:

1. A counter loop system for customers with hearing aids in 8 larger public offices in Dublin Cork and Limerick together with a minicom system for customers who are profoundly deaf.
2. Screen reader compatible version of ROS for visually impaired persons.
3. Budget information on tape for Blind Allowance recipients.
4. Communications in Braille and by tape.

□ Choice for customers

Revenue has aimed to provide choice for its customers, where feasible, in areas such as:

1. Payment Options: These now include Direct Debit, EFT and Bank Giro and plans include Laser and On-Line Banking.
2. Location of Contact Points.
3. Opening Hours
4. Delivery Times
5. Electronic Information and Filing

□ Irish Speaking Customers

Unit 880 is a dedicated unit providing service in Irish for Dublin Based customers.

The Customer Service Action Plan commits Revenue to “make every effort to provide as comprehensive a service as possible” including:

1. Extending the range of Returns and Forms and,
2. Increasing the material in Irish available on ROS

□ Foreign Nationals

An increasing number of callers to the Revenue offices do not speak English and this creates additional difficulties in relation to service provision. Addressing the needs of non-nationals

is under consideration and a number of information leaflets are now available in other languages including French, Spanish, German, Italian and Chinese.

12.2. Customer Feedback

A number of submissions, including that from Bord Na Gaeilge, expressed dissatisfaction with the service being offered to Irish speaking customers. Complaints included:

- ❑ Delays in publishing leaflets in Irish
- ❑ Delays in dealing with correspondence.
- ❑ Unavailability of staff who can converse in Irish.
- ❑ Delays in answering correspondence and correspondence going astray.
- ❑ While Unit 880, the dedicated Irish speaking unit in Dublin, was described as “good”, the service in other parts of the country especially Galway is described as “poor”.
- ❑ Lack of replies to Bord na Gaeilge questionnaires monitoring implementation of Guidelines on Expansion of Irish in the Public Service.

Submissions recommended the establishment of a dedicated Irish speaking unit in every district or at least in every district where there is a Gaeltacht Area.

Revenue officials expressed commitment to providing quality customer service to Irish speakers and Revenue, like all government agencies, will be governed by the provisions of the forthcoming Equality Act. The lack of bilingual staff means that services for Irish speakers can only be provided on a centralised basis although the officials felt that special provision for Gaeltacht areas could be examined.

12.3. Conclusions

The Committee recognised the significant work which Revenue has done in improving access to its services but was concerned that the Customer Service Action Plan made no mention of counter services for Irish Speakers.

12.4. Recommendation

- ❑ **Develop, publish and implement a strategy for providing consistent, high quality services to Irish speakers.**

13.0 Complaints and Appeals Procedures

13.1. Complaints

The Committee believes that a formal complaints handling system is an essential component of Quality Customer Service. Leading customer service organisations see each complaint as an opportunity to improve their level of customer service and actively seek to encourage dissatisfied customers to complain.

Revenue inaugurated a formal complaints mechanism in January 1998. Information on the procedures to be followed when making a complaint is available in leaflet form (Form C3) in all Revenue public offices and on the Website.

Revenue gives a commitment to deal with all complaints impartially and in confidence. The complaints handling procedure has three stages. Firstly, the complaint is made to the person with whom the taxpayer is dealing. The goal is to resolve all complaints at first point of contact. Where this is not possible, the customer has the right to have the matter considered by a local manager. Finally, the complaint is referred to the Customer Service Policy Unit if the taxpayer is still unhappy. Revenue officials confirmed that complaints dealt with at the first two stages are not formally recorded. Complaints referred to the CSPU are logged and analysed.

Officials provided a breakdown of the complaints dealt with by the CSPU in the period January – June 2001. This breakdown is shown in Table 3, below.

Category of Complaint	Number
Administrative Delay	10
Telephone Delays	3
Administrative Error	10
Complaint about Revenue officials	7
Interpretation of Legislation	6
Disputed Liability	6
Irish Language	1
Other	6
Total Complaints	49

In the Customer Service Action Plan 2001-2004 Revenue commit to initiating a review of the complaints mechanism with view to improving its evaluation procedures and in turn using the information gained to improve the quality of service delivery.

