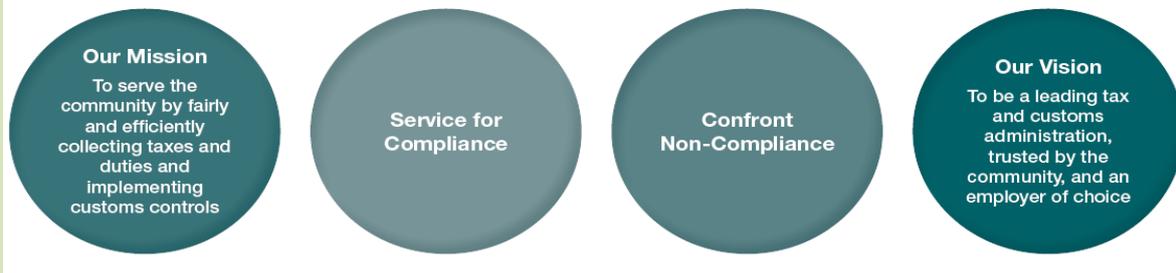


Revenue's Statement of Strategy 2017 to 2019 Reviewing Our Outcomes

Revenue prepares a three-yearly statement of strategy, as required by the Public Service Management Act, 1997.

Revenue's Statement of Strategy 2020 - 2022



In preparing our new Strategy, Revenue used the opportunity to review delivery on our objectives over the three-year period of the *Statement of Strategy 2017 to 2019*.



During a period of significant change in national and international taxation, Brexit, an ongoing realignment of Revenue structures and the implementation of PAYE Modernisation, this review shows strong achievement of nine "intended outcomes" in the last three years.

1 Introduction

Revenue's *Statement of Strategy ("SoS") 2017 to 2019* laid out the organisation's objectives, the main pillars of our work and the intended outcomes to be realised – consistent with Revenue's overarching mission statement, values and vision.¹ The SoS planned some significant areas of change and innovation to be delivered over the period of the Statement, including, for example, the delivery of PAYE Modernisation and the realignment of Revenue's organisational structure.

In preparing the *Statement of Strategy 2020 to 2022*,² an exercise was undertaken to review the progress made on delivery of our objectives and intended outcomes under the previous SoS. In light of this, this report provides the following –

- A high-level review of the objectives of the SoS 2017-2019, key changes that were planned, and the delivery of these; and
- A suite of indicators showing progress on the intended outcomes outlined in the SoS 2017-2019.

¹ Published at: <https://www.revenue.ie/en/corporate/documents/governance/sos-2017-2019.pdf>.

² The new Statement of Strategy is published at: <https://www.revenue.ie/en/corporate/documents/governance/sos-2020-2022.pdf>.

2 Delivery on Objectives

Revenue's approach as outlined in the SoS 2017-2019 was focused around our two strategic pillars. Much of our work serves to enhance our delivery under both pillars. For example, modernised, real-time management of the PAYE system provides significantly improved services to both employers and employees, but also facilitates Revenue's early identification of and intervention on emerging compliance issues.

Under **Pillar 1, Service to Support Compliance**, Revenue has supported taxpayers to be voluntarily compliant through clear communication and offering enhanced online and self-service facilities. Highlights implemented over the SoS period include:

- continued implementation of Revenue's Customer Engagement Strategy, including channel management and other initiatives;
- a re-designed website providing accessible information that is easy to understand;
- new online system to support the Help to Buy incentive;
- expanded pre-population of tax returns and other initiatives to make filing of returns easier while supporting compliance;
- the new Debt Management Service ("DMS") providing enhanced phased payment facilities for taxpayers;
- the ability for PAYE taxpayers to see their current pay and tax details; and
- a national PAYE helpline.

Under **Pillar 2, Confront Non-Compliance**, with an approach determined by the behaviour of the taxpayer, Revenue undertakes targeted and risk focused compliance programmes that deliver a proportionate and effective response to non-compliance. Highlights implemented over the SoS period include:

- increased use of data analytics to identify non-compliance;
- targeted compliance measures in Budgets 2017, 2018 and 2019, with additional resources assigned, that have delivered proven compliance and yield benefits to Revenue and the Exchequer;
- participation in exchange of financial account information relating to Irish customers;
- the Foreign Income and Assets Disclosure initiative;
- collaboration on intelligence with tax authorities worldwide;
- PAYE Modernisation implementation and outreach; and
- new DMS system for advanced profiling of cases, delivering significant increased capacity for compliance and enforcement activities.

