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Foreword

This Statement has been prepared at an opportune time for Revenue.

In recent years we have successfully implemented fundamental changes to our organisational and staffing structures. These changes, coupled with the acquisition of advanced technologies, provide a strong basis for the development of further dynamic and innovative approaches to the effective management of taxpayer compliance.

During the life of this Statement of Strategy, our primary focus will continue to be on improving compliance and maximising revenue collection. We will do this through the provision of high quality service, while applying sophisticated, risk-based approaches to tackling non-compliance in all its forms. We will also continue to review and develop our new structure to ensure that it supports the achievement of our goals.

This Statement contains clear goals, strategies and related outputs, with clear performance indicators to measure our progress in achieving our goals. It was prepared in consultation with Revenue staff and the Partnership Committee. We also invited input from a wide range of external stakeholders. We thank all who contributed their views and ideas.

Our staff play a critical role in the realisation of Revenue's goals. We take this opportunity to thank them especially for their enthusiasm in implementing our major reorganisation as well as for their continued commitment and professionalism in carrying out their work. For our part we commit to provide leadership with honesty, respect and openness.

The programme set out in this Statement of Strategy recognises that the task of collecting taxes and duties in a fair, efficient and effective manner is central to the well-being of the State. It is designed to ensure that we build on our record to date and that we go on to even greater levels of achievement.

Frank M. Daly
Chairman

Josephine Feehily
Commissioner

Michael O'Grady
Commissioner

January 2005

Our Mission and our Goals

Our Mission

To serve the community by fairly and efficiently collecting taxes and duties and implementing import and export controls

Our Goals

Goal 1

Ensure Everyone Complies with their Tax and Customs Responsibilities

Goal 2

Be a Capable, Flexible, Results-Oriented Organisation

Goal 3

Play our Part Nationally and Internationally

Business Context

The Public Expectation - Fair Share and Fair Treatment

Revenue is the Irish Tax and Customs Administration. We therefore have a unique set of responsibilities to the Irish community to collect taxes and duties and to facilitate legitimate trade. Our success depends in equal measure on being efficient in supporting those who comply voluntarily with their tax and customs responsibilities, and effective in dealing with those who don't.

Our citizens expect good service from their public authorities as a right. They also rightly demand that all citizens and businesses comply with their tax and duty obligations. They expect visible fairness in the administration of taxes and customs and will increasingly expect fairer outcomes.

We have worked hard to build public confidence in Revenue. We will continue to deepen our understanding of the impact of our interventions on taxpayer behaviour. In developing this Statement we have taken account of the reality of our operating context. The goals we set are grounded in our expectations for the evolution of our environment and in our ambition for the Revenue organisation.

Programme for Government

"...to ensure that everyone is tax compliant..."

Revenue's primary goal of ensuring that everyone complies with their tax and customs responsibilities remains at the core of our activities. This reflects the commitment in the Programme for Government to "...vigorously pursue actions to ensure that everyone is tax compliant".

The Programme also sets out the agenda for continuing tax reform, including the targeted use of the tax credit system and further use of taxation to support policies on health, agriculture and the environment. Revenue will continue to work with the Department of Finance and other relevant Departments to develop and support the implementation of this reform agenda.

Risks to the Tax System

The significant wealth generated in Ireland over the last ten years or so has resulted in increasing numbers of citizens with complex employment, financial and investment profiles. The challenge for Revenue is to adapt its processes and procedures to ensure that all pay their fair share of taxes and duties in accordance with the law.

Aggressive tax planning and unintended use of legislation can lead to outcomes which present real risks to the tax base and the perceived fairness of the tax system. We will challenge such arrangements, identify risks and propose solutions, where appropriate.

Tax evasion remains a real issue with some in our community who either refuse to participate in the legitimate economy or who are not complying fully with their obligations. Dealing comprehensively with this risk is at the heart of our strategies.

Partnerships

While Revenue is responsible and accountable for the administration of the tax and customs systems, we are fully conscious that we cannot do this alone. A wide range of intermediaries, including tax practitioners, accountants, lawyers, businesses and freight forwarders, play an important part in ensuring that the systems work.

A significant part is also played by those who provide services to Revenue, by business representatives and trade bodies.

Within the public sector our relationship with the Department of Finance is most important. We also recognise our responsibility to be active partners in a wide range of programmes with other Government Departments and agencies.