13.2. Appeals System

Revenue has in place a structured Review and Appeals system in relation to all taxes and duties. Information leaflets on the subject are available in all Revenue public offices and on the website.

Where a taxpayer is dissatisfied with a decision he/she may arrange to have the decision or assessment reviewed by a senior Revenue officer who has had no previous involvement in the case.

The taxpayer may also involve an external reviewer drawn from a panel of external reviewers.

This review procedure does not affect a taxpayer's right to appeal to the independent Appeals Commissioners or to the Courts.

13.3. Customer Feedback

- The Institute of Taxation recommended the appointment of a Tax Ombudsman.

13.4. Conclusion

The Committee believes that the current Complaints and Appeals machinery provides a comprehensive set of checks and balances to ensure the protection of the rights of taxpayers. Furthermore the fact that the level of complaints reaching the Ombudsman is continually falling would indicate that local complaints resolution procedures are improving and corrective actions are being implemented.

The Committee believes that the current level of complaints to the Ombudsman— 88 in 2000— would not justify the appointment of a Tax Ombudsman. Indeed the Committee would, in general, be opposed to the creation of a multiplicity of Ombudsmen.

However the Committee has a number of concerns:

- A lack of comprehensive complaint logging by Revenue may downplay the number of complaints
- Information becoming available through the complaints should be used wherever possible to identify opportunities to improve customer service.
- The current complaints process, which provides for complaints to be made in the first instance to the official dealing with the case, is not appropriate where the complaint relates to the conduct of the official.

13.5. Recommendation

- **The review of the complaints handling system should provide for logging of all complaints in a consistent manner and formal review by the CSPU and Revenue management of all complaints on a regular basis.**
- **The information from the complaints reviews should be used to identify and address weaknesses in processes or services.**
- **The Office of the Ombudsman should be strengthened, as necessary, to ensure the timely and effective processing of all complaints relating to Revenue.**
- **Complaints relating to abuse of discretion by an official should be routed in a way, which does not require the aggrieved, party to complain direct to the official involved. The Revenue documentation on How to Complain should advise taxpayers clearly of the alternative avenues available**

14.0. Compensation

The Committee raised the issue of compensation where Revenue makes a mistake. Some individuals make genuine mistakes and miss deadlines and are charged interest. Some are fined for not paying preliminary tax. However, if Revenue make a mistake, quite often the taxpayer receives a cheque in the post refunding the difference many weeks later.

The Committee discussed this issue with the Institute of Taxation and examined the UK Inland Revenue Code of Practice.

Revenue officials expressed the fear that the introduction of a compensation system could have the unintended side effect of reinforcing, among Revenue staff, the fear of making a mistake. This could foster an attitude of self-protection, which would undo much of the achievement of Revenue in developing a customer-focused, helpful, open culture. However, officials agreed that this is an area which requires further study and stated that an examination of the UK Code of Practice would form part of this examination.

14.1. Customer Feedback

The submission of the Ombudsman draws attention to the fact that the Customer Charter and Customer Service Standards are silent on the subject of compensation. The Ombudsman's submission recommends as possible remedies:

- Simple written apologies
- Undertakings to improve procedures to ensure the circumstances are not repeated
- Delegation of complaint handling to a named official with authority to provide redress.
- Making the parameters for redress explicit in the Customers Service Standards document.

14.2. Conclusion

The Committee believes that, in equity, as Revenue have the right to impose penalties on taxpayers who make mistakes, a taxpayer who has suffered loss as a result of a Revenue mistake should be entitled to compensation.

The Committee feels that the UK Inland Revenue Code of Practice document and others from jurisdictions that also provide compensation for mistakes should be examined by the Revenue Commissioners with a view to implementing a system of compensation here in Ireland.

14.3. Recommendation

Revenue should bring forward proposals to compensate individuals and companies where Revenue makes mistakes that cost taxpayers money. Such compensation should extend to the full costs incurred by the taxpayer.

15.0. Other Issues

The Committee also addressed a number of other issues, namely:

15.1. Consistency of Approach.

The Institute of Taxation highlighted a perceived inconsistency between tax districts. Anecdotal evidence was presented of a Dublin tax district and a regional tax district taking different views of the same information. One submission raised the issue of perceived variations in the application of the 12.5% rate of VAT.