Under **Making it Work: Our Resources and Structures**, Revenue recognises that our ability to deliver on Pillars 1 and 2 depend on the skills, capability and professionalism of our staff and

adaptability and flexibility of our structures and systems. Highlights implemented over the SoS period include:

- using technology to support the electronic payments of €58 billion, €64.6 billion and €64.8 billion in 2017, 2018 and 2019 respectively;
- townhall meetings giving all staff the opportunity to engage with the Revenue Board;
- Revenue's Employee Engagement Charter was created and published;
- 546, 638 and 1,092 staff appointed in 2017, 2018 and 2019 respectively, with over 3,000 applications for customs trade facilitation posts; and
- 36,309, 42,976 and 46,415 training days provided to staff in 2017, 2018 and 2019 respectively, including the 1,000th Revenue staff member to graduate through our partnership with the University of Limerick.

In addition to the specific objectives within the Pillars, the SoS 2017-2019 also flagged a number of key developments and initiatives planned over the course of the Strategy.

"...Economic and political change as a result of Brexit...", "...Develop and implement appropriate procedures and systems to address the implications of Brexit..."

Throughout 2017, 2018 and 2019, we continued our preparation for **Brexit** through actively engaging in inter-Departmental work, working closely with the Department of Finance and undertaking preparedness and contingency planning, at both national and European level, in the context of our role and responsibilities. Revenue's overriding priority is to facilitate the efficient and timely movement of legitimate trade. This includes increasing hiring and training of staff, extensive trader outreach and preparing customs IT systems.

"...international tax developments, and emerging trends in how business operates require close attention...", "...Influence the design of international tax and duty administration at the EU, OECD and WCO..."

We continue to contribute to the evaluation, development and implementation of **national and international tax policy**. This includes drafting of annual Finance Bills and other legislation, negotiation of tax treaties and working with partners at OECD and EU level. During 2017, a peer review by the *Global Forum on Transparency and Exchange of Information for Tax Purposes* confirmed Ireland's tax transparency. Revenue actively contributed to the Local Property Tax interdepartmental review group and the Budget Oversight Committee on the same topic in 2018/2019. Revenue administered the introduction of the Sugar Sweetened Drinks Tax in 2018.

"...The compliance behaviour of a taxpayer will determine the nature, extent, and the consequences of our compliance intervention for each taxpayer...", "...we will evolve our structures to maintain the best possible fit for the many challenges ahead..."

The realignment of Revenue's organisational structure is an ongoing process, beginning before the SoS 2017-2019 and also highlighted there-in. This is influenced by a wide range of factors, both external and internal, that mean we must continually adapt, realigning our structure to deliver on the objectives in the SoS 2017-2019. With **structural realignment**, in 2018 we moved from a regional structure to one that is based on a nationally segmented taxpayer base. Five new national Divisions have been established around defined taxpayer segments.

"...We will build on our advanced digital platform and PAYE modernisation by designing innovative and dynamic systems. This will position us as a leading tax and customs administration in the area of real time and automated programmes...", "...Modernise the PAYE system through the development of a real time framework..."

Highlighted in the SoS as one of the most significant pieces of work and perhaps the one with the most transformational potential, the new arrangements for employer reporting (**PAYE Modernisation**) came into operation on 1 January 2019, representing the most significant reform of the administration of the PAYE system since its introduction in 1960. This involved extensive engagement with stakeholders to design the system, internal change management, outreach and education programmes and compliance follow up.

