



Cathaoirleach
Chairman



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Dublin Castle
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2 November 2015

Ms. Mary Honohan,
President,
Irish Tax Institute,
South Block,
Longboat Quay,
Grand Canal Harbour,
Dublin 2.

Re: Irish Tax Institute Member Survey – Revenue Service

Dear Mary,

I refer to your letter dated 5 October 2015.

As we stated when we met last July, my fellow Commissioners and I welcome the fact that the Institute has conducted a survey of its members and we appreciate being provided with the detailed findings from the survey. Such findings are helpful in our ongoing programme of work to ensure we deliver a quality service that helps the efforts of taxpayers, and their agents on their behalf, to be compliant.

I think it worthwhile putting some context around the service we provide by setting out some key results achieved during 2014:-

- We answered almost 2.3m telephone calls, representing 86% of non-PAYE calls received and 83% of PAYE calls received;
- More than 420,000 IT, CT & VAT returns were processed that gave rise to refunds, 78% of which were repaid in 10 days or less;
- We processed almost 42,000 IT, CT and VAT registrations as well as almost 120,000 new PAYE registrations;
- Over 1,000 queries to the Revenue Technical Service were received, 89% of which were answered within 20 working days;
- Over 186,000 Tax Clearance Certificates were issued, 88% of which were processed within 5 working days.



While we do manage significant volumes of contacts very effectively, in the summer of 2014 we took a critical look at all aspects of the service that we provide and developed a programme of initiatives to address the areas where there was less than optimal performance in our service delivery. These initiatives are consolidated in our Customer Engagement Strategy (CES) which aims to meet one of our key strategic priorities for 2015-2017 – to make it easier and less costly to voluntarily comply. We are implementing the CES over the same timeframe and some significant changes have already been put in place. A cornerstone of the CES is to increase the range of online services offered and to encourage greater take-up of these services, while at the same time providing a high-quality telephone service.

Set out below are some responses to the main areas that appear to be of concern to your members, some of which are broader than pure service delivery:-

Telephones

The main issues relate to ease of getting through to Revenue offices and the non-availability of certain services at certain times of the day. You will be aware that we have increased the opening times on the business taxes telephone service so that we have consistent opening times across the four Regions for both PAYE and business taxes. Those hours are 9.30am to 4pm Monday to Friday (with longer opening hours on the ROS Helpdesk and the Collector General's). In addition, the business taxes telephone service will move to an 1890 platform similar to our PAYE service and this will increase the flexibility that we have to manage business taxes callers more effectively. We are also conducting analysis of call volumes, both daily and seasonal, to help us determine the optimum number of staff required to deliver a telephone service that is more in line with our published service standards.

We hope that your members have already begun to see the benefits of the changes mentioned in relation to our telephone service.

Tax Registrations

We are fully aware of the importance of processing registration applications as quickly as possible to allow business to trade from as early a date as possible. You will be aware that VAT registrations represent a significant risk for the Exchequer, if inappropriately used, and consequently, I believe it is fully justified to carry out due diligence checks on the authenticity of applications. As we recently reported at Main TALC, we have carried out a review of the processing times for VAT registrations across Revenue Districts. No significant delays occurring outside of our normal Customer Service Standards were found. The matter will be kept under review.

Regarding registrations for other taxes, the feedback is more positive. However, it is the case that the published standard may not always be attained where follow-up enquiries to the application are required and where there is a delay in getting a response to those enquires.



Tax Refunds

Our approach is to process and have them repaid/offset as quickly as possible unless they are flagged by our risk systems as requiring follow-up enquiries. In these situations, there will be delays but I am satisfied our checks are risk focused – it is essential claims repaid are valid.

I am concerned as regards the result on question 14 relating to multiple requests for follow-up. We have done a lot of work to minimise the incidence of incremental requests for information. It is an area where you may have further information on the circumstances in which your members find this issue arises most frequently and if you would share that with us, it would be helpful.

Revenue Technical Service (RTS)

The RTS is kept under review and we are always looking to effect improvements to the service. You will be aware that the RTS was relaunched last year and the Revenue Legislation Services Divisions have been monitoring the service to ensure that the sought-after improvements have been achieved. Given that the re-launch is relatively recent, I would be hopeful that your members' experience of the service has changed for the better since the new arrangements were introduced, and it is possible that some of the views may reflect perceptions of the service before the re-launch.

As regards a centralised service, this is not a direction in which we will be going, for the moment at least. I think we need to assess the impact of the service post the re-launch, over a longer period. I am keen to keep the feedback channel open with you on ITI members' perceptions in this regard.

On a related point, I note the response to question 23 relating to specific gaps in technical knowledge. The area of bridging gaps in knowledge is something that we are addressing as part of a general review of our training and development programmes.

R&D Tax Credit

I note that a number of questions were asked in relation to this area and it has been on the TALC agenda for a number of years now. You will be aware of our views on the tax credit. Experience has taught us that it is, and remains, a high risk area and it would be negligent of Revenue not to continue to examine in detail the risks that are identified in processing R&D claims. We have updated the Guidelines earlier this year and presented these at various fora. While I have no specific information on it at this point, I would certainly hope that the availability of the revised Guidelines will lead to an improvement in the quality of the claims made.

General

As I have explained earlier, there are a number of areas that we need to improve the quality of our offering and I believe that the roll-out of the Customer Engagement Strategy will go a long way to meeting that challenge. There were a number of areas in the survey that I was also encouraged by and I would like to mention some of these:-



- Question 15 regarding performance on processing tax clearance applications, which under the CES will move to an eTax Clearance system from the start of 2016. This should improve processing times further;
- Question 38 regarding the high rate of acknowledgment that the Notice of Opinion process is only being used for “Intractable Cases”;
- Question 45 and the positive view of your members towards pre-population of tax returns. An objective of the Customer Engagement Strategy is to examine opportunities to extend this facility further.

Conclusion

The survey is a comprehensive one and covers a wide range of issues. I have addressed what I see as some of the more immediate ones. A number of others are being discussed on an ongoing basis through various TALC committees/sub-committees, for example those around the audit process are the subject of frequent discussion at the TALC Audit sub-committee.

I believe that there is scope to have further discussions on the detail of the survey in relation to a number of topics. If, following discussion at your upcoming Council meeting, it was felt we could benefit from further bi-lateral dialogue on the results, I would be happy to arrange for further engagement. Alternatively, particularly regarding the service aspects of the survey, these could potentially be discussed at a forum like TALC Collection in the same way as TALC Audit is looking to work through some of the compliance related issues.

I look forward to hearing from you further on this matter.

Yours sincerely,

Niall Cody
Chairman.