This was an issue of concern for Committee members and should be addressed by the Revenue Commissioners.

15.1.1 Recommendation

- Review internal communication of policy to ensure a consistent approach is taken in all tax districts.**

15.2. Reported delays in PAYE offices

During their presentation to the Committee in July 1999, the Revenue officials were queried about a reported backlog of over 30,000 items of correspondence in the PAYE offices in Dublin. The officials pointed out that there are approximately half a million more people at work than there were 10 years ago and this has created additional pressures without any significant increase in Revenue staffing numbers. There are also seasonal issues to be addressed with peaks and troughs in correspondence at various points in the year. While the backlog of 30,000 items seems extreme, it accounts for only 4% of Revenues total annual correspondence. However, the officials emphasised that they did not condone such backlogs and that they had set up two units to deal specifically with clearing the backlog.

The officials informed the Committee that they established a working group in 1999 to examine the current PAYE structures and to consider what changes could be made to improve the customer service response at peak times. The working group was continuing its deliberations but already new procedures had been introduced that would reduce PAYE repayment processing by up to seven days.

During the July 2001 update Revenue officials confirmed that there was no serious backlog of PAYE post in tax districts at end of June 2001. The backlog was 1% in Dublin and 2% in provincial districts.

15.2.1. Conclusions

The Committee acknowledges that Revenue has dealt with this issue but feels that it is the responsibility of Revenue management to ensure that backlogs do not occur.

15.2.2. Recommendations

- ❑ **The situation regarding backlogs should be kept under review to ensure that backlogs do not occur.**
- ❑ **In the event of a recurrence Revenue should investigate how other best-practice organisations handle fluctuating seasonal demands with a view to minimising delays at peak times of the year.**
- ❑ **Maximise the use of facilities such as those in the Central Revenue Information Office throughout regional offices.**

15.3. Tax Clearance Certificates

A member of the Committee who called to a local tax office and asked for a tax clearance certificate was informed that these are only provided to persons or organisations applying for public service contracts or for licenses.

The Revenue officials responded that the purpose of the tax clearance scheme is to ensure that the Government contracts and State licenses are only given to tax compliant individuals and companies. There are two types of Tax Clearance Certificates, a General Tax Clearance Certificate and a Grants Tax Clearance Certificate. These certificates are required to satisfy different legislative criteria and Revenue need to know the purpose for which it will be used in order to issue the appropriate certificate. They do not issue tax clearance certificates to PAYE taxpayers due to the effect it would have on resources and because PAYE taxpayers have little use for them. However, a small number of manual certificates have been issued as a matter of courtesy where they have been requested. Revenue officials provided a draft copy of the revised information leaflet due to be published shortly.

15.3.1 Recommendation

- ❑ **Make a tax clearance certificate available to any compliant taxpayer who requests it.**

15.4. Verification of C.2. Certificates

One submission identified the current system of verification for C.2 Subcontractor's certificates as unduly cumbersome as it involves the need for separate verification by each public body with whom a subcontractor deals. The submission recommends verification by a single Public Body e.g. a county council on behalf of all on public bodies.

15.4.1. Recommendation

- ❑ **Develop and implement a standardised procedure for verification of C.2. Certificates which eliminates the need for certificate holders to make multiple presentations to public bodies.**

15.5. Euro Changeover Arrangements.

Revenue provided a lead for the public and private sectors by becoming one of the first large organisations in Ireland which was ready to conduct business in Euros.

15.5.1 Conclusion

The Committee commends the forward planning of the Revenue in relation to this major project.

Appendix A

Meetings with the officials of the Revenue Commissioners in June 1999 and March 2000

A.1 Information Technology

The presentations in June and March included an overview of the innovations the Revenue Commissioners have introduced in the last number of years and a demonstration of the Revenue Website which now has over 300,000 access hits per month. This indicates that there is very high awareness of the site and that the content must be of a high quality and useful for practitioners and taxpayers alike. The officials said they try to have every document available on the website before its publication in paper format.