3 Intended Outcomes

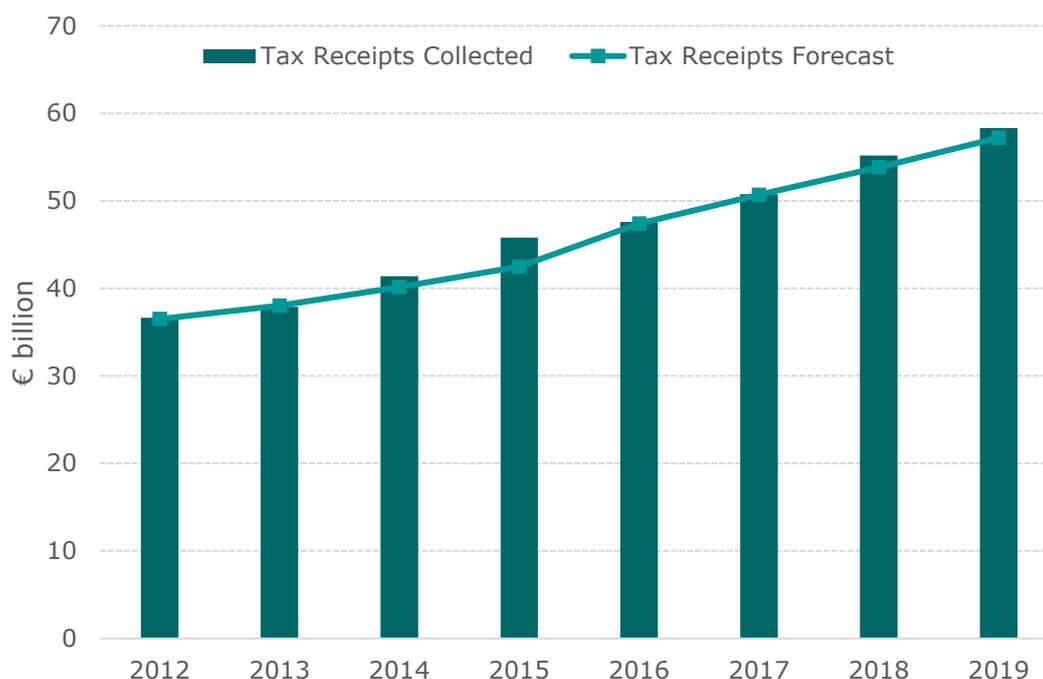
The SoS 2017-2019 laid out nine “Intended Outcomes” to be realised:

- The right amount of tax and duty is collected in a timely manner;
- Our administration of tax and customs by reference to international benchmarks is highly rated;
- Customer surveys show a high level of satisfaction;
- Service standards are met and match best international practice;
- High levels of voluntary compliance are achieved;
- The level of debt to the Exchequer is minimised;
- High quality and secure digital and self service channels are available;
- Non-compliance is identified and prevented or confronted; and
- We are a fair, transparent and effective tax and customs administration

The following pages present an initial framework of metrics or indicators for the Intended Outcomes in the SoS. The available indicators do not always match directly to each outcome, some indicators are measures of more than one outcome.

Changes in outcome indicators, for positive or negative, cannot be definitively ascribed to Revenue (given the importance of external factors that cannot be controlled for fully). However, the indicators have been selected wherever possible as measures where Revenue actions and programmes have a direct impact on taxpayer behaviour or reflect a measurable output of Revenue.

Outcome 1: The right amount of tax and duty collected in a timely manner



Review

The amount of tax and duty collected has steadily grown year on year and exceeded forecast in each of the last three years.

Outcome 2: Our administration of tax and customs by reference to international benchmarks is highly rated