Our strategy is to engage proactively and positively to ensure effective relationships.

Environment

New Trends and Changing Circumstances

Economic Outlook

Economic forecasts point to an average annual rate of GNP growth of over 5%¹ for the Irish economy during the second half of the decade. This positive outlook is of course subject to significant external risks such as continuing uncertainty in relation to the price of oil and other economically important commodities, the value of the US dollar relative to the euro and domestic demand in the euro area².

Population and Demography

Population forecasts indicate growth from 3.8 million in 2001 to 4.1 million (approx.) by 2006, with a corresponding increase in the labour force from 1,725,000 to 1,846,000 (approx.) over the same period³. Much of this growth will arise from net immigration. This presents challenges for Revenue. In addition to an increasing customer base the demographic changes bring differing cultures, languages and business approaches. We are also conscious of the fact that the structure of our customer base is changing through increasing levels of atypical employment patterns and a generally aging population.

International Aspects

During the lifetime of this Statement, we expect decisions of the European Court of Justice to impact increasingly on the tax system, which we will monitor carefully. The full implementation of the Savings Directive, EU enlargement and ongoing OECD work in relation to tax havens will increase the range of possibilities open to Revenue in dealing with cross-border tax evasion.

The Hague Programme: "Strengthening Freedom, Security and Justice in the European Union", will give rise to a stronger focus on the informal economy, better border management and improved cross-border and cross-agency co-operation.

The need for increased security with regard to international trade, coupled with growth in excise movement fraud, present particular challenges to Revenue. We will work nationally and internationally with other relevant organisations to maintain the correct balance between effective controls and facilitation of legitimate trade.

We will actively address the threat continued international drug trafficking has on our society, in accordance with the National Drugs Strategy.

¹ Source: ESRI Medium-Term Review 2003-2010

² Source: Central Bank, Quarterly Bulletin, Autumn, 2004

³ Source: Central Statistics Office

Changing Legislative Environment

Revenue's administrative practices must be underpinned by a robust and precise legislative framework. We will monitor and respond proactively to developments that impact on that framework, including decisions of the Irish and European courts, the European Convention on Human Rights Act 2003, the Government programme of regulatory reform, the report of the Revenue Powers Group and the report of the Law Reform Commission, "A Fiscal Prosecutor and A Revenue Court".

Corporate Governance and Tax Compliance

In Ireland and worldwide, the growth in awareness of corporate governance issues and the emergence of tighter legislative controls will present valuable opportunities to Revenue to influence the tax compliance behaviour of corporate bodies and their directors.

New Technologies and New Business Models

Technological developments continue to present both challenges and opportunities. While noting the challenge of complex technology-driven business models, we also recognise the potential benefits of emerging products, including the opportunities to approach the audit of business through the use of appropriate software.

Decentralisation and Public Sector Modernisation Programme

Revenue will make a significant contribution to the Government Decentralisation Programme and expects to be in up to three new locations during the lifetime of this Statement. We will continue to develop and modernise the Revenue organisation, recognising in particular the opportunities presented by the Sustaining Progress Agreement and future Benchmarking agreements.

We also expect the public sector modernisation programme to deepen in the context of REACH, new civil service legislation, continuing social partnership and the ongoing programme of regulatory reform.

Our strategy will be to participate actively in these programmes while ensuring that risks to the Revenue organisation and the Exchequer are effectively managed.

Our Organisation

Flexible and Effective

Staff

The commitment, professionalism, technical competence and integrity of Revenue staff are vital to our success. We expect our people at all levels in Revenue to use common sense and sound judgement so as to produce measured and proportionate outcomes in dealing with the many and varied issues they face on a daily basis.

In the period ahead we face a number of specific challenges:

- Training and retraining to ensure technical competence in a wide range of disciplines
- Effective recruitment to acquire new skills and competencies necessary to meet emerging challenges
- Succession planning to mitigate the risks presented by the current age profile of our staff and turnover as a result of decentralisation
- The development of a stronger culture of delegation which encourages innovation and the acceptance of responsibility

We need flexible, adaptable human resource policies to meet these challenges.

Partnership with staff and unions plays an important part in our approach to managing Revenue. We expect partnership to become less focused on committee structures and more about deepening a partnership ethos in keeping with our commitment to fostering a culture of participation, openness and mutual respect throughout Revenue.