Many forms and information leaflets are down-loadable and it is now estimated that between 6000 and 7000 forms are downloaded every month. The Committee recommended that the use of ICTs by the Revenue Commissioners should be highlighted as an example of best practice.

A.2 Backlogs in PAYE Offices

At the time of the presentation, a recently published headline showed there was a backlog of over 30,000 items of post in the PAYE offices in Dublin.

A.3 Areas of concern to the Committee were:

- Level of complaints to the Ombudsman
The Committee noted that the level of complaints to the Ombudsman in relation to the Revenue Commissioners had fallen. The Officials stated that this was mainly due to the publication of a leaflet, advising taxpayers about addressing complaints directly to the Revenue Commissioners.
- Cultural change by officials towards users of services
- Design of forms
The Committee welcomed the fact that Revenue is committed to constantly improving its design of forms to make them as clear and simple as possible.
- Consultation with users
Consultation with staff and other interests took place when formulating the Corporate Plan and the Customer Service Action Plan. The Committee felt that this process should be extended to all aspects of the organisation.
- Data Protection
Business Complaints regarding the provision of similar information to Revenue, Department of Social, Community and Family Affairs, CSO etc.

Appendix B

Meeting with the Institute of Taxation in Ireland

- B.1** In July, 1999, the Committee met with Mr. Adrian Crawford, President of the Institute and other officials from the Institute.
- B.2** The Institute's primary role is the provision of education and information in the sphere of taxation. It regularly makes submissions to Government concerning taxation policy. It organises taxation seminars and conferences and has published many books and CD-ROM guides to taxation in Ireland.
- B.3** On the whole, the Institute accepted that Revenue had performed very strongly over the last ten years and had made considerable improvements in service. The Institute believes that the move to self assessment has provided the new customer focus in Revenue and this has led to more co-operation between Revenue and the tax practitioners. They also said that the economic boom had created its own problems for Revenue with a surge in the numbers of taxpayers and new businesses and Revenue were coping with this with no increase in staff numbers.
- B.4** The Institute noted the major improvements and these included :-
- self assessment,
 - the Charter of Rights
 - the consolidation of legislation
 - the increased investment in Technology
 - better provision of information
 - decentralisation
 - customer focus
 - international work at EU and OECD level
- B.5** On receipt of the invitation from the Committee, the Institute surveyed its members. The Institute members welcomed the improvements above and made constructive suggestions for improvements, many of which the Committee have taken on board and included as recommendations throughout this report.

Appendix C

Submissions Received from Members of the Public

C1. In July, 1999, the Committee advertised in the National Newspapers inviting both individuals and organisations who wish to express their views on the service provided by the Revenue Commissioners to forward written submissions for consideration.

C2. The table below sets out a summary of the submissions received:

Submission from:-	Subject Matter
1. Member of Public	Examination of the standard of service through Irish being provided by the RC for private individuals and businesses. Suggests that what is required is a dedicated tax district for Irish speakers , and forms and leaflets should be available in Irish and English at the same time and the same standard . Would like opportunity to appear before the Committee to provide more detailed information (?)
2. Member of Public	Suggests that a dedicated Unit dealing with Irish speakers under the PAYE system be established in every tax district (presently it is only available in Dublin) or alternatively, the establishment of one Irish language Unit in each district where there is a Gaeltacht area .
3. Bord na Gaeilge	States that members of the public have raised with Bord na Gaeilge the lack of service in Irish by the RC and that this contradicts the ' Guidelines for the Expansion of Irish in the Public Service '. RC did not reply to questionnaires sent to them regarding the monitoring of the implementation of the Guidelines. Enclosed copy of Guidelines for Action Plans for the Public Service and a copy of the most recent Monitoring Report.
4. Member of Public	States that he has tried and failed to conduct business with the RC through Irish and attaches correspondence with the RC to illustrate this point. Would like an opportunity to come before the Committee to discuss his personal experience
5. Consultative Committee of Accountancy Bodies	Members of this organisation have considerable interface with and experience of the operations of the RC and consequently would welcome the opportunity to make submissions and give evidence to the Committee .
6. Firm of Solicitors	- States that the overall service provided by the Stamping Branch and the Capital Acquisitions Tax Branch of the RC is very good . - Suggests the introduction of an automated telephone answering service related to the general RC number for the aforementioned Branches. - Suggests the computerisation of all of the relevant forms relating to CAT matters or alternatively practitioners should be allowed to design their own forms and have them agreed with the RC.