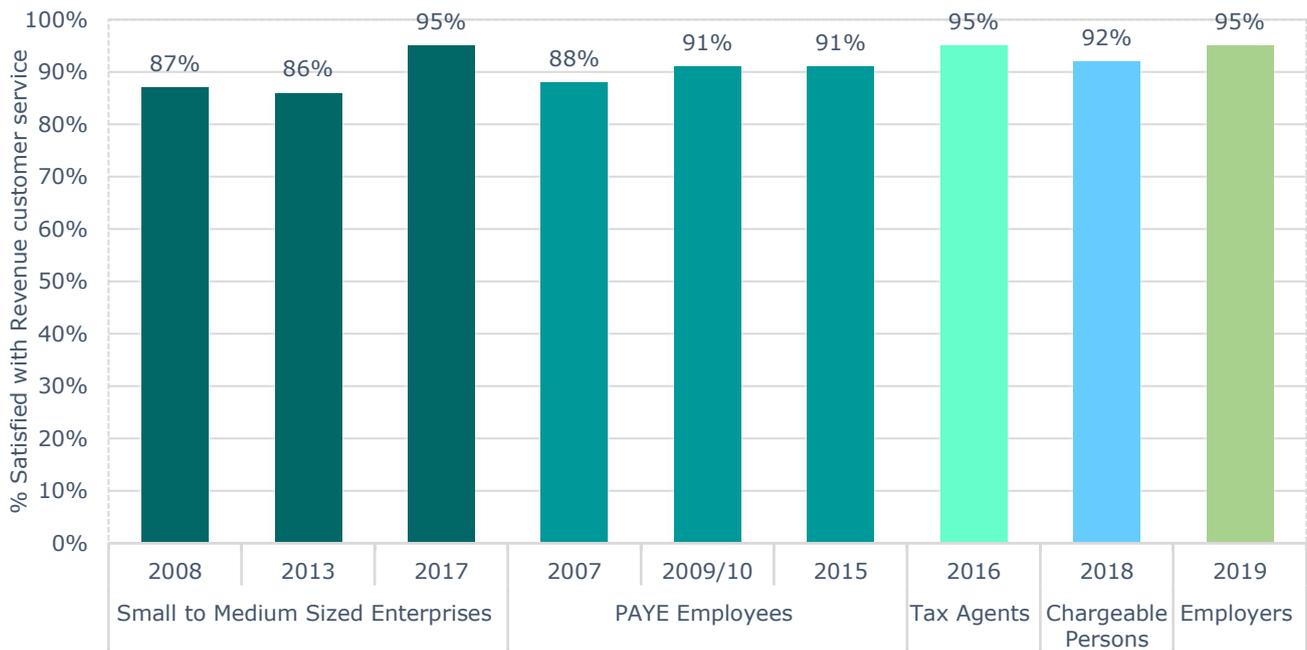
| | Ease of Paying Tax Ranking* | Tax Administration Ranking** | Burden of Customs Ranking*** |
|------|--|-----------------------------------|--|
| 2012 | 6 th world (1 st EU) | -- | -- |
| 2013 | 6 th World (1 st EU) | -- | 5 th World (4 th EU) |
| 2014 | 6 th World (1 st EU) | -- | 8 th World (3 rd EU) |
| 2015 | 6 th World (1 st EU) | -- | 6 th World (2 nd EU) |
| 2016 | 5 th World (1 st EU) | -- | 6 th World (2 nd EU) |
| 2017 | 4 th World (1 st EU) | 4 th from 31 countries | 6 th World (2 nd EU) |
| 2018 | 4 th World (1 st EU) | -- | Top 20%Worldwide |
| 2019 | 4 th World (1 st EU) | 2 nd from 38 countries | Top 20%Worldwide |

*World Bank / PwC, Paying Taxes reports. **International Civil Service Effectiveness (InCISE) Index. ***World Economic Forum, The Global Competitiveness Report.

Review

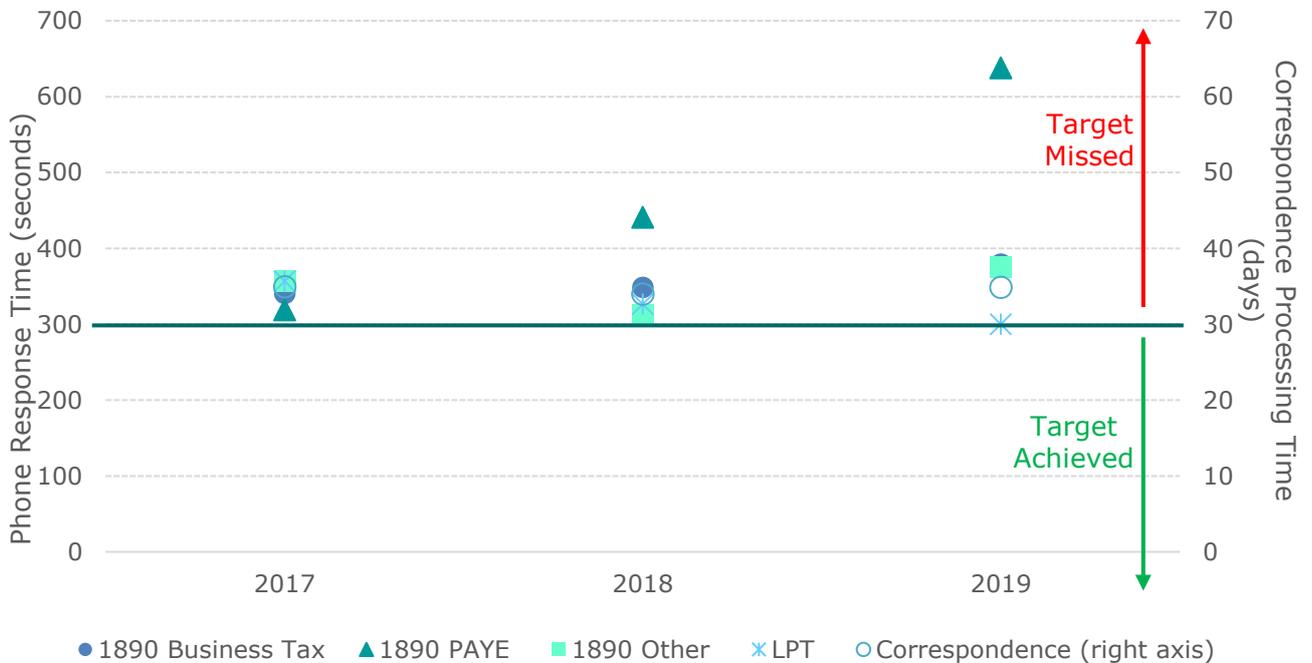
Revenue performance has for a number of years set the benchmark for EU administrations when it comes to ease of meeting tax and customs obligations.