Structures and Processes

Strategies, structures and processes must all be aligned for Revenue to be effective. As we implement the strategies and related process changes set out in this Statement, we will ensure that our structures continue to evolve to support our strategies. Our overarching aim continues to be the development of a more integrated organisation, which brings a whole case and risk-based approach to the management of our business.

Information Technology

We remain at the forefront in exploiting technology to enhance service delivery opportunities and to drive productivity. A number of major new systems will be rolled out during the lifetime of this Statement. Our approach to service delivery, especially for business customers, will be primarily electronic. We have set specific targets for increased levels of on-line business, aimed at improving service to our customers and at the reassignment of valuable staff resources to focus on our core business of compliance.

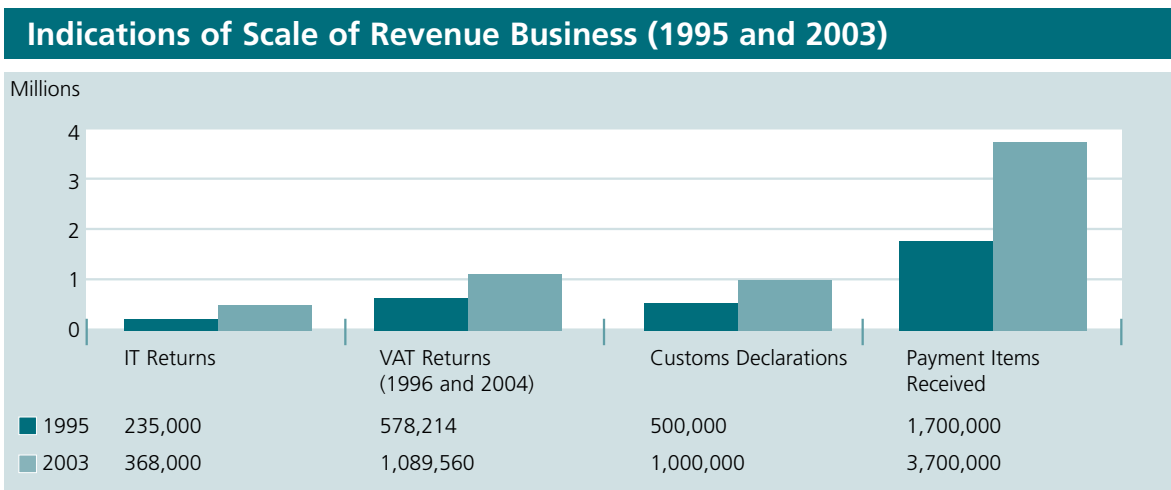
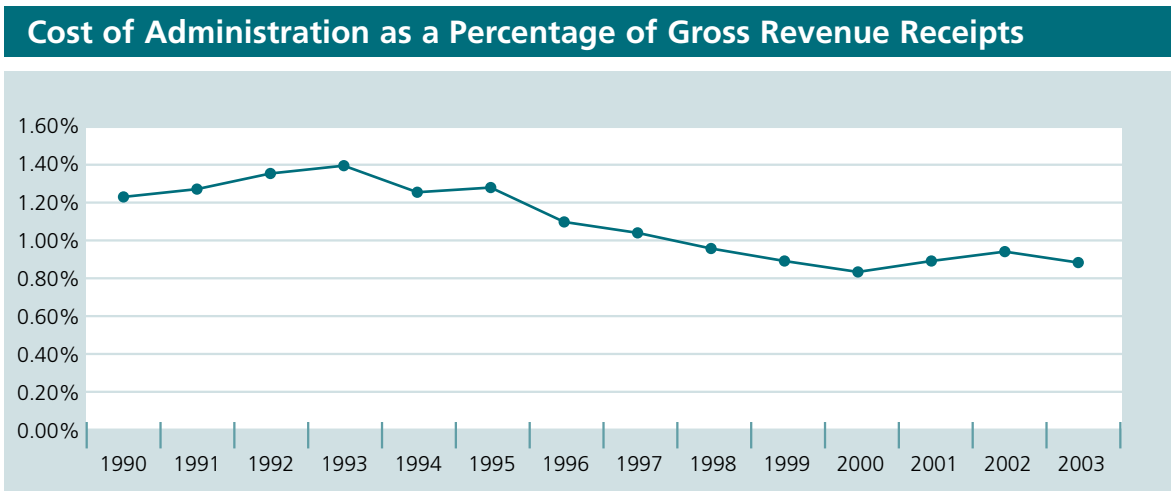
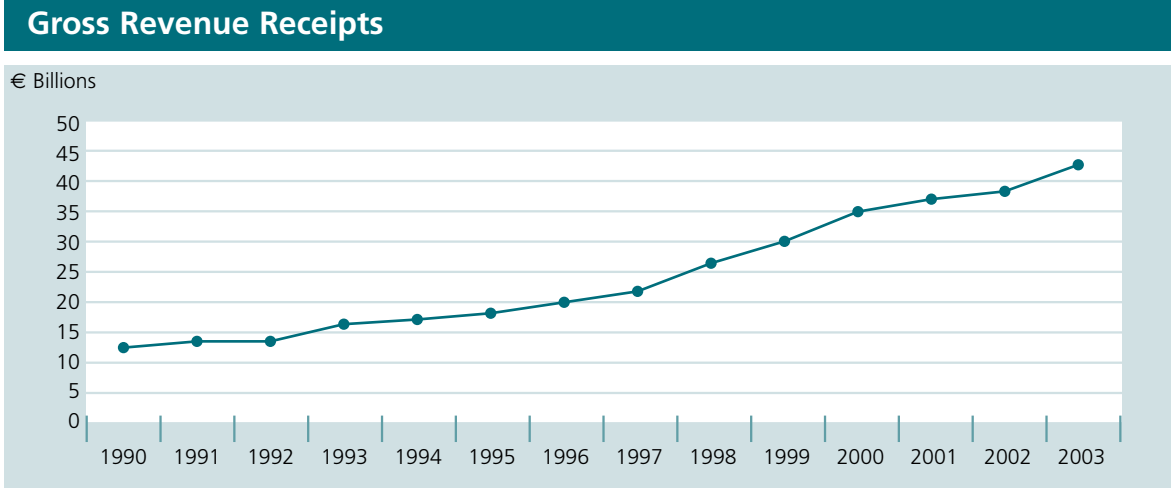
Management Information Systems