7. Member of Public	<ul style="list-style-type: none"> - Complains that the RC do not put their phone number and other details on their headed paper - Complains of the lack of manufacturing experience of the employees in the RC dealing with the Seed Capital Scheme - Help should be provided by the RC to those applying for the Scheme - Complains of the uninformative literature about the Scheme - Complains about the RC's definition of manufacturing
8. Member of Public	<ul style="list-style-type: none"> - Suggests that a system of verification should be considered regarding the C2 sub-contractors system. - Raises the variation in the application of the 12.5% VAT rate.
9. Firm of Solicitors	<ul style="list-style-type: none"> - Congratulates the RC on the improvement of the service they provide and on the speed with which they process applications and tax returns. - Raised the possibility of the publication of an easy reference guide to sections in the RC and the issues they deal with. - Raises the long telephone delays when contacting the RC. - Suggests the computerisation of Capital Tax Forms
10. Department of Foreign Affairs	<ul style="list-style-type: none"> - Praises the service provided by the Press Office of the RC - States that there is not enough written material for the public on general taxation issues

Appendix D

Meeting with the Consultative Committee of Accountancy Bodies

- D1.** In April 2000, the Committee met with Ms. Marie Barr, Chairman and her colleagues, Mr. Graham Hall and Mr. Gerry Higgins of the Consultative Committee of Accountancy Bodies of Ireland.
- D2.** The Consultative Committee of Accountancy Bodies in Ireland represents the four major accounting bodies in Ireland:
- The Institute of Chartered Accountants in Ireland
 - The Association of Chartered Certified Accountants
 - The Chartered Institute of Management Accountants
 - The Institute of Certified Public Accountants in Ireland

The objective of the Committee is to provide a forum for consultation between its member bodies and to enable them to develop joint representations on matters of common concern, particularly in the areas of taxation, parliamentary and law matters and draft European Community legislation. Between the four bodies, there are over 18,000 members. With members of all bodies in both industry and practice, their members have significant contact with the Revenue both as tax practitioners and directly as customers.

Given the nature of the CCAB-I and the type of contact its members would typically have with the Revenue, the comments of the CCAB-I related mostly to matters which impinged on the business community, both large and small.

D3. Changes in Revenue Customer Service to Date

The CCAB-I acknowledged the progress which has been made in this area. Prior to self-assessment being introduced tax returns were only made if the Revenue requested them and Revenue audits did not exist. If one had to phone a tax office with a query it was almost impossible to get the name of the individual to whom one was speaking. This was particularly so at the lower levels in the Revenue Commissioners.

This situation has now changed dramatically. Almost all tax returns are on a self-assessment basis - that is, income tax, corporation tax, VAT, PAYE, capital acquisitions tax and capital gains tax. In addition, it is up to taxpayers to ensure that their tax is paid on time. Side by side with this shift in the approach to tax collection has come a major cultural change within the Revenue. In dealing with the Revenue either by telephone or face-to-face CCAB-I members are now treated with a very courteous attitude, names are given readily and most problems are dealt with efficiently.

The CCAB-I identified the introduction of Tax Briefing Publication as being a particularly helpful innovation. The publication is produced 5 or 6 times a year by the Customer Services Unit to inform tax practitioners of the Revenue's views on topical areas of interest in the taxation area particularly areas that tend to raise questions frequently and interpretations of major Finance Bill provisions.

D4. Consultation

One of the commitments given in the Revenue's Service Standards publication is to "consult customers in relation to the development, delivery and review of services". A vehicle for consultation with the accountancy profession already exists in the form of the Tax Administration Committee.

The Tax Administration Liaison Committee is made up of senior representatives from the Revenue Commissioners plus representatives from CCAB-I, the Institute of Taxation and the Law Society. It is a forum to discuss tax administration matters, not policy matters. The main TALC committee meets about four times a year. In addition, there are sub-committees which also meet on a frequent basis. These deal with the following areas: Value added tax; Revenue audits; Technical; Tax collection; Capital taxes; Electronic filing.