Outcome 3: Customer surveys show high level of satisfaction



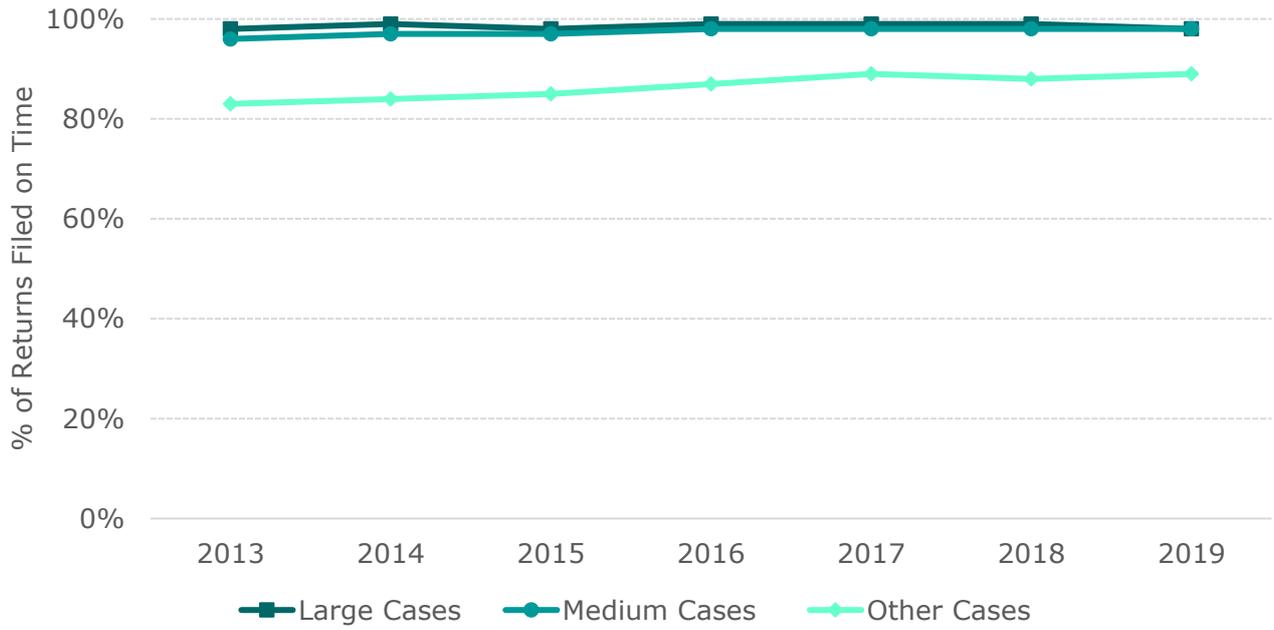
Review Revenue customer satisfaction surveys consistently show over 90% of taxpayers are "very satisfied", "satisfied" or "somewhat satisfied".