We will enhance our internal management information systems to help us to better monitor our own performance, to continuously review and re-prioritise as required.

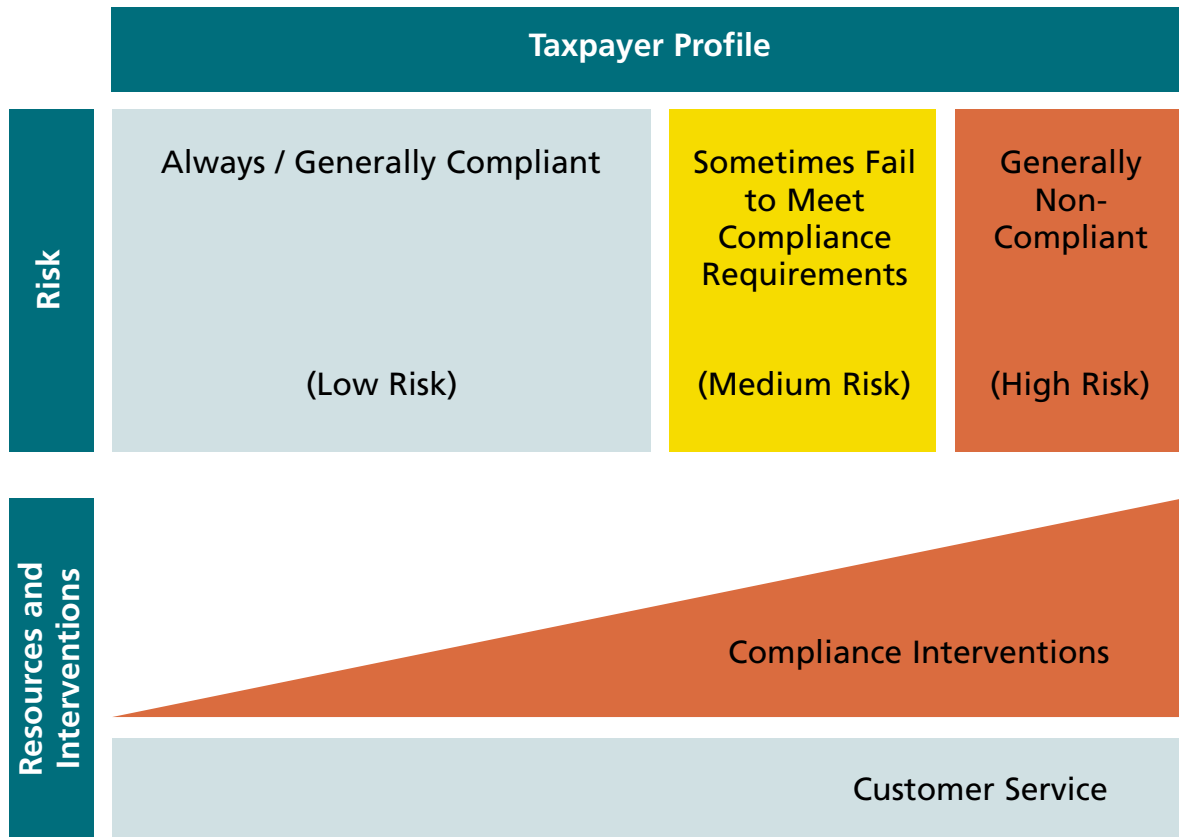
Conclusion

The environment in which we operate continues to be dynamic and to demonstrate ongoing change. We will continually monitor these factors and review the objectives, strategies and performance indicators we set out in this Statement in response to developments as they emerge.

Scale of Revenue Business (Indicative Annual Figures 1990 – 2003)



Our Focus is on Risk



We will provide quality service to all our customers, including innovative e-services and self-service options.

Our compliant customers can expect minimal compliance interventions.

Our main compliance interventions will be firmly focused on those who pose a risk to Revenue – those who fail to comply.

GOAL 1

Ensure Everyone Complies with their Tax and Customs Responsibilities

Ensuring that taxpayers, individual and corporate, meet their tax and customs obligations is Revenue's primary Goal. It is essential to the maintenance of Exchequer funding necessary for the well being of the State.

We will facilitate taxpayers in meeting their obligations by providing a quality customer service. We will provide a sharp and focused response to those who fail to meet their obligations. Our approach will be guided by a whole case response to managing compliance. This allows us to simplify and reduce the contacts compliant taxpayers need make with us and to focus on the risk-driven targeting of our interventions against non-compliance.

We have reshaped our organisation and invested in advanced technologies to support this approach.

Strategies

- 1.1 Facilitate and Encourage Compliance
- 1.2 Confront and Reduce Evasion, Avoidance and Non-Compliance

Strategy 1.1 – Facilitate and Encourage Compliance

The timely payment of taxes and duties is critical to ensure the flow of funds to the Exchequer. We seek to make this easy by providing top quality customer services.

We are continuing to improve both the range and quality of our customer service channels and to integrate service delivery across taxes and duties in line with our whole case management approach. We are exploiting new technologies to develop a range of self-service options to enable our customers to meet their compliance responsibilities on a 24-hour basis.

Increasingly we will deliver our services electronically, in particular to the business community.

Outputs	Performance Indicators
1. Yield from tax and duty collection	<ul style="list-style-type: none"> Annual targets for yield from taxes and duties achieved or exceeded
2. Taxes and duties paid and returns filed	<ul style="list-style-type: none"> Percentage of taxes and duties paid and returns filed on time (See also Strategy 1.2) Timely compliance rates⁴ increased as follows: <ul style="list-style-type: none"> Biggest Cases 95% (from 91% in 2004) Medium Cases 90% (from 82% in 2004) All Other Cases 80% (from 72% in 2004)
3. Co-operative compliance encouraged through developing relationships with business	<ul style="list-style-type: none"> Number of businesses formally adopting the co-operative compliance framework Deepen relationships with industry sectors through their representative groups

⁴ Timely compliance is defined using risk criteria and is calculated on a weighted average basis for the main taxes (Employers PAYE/PRSI, VAT, Corporation Tax, Income Tax and Relevant Contracts Tax)