Apart from TLAC, the main consultation process is an annual or bi-annual meeting with the Minister for Finance and his officials from the Department on our pre-budget submission and our follow up submissions on the Finance Bill and proposed amendments.

In the view of CCAB-I and this has been frequently stated in submissions to Government, the time allowed for consultation is simply inadequate. The Finance Bill is used to emphasise this point. The combination of a relatively short period in which to prepare and debate the Bill and the length and complexity of the issues arising can result in a major piece of legislation often being passed without adequate examination of all its provisions.

The volume of changes in legislation obviously have significant impact on Revenue customer services as well as practitioners in that we all have difficulty in finding the technical resources to deal with the amount of legislation being passed each year.

The CCAB-I suggests that it might be worth looking at the idea of enacting a technical Finance Bill separate from the budgetary process. This would allow more time for the Revenue and tax experts to sort out potential problems.

The CCAB-I recommend that consultation with practitioners is continued through bodies such as TLAC and that the Revenue continue to be represented on these committees at a sufficiently senior level that they can decide on most matters what action can be taken.

D5. Simplification

The CCAB-I believes improvement could be made in the simplification of taxation rules, particularly in the areas of motor taxation, VAT, Accounts and Tax Schedules. The Committee would strongly support a major initiative within the Revenue to pro-actively look at how the principles of 'Reducing Red Tape – An Action Programme of Regulatory Reform in Ireland' could be applied within their remit.

D6. Revenue Rulings

The self-assessment system changed the onus for ensuring the tax return was correct from the Revenue to the taxpayer. The taxpayer had to complete the return which, in some circumstances, gave rise to a doubt as to how a transaction should be included so that the return was completed

properly. There is a facility under the self-assessment legislation for a taxpayer to complete it in one manner and include an “expression of doubt”, explaining the matter which was doubtful.

However, this facility only really arises when completing a return after a transaction or an event has occurred. It is possible that an adverse tax view would mean that a transaction or event would never occur. This has led to Revenue opinions being expressed in a wider range of circumstances than for incoming IDA grant aided industries.

While the existence of a scheme of Revenue opinions in relation to these transactions is welcome, it would be better if this could be extended to other areas. It was noted in a ‘Revenue Statement of Strategy 1997 to 1999’ that one of the Revenue plans was to produce a discussion document on pre-transaction rulings during this period. The CCAB-I would encourage such a discussion document on the basis that the present system works well in the areas to which it refers and should be gradually expanded to other areas.

D7. Summary

Overall, the CCAB-I found the Revenue’s service to mostly efficient, impartial and fair. They acknowledged the strides which have been made over recent years and emphasised the areas where they would like to see further progress as being Consultation, Simplification and Revenue Rulings.

Appendix E

Meeting with the Office of the Ombudsman

E1. In May 2000, the Committee met with Mr. Pat Whelan, Director, Office of The Ombudsman. The Office of the Ombudsman is charged with:

-Investigating complaints relating to administrative acts of those public bodies within his remit in order to identify instances of maladministration, and, where appropriate, to recommend redress and

-Improving standards of public administration by identifying the underlying causes of maladministration and suggesting improvements.

E2. Complaints against Revenue Commissioners

It is evident that the level of complaint against the Revenue commissioners has been maintained at a consistent level over the past three years but that there is a significant drop in the number of complaints received since 1986. In so far as the Office of the Revenue Commissioners is concerned, this may be due to the fact that:

-A number of initiatives have been undertaken by the Revenue Commissioners in that period which have impacted on the quality of service provided, including the publication of the Charter of Rights for Taxpayers, the publication of Revenue's service standards booklet which sets out performance standards covering many aspects of their service; the establishment of procedures for dealing internally with complaints and improved communications and access.

-Findings by the Ombudsman in relation to particular complaints have resulted in amended procedures being implemented by the Revenue

-Many enquiries received by the Ombudsman Office are now referred to the internal complaints system within Revenue for examination and are resolved without further reference to the Ombudsman.