Outcome 4: Service standards are met and match best international practice



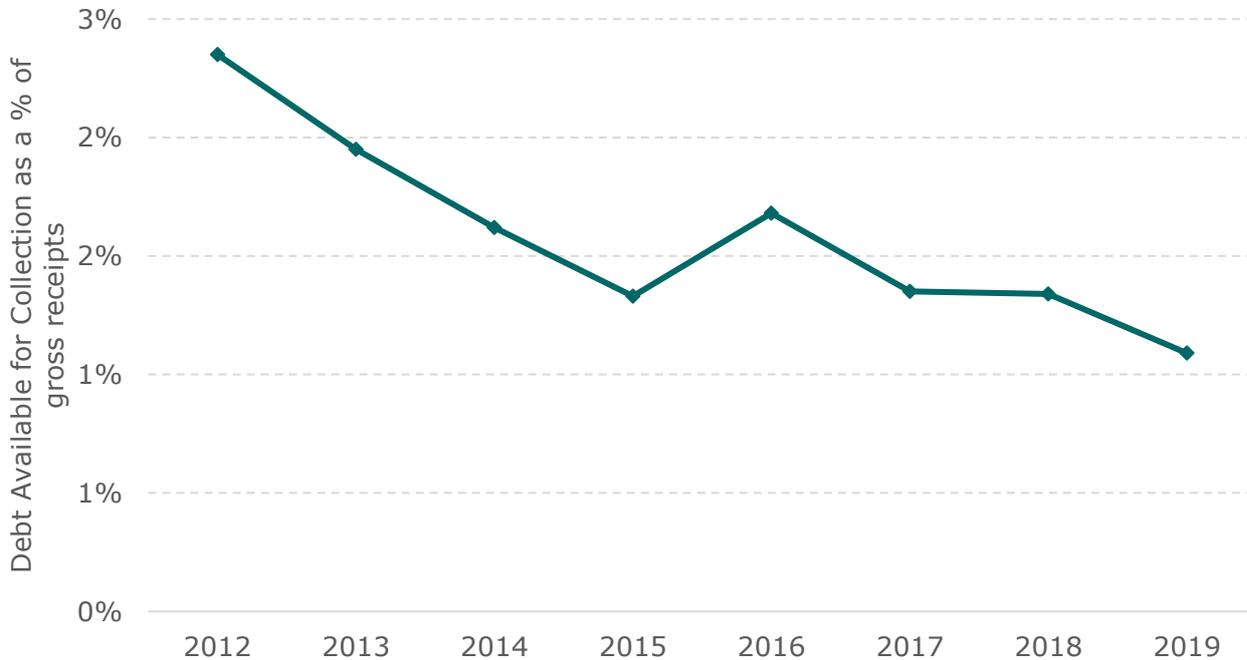
Review Although some customer service standard targets have been missed, there have been improvements in recent years and this continues to be an area of ongoing investment.

Outcome 5: High levels of voluntary compliance are achieved



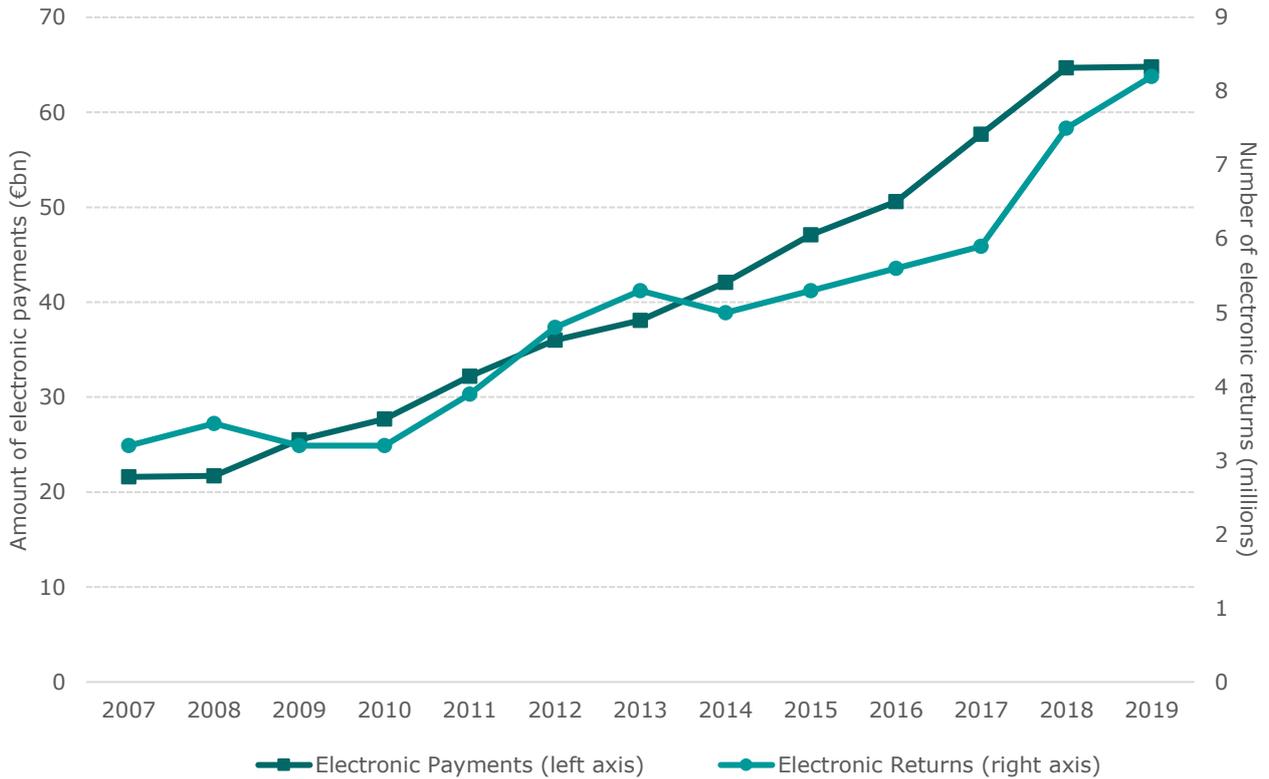
Review Compliance levels have remained consistently high, with smaller cases' on time filing of returns increasing by 6 percentage points since 2013.