Outputs	Performance Indicators
<p>4. Enhanced customer service delivery</p>	<ul style="list-style-type: none"> • Up-to-date register of our customer base maintained as a priority • New business models and related IT systems in place to streamline and minimise the necessity of customer contacts: <ul style="list-style-type: none"> o PAYE – by end-2005 o Customs – by mid-2006 o Business taxes – by end-2006 • Timely implementation of any legislative changes needed to support the above systems • Increased percentage of returns and payments received electronically by end-2007: <ul style="list-style-type: none"> o VRT – 98% o Customs – 95% o Income Tax – 75% o Corporation Tax – 85% • Comprehensive range of payment options offered • Enhanced provision of information to the public and tax practitioners • Scheme for provision of Revenue services through Irish, as required under the Official Languages Act 2003, in place by end-March 2005 • Information leaflet for immigrants on Irish tax obligations published in a range of languages by mid-2005
<p>5. Reduction in administrative burden associated with complying with tax and duty responsibilities</p>	<ul style="list-style-type: none"> • Reduction in filing frequency for small/medium enterprises • A consultative study to identify the key administrative burdens faced by our business customers completed by end-2006 • Feasibility study of an integrated administrative framework aligned across all taxes and duties conducted by end-2006

Outputs	Performance Indicators
<p>6. Effectiveness of Revenue customer services</p>	<ul style="list-style-type: none"> • Customer Service Standards results measured and published annually • Review of Customer Service Standards by end-2007 • Customer satisfaction measured and results published • Continued consultation with groups representing our customers
<p>7. Proactive engagement with third parties whose work supports tax administration</p>	<ul style="list-style-type: none"> • Effectively managed relationships with tax and customs intermediaries and support service providers (e.g. software developers)
<p>8. Customs services which effectively facilitate legitimate trade</p>	<ul style="list-style-type: none"> • Increased use of simplified procedures by economic operators • Development of <i>Authorised Economic Operator</i> accreditation by end-March 2006 • Continued development of Memoranda of Understanding with economic operators
<p>9. Effective high-level interpretation of tax and customs legislation and advice on administrative practice</p>	<ul style="list-style-type: none"> • Accurate and appropriate interpretation and advice provided on a timely basis both internally and externally
<p>10. Action to positively influence attitudes to taxation and the unacceptability of evasion</p>	<ul style="list-style-type: none"> • Quality information made available through transparency of administration and proactive media engagement • Information programme for educational establishments in place by end-2005 • Research on factors influencing compliance behaviour conducted and considered in 2005

Strategy 1.2 – Confront and Reduce Evasion, Avoidance and Non-Compliance

Our approach to tackling evasion, frontier abuse and all forms of non-compliance is targeted and risk-based. We apply the most appropriate sanctions to the making of inaccurate or fraudulent returns, the keeping of inaccurate or fraudulent records and not paying taxes and duties on time. We will protect the tax base by combating tax avoidance through direct challenge and proposals for changes in the law.

Key elements in improving our capacity in this area are improvements to our organisational structure and the acquisition of advanced technologies.

Outputs	Performance Indicators
<p>1. Effective risk-based programmes to detect and counter evasion</p>	<ul style="list-style-type: none"> • Compliance interventions in place across the full range of taxes and duties • Improved capability to tackle evasion, particularly in the cash economy, through better working methods and use of technology • Effective monitoring in place for “phoenix” cases and other cases abusing limited liability • Improved rigour in registration of new cases • More extensive checking for commonality of principals between cases presenting risk indicators • Increased level of intervention in cases with history of non-compliance

Outputs	Performance Indicators
<p>2. Increased investigation and prosecution of tax evasion and fraudulent activity</p>	<ul style="list-style-type: none"> • Number of prosecutions • Number of cases investigated and concluded • Additional amounts collected in tax, interest and penalties • Number and value of cash seizures under the Proceeds of Crime (Amendment) Act, 2005
<p>3. Timely and robust action against taxpayers who:</p> <ul style="list-style-type: none"> • are late in filing returns and payments or • fail to do so 	<ul style="list-style-type: none"> • Tax debt a maximum of 2.5% of gross revenue collected • All debt on record less than five years old, or the subject of active enforcement or Court proceedings • Full range of enforcement options, including prosecution, deployed
<p>4. Identify and neutralise tax avoidance</p>	<ul style="list-style-type: none"> • Effective internal structures to facilitate prompt identification of emerging schemes of avoidance • Number and scale of tax avoidance schemes neutralised by: <ul style="list-style-type: none"> i) Direct challenge; and ii) Legislative amendment • Legislative options for improved effectiveness in responses to avoidance schemes, considered by July 2005
<p>5. Effective protection of our frontiers against the smuggling of restricted and/or prohibited goods</p>	<ul style="list-style-type: none"> • Increased volume of drugs seized, in line with the National Drugs Strategy – a 50% increase over the 2000 baseline achieved by end-2008 • Number of Customs irregularities detected • Deployment of container scanner by end-2005 • Implementation of EU and WCO requirements and standards on supply chain security by end-2006