E3. Subject Matter of Complaints

An overview of complaints received in 1999 ad 1998 reveal that the greatest area of complaints received related to Income Tax. The main areas of complaint with regard to Income Tax concern: wrong allocation of tax free allowance; lack of information; and poor communications.

E4. Outcome of Complaints

In the region of up to 50% of cases are closed as Resolved, Partially Resolved or Assistance Provided resulting in a full or partial benefit to the complainant. A number of cases are closed as discontinued or withdrawn. This may be due to the fact that in the case of complaints relating to a lack of information on a particular aspect of the tax system the reports to the Ombudsman from the Revenue Commissioners are detailed and comprehensive and when this information is passed on to the complainant the need for further enquiry is unnecessary.

E5. Section 7 Notices

The Ombudsman in his Annual Report for 1998 commented on and named those bodies in relation to which he had to issue notices under Section 7 of the Ombudsman Act because they had delayed in supplying him with reports. The Office of the Revenue was included on this league table. However, the position improved in the following year when there were no Section 7 notices issued to the Revenue.

E6. Provision of Redress

One area where improvement would be desirable from the Office of the Revenue Commissioners is in the area of provision of remedies. In many cases a simple apology may suffice as a remedy – however many public bodies are still reticent about issuing written apologies. In other cases in addition to an apology an undertaking to improve existing procedures to ensure that the circumstances, which gave rise to the complaint, are not repeated may be appropriate. Financial compensation may be due where there is a specific quantifiable loss eg. where costs eg legal fees were incurred by the client in pursuing the complaint.

Revenue's Customer Service Standards document goes into a lot of detail with regard to what the client can expect when he/she calls to a Revenue Office, seeks a repayment, submits a tax return, etc. However, the document and information leaflet on "How to complain at Revenue" are silent on what action will be taken to remedy any adverse affect arising out of an incorrect decision or action by the Revenue Commissioners.

The Office of the Ombudsman recommend that just as the decision making process under the Freedom of Information Act has been delegated to named officials in public bodies equally, responsibility for handling complaints within public bodies should be delegated to named officials along with the authority to provide redress within pre-determined parameters. The parameters should be made explicit in the customer services document.

E7. Fair Treatment

The Office of the Ombudsman was keen to emphasise that public bodies, in addition to being open to providing redress, should also ensure that people in similar circumstances are treated in like manner and that rules and regulations should not be applied so inflexibly as to create inequity. Further details on how to treat people fairly are contained in the Ombudsman's Guide to Standards of Best Practice for Public Servants

Appendix F

Meeting with the Small Firms Association

F1. On 5 December 2000, the Committee met with Mr. Kieran Crowley, Chairperson, Small Firms Association, who gave a comprehensive presentation to the Group on Quality Customer Service in the Revenue Commissioners.

F2. The Small Firms Association is pro-business, pro-compliance and has the following objectives:

- to make Ireland a good place to live;
- to encourage small enterprise;
- to strengthen small and medium enterprises;
- to reward risk-taking in income and capital and
- to help owners to manage successfully.

F3. The Small Firms Association considers the service currently being offered by the Revenue Commissioners to be a huge improvement on the old service. Mr. Crowley spoke about the different needs of the Revenue Commissioners who want timely, accurate and complete returns and the tax payers, for whom clarity, consistency, equity and peace of mind is important. Mr. Crowley emphasised the need for clear communications between the parties in order for these needs to be met.

F4. Forms

Mr. Crowley was critical of the number of forms which taxpayers are required to fill out. There are 80 core forms amounting to 150 feet in length, 5,000 feet of forms per annum, one million words to read and 100,000 questions to answer! As a precedent, in the UK, they have abolished 2,500 forms and simplified a further 3,000. In this context, the Small Firms Association would advocate the establishment of a Government Central Control Unit.

F5. Use of the Internet

Mr. Crowley commented favourably on the advances made by the Revenue in its use of the Internet. Their website is a model of its kind in the way the information is presented. Mr. Crowley made particular mention of the 'frequently asked questions' section of the website and the 'life events' section contained therein.