Outcome 6: The level of debt to the Exchequer is minimised



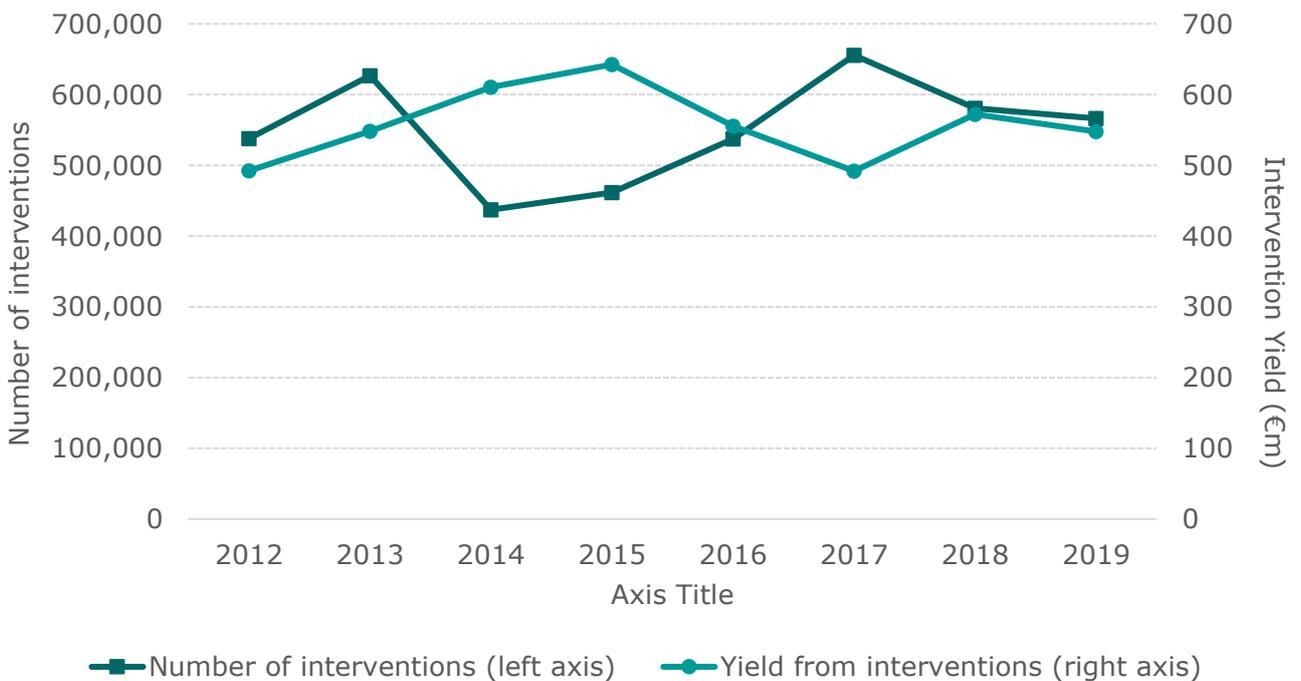
Review The level of tax debt available for collection has decreased markedly in recent years.