F6. Mr. Crowley spoke about the Charter of Taxpayers Rights and also about the particular difficulties facing small business people as generalists in trying to grapple with the range and complexities of taxes and the cost involved in employing intermediaries to assist with this. The Small Firms Association considers the audits as carried out by the Revenue Commissioners to be particularly stressful on its members.

F7. Recommendations

The Small Firms Association made a number of recommendations which the Revenue Commissioners might consider to facilitate the achievement of its goals of

- a reasonable tax burden, borne fairly,

- a reasonable compliance burden,
- timely and full payment of taxes, clarity on taxes due and
- efficient collection, verification and enforcement.

The recommendations included:

- setting some customer- friendly goals(e.g. measure the positives, shorten the forms, use simple words, make forms friendly - omit the threats) and
- in dealing with information, to invest in media print and design and to use IT for efficiency and not for more volume.

Appendix G

Meeting with the Vintners Federation of Ireland

G1. On 19 December 2000, the Committee met with Mr. Richard Dunne, President, Vintners Federation of Ireland.

G2. Tax Clearance Certificates

Mr. Dunne noted that the introduction of Tax Clearance Certificates had changed the perspective of the rural publican in relation to tax liability.

G3. Audits

The Vintner's Federation are generally happy with the way in which audits are conducted. However, Mr. Dunne emphasised the need for the individual workings of a premises to be taken into account during an audit and for each individual case to be tested on its merits rather than on what the norm in the area is.

G4. Area of Waste

The Vintners Federation noted that once unusual wastage is backed up with written record, a compromise can usually be reached. In this context, the Federation signalled their intention to work with the Revenue Commissioners to produce a standard daily record book for use in this way by its members.

G5. Area of Licence Application

The rule relating to certificates of incorporation raises a particular difficulty. The certificate must be dated within four weeks of application for a pubs licence. However, there is such a backlog in issuing the certificates that some licences haven't been issued. In this context, the Federation suggest that it should be possible to apply for the certificate of incorporation at any time in order to have it by September.

Appendix H

Terms of Reference of the Committee

To consider and report to both Houses of the Oireachtas on progress on the programme of modernisation for the Civil Service outlined in *Delivering Better Government* having regard to:

- Reports from the SMI Implementation Group (of Secretaries General and Heads of Offices) to Government;
- Action by the relevant sectors and associated Departments, Offices and other State Agencies under their aegis on the objectives to be achieved under the modernisation programme during the period of the *Programme for Prosperity and Fairness* as specified in Section 1.4. therein;
- Strategy Statements of Departments and Offices and other State Agencies and their implementation and
- Any legislative proposals initiated to progress the programme of change.

Appendix I

Membership of the Committee

- Deputy Dick Roche (Chairperson)
- Deputy Brian Hayes (Vice Chairperson)
- Senator Michael Finneran (Whip/Convenor)
- Deputy Noel Ahern
- Deputy Mary Coughlan
- Deputy Simon Coveney
- Senator John Dardis
- Deputy Eamon Gilmore
- Senator Maurice Hayes (replacing Senator Tom Fitzgerald)
- Deputy Brian Lenihan
- Deputy Brian O'Shea
- Senator Therese Ridge
- Deputy Billy Timmins
- Deputy Mary Upton

Clerk to the Committee is Derek Dignam

Appendix J

Joint Committee on the Strategic Management Initiative

An Comhchoiste ar an Tionscnamh um Bainistíocht Straitéiseach

Imeachtaí An Fhochoiste

Proceedings of the Joint Committee

Dé Máirt, 23 Deireadh Fómhair, 2001

The Joint Committee met **in private session** at 2.15 p.m. in Committee Room 4, LH2000.

1 Attendance

The following Members were present:-

Deputies Dick Roche (in the Chair), Brian Hayes (Vice Chair), Billy Timmins and Mary Upton and Senators John Dardis, Maurice Hayes and Michael Finneran.

2 Revised draft report on Quality Customer Service in the Office of the Revenue Commissioners.

Consideration of the revised draft report was resumed. The report was read and amended. The report, as amended, was agreed.

Ordered: To report accordingly.

3 Adjournment

The Committee adjourned at 3.00 p.m. until 2.00 p.m. on Tuesday 6 November, 2001.