Outcome 7: High quality and secure digital and self-service channels are available



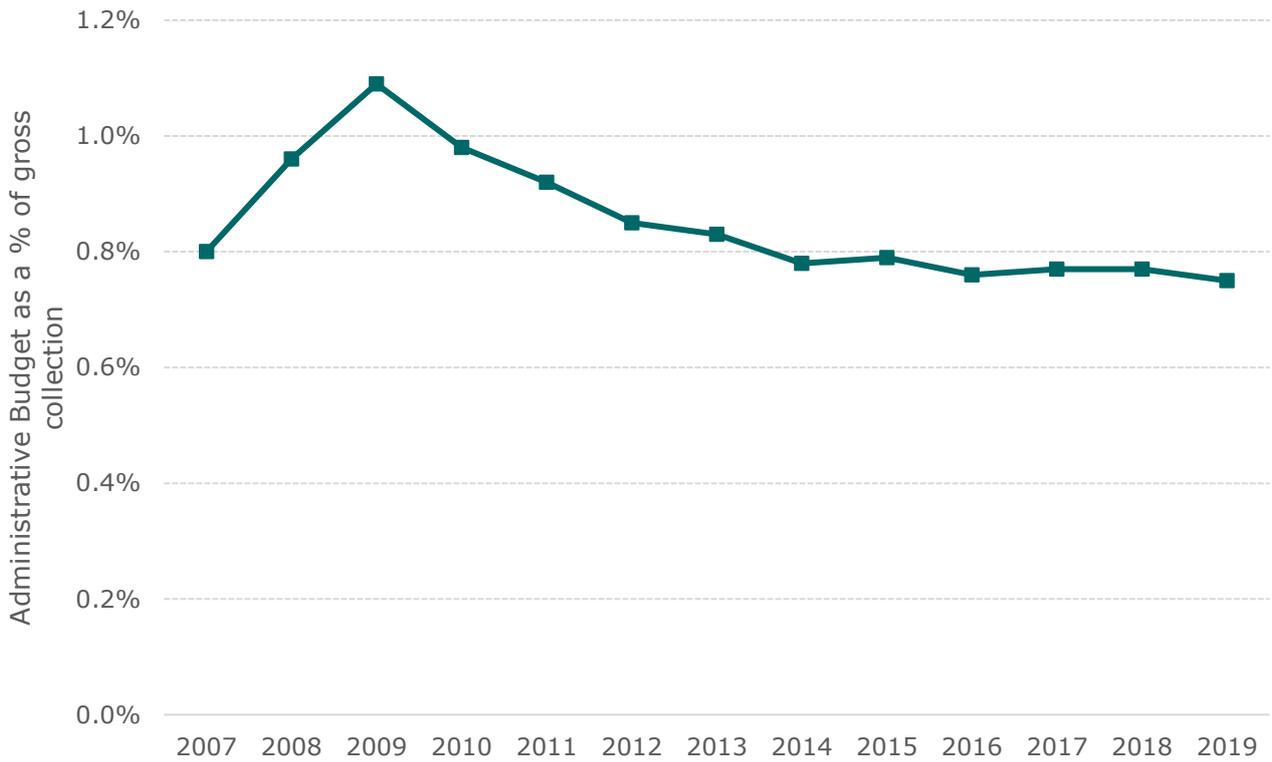
Review The volume and value of electronic transactions completed every year is increasingly continuously

Outcome 8: Non-compliance is identified and prevented or confronted



Review Numbers of Revenue interventions varied over recent years, as the mix of intervention types has changed, but yield from interventions remains consistently over €0.5 billion per year.

Outcome 9: We are a fair, transparent and effective tax and customs administration



Review Since 2010, Revenue’s administrative budget has been less than 1% of the gross collection of taxes and duties on behalf of the Irish State.

Based on the indicators outlined above for each intended outcome as laid out in the SoS 2017-2019, the following table summarises the level of progress in achieving these outcomes.

| | | | |
|---|--|---|------------------------|
| The right amount of tax and duty is collected in a timely manner | Our administration of tax and customs by reference to international benchmarks is highly rated | Customer surveys show a high level of satisfaction | Partly Achieved |
| Service standards are met and match best international practice | High levels of voluntary compliance are achieved | The level of debt to the Exchequer is minimised | |
| High quality and secure digital and self service channels are available | Non-compliance is identified and prevented or confronted | We are a fair, transparent and effective tax and customs administration | |