Outputs	Performance Indicators
6. Improved alignment of resources with risk	<ul style="list-style-type: none"> • Staff redeployed to achieve a 30% increase in the number of staff engaged on compliance work, by end-2007
7. Effective systems and processes to support our compliance programmes	<ul style="list-style-type: none"> • Risk-based targeting system fully deployed by end-2005 • Continued testing and assurance of our compliance approach through: <ul style="list-style-type: none"> i) Random auditing; and ii) Development in 2005 of models to assess and track compliance behaviour by taxpayers • Effective gathering and distribution of information and intelligence to support our compliance and enforcement activities • Improved timescale for prosecutions and enforcement actions
8. Ongoing legislative development, as necessary, to promote an effective compliance regime	<ul style="list-style-type: none"> • Proposals for legislation for increased use of PPS numbers promoted with other Government Departments • Provisions relating to offences, penalties and powers reviewed taking account of: <ul style="list-style-type: none"> o The Revenue Powers Group Report o The Law Reform Commission Report, "A Fiscal Prosecutor and A Revenue Court" • Effective legislative basis for Revenue action to combat evasion, smuggling and illicit activity

GOAL 2

Be a Capable, Flexible, Results-Oriented Organisation

Effectively managing tax and duty compliance is our key measure of success. Our organisation must continually adapt and develop in support of this goal.

Our people, whose commitment and dedication have brought us successfully through major changes, must continue to develop the range and depth of skills necessary to meet the challenge of new ways of working.

Our organisational structures must continue to evolve to support our strategies and respond to changing demands.

Our systems must support quality customer services and sharply focused compliance programmes and must release resources from administrative and processing work to support compliance activity.

Strategies

2.1 Develop our People

2.2 Improve our Organisation

2.3 Enhance our Capability through Technology

Strategy 2.1 – Develop our People

The expertise and experience of our people, coupled with their commitment and goodwill, have been critical to bringing our organisation through far-reaching structural change in recent years. Building on this change, we are now developing new and more effective approaches to managing taxpayer compliance. In this regard, the use of common sense and sound judgement by all Revenue personnel, in dealing with the many and varied issues they face on a daily basis, is essential to ensuring that Revenue is seen to administer the tax system in a fair and even-handed manner.

We will continue to develop a high-performance culture, investing to ensure that we have the range of skills, knowledge and competencies to meet the challenge of new ways of working. We will achieve this both through investment in training and development and through the recruitment of specialist skills as needs arise.

We will continue to develop our management style, deepening the ethos of partnership and openness throughout Revenue and encouraging innovation and the pursuit of excellence amongst all our staff.

Outputs	Performance Indicators
<p>1. Effective development and deployment of a highly skilled and flexible workforce</p>	<ul style="list-style-type: none"> • Internal demographic analysis and skills needs analysis completed by mid-2005 • Comprehensive workforce plan developed, informed by the above analysis, to include recruitment, mobility and succession policy, by end-2005 • Staff deployed in line with business priorities • Training and re-training delivered in line with deployment decisions • Expenditure target of 4% of payroll on staff training

Outputs	Performance Indicators												
<p>2. Opportunities presented by new Civil Service recruitment provisions fully availed of</p>	<ul style="list-style-type: none"> • An increasing percentage of recruits to Revenue staff sourced from open recruitment competitions targeted for/specific to Revenue • Number of staff recruited with specialist experience 												
<p>3. A positive working environment that promotes participation and innovation</p>	<ul style="list-style-type: none"> • Processes in place to encourage, recognise and develop quality performance and to actively manage underperformance • An active and integrated PMDS • Continued evolution of HR Policy, having regard to new central agreements • Workplace Charter and Internal Communications Policy tested regularly through staff surveys • Deepening of partnership throughout the organisation • Quality office accommodation and facilities maintained throughout the organisation • A range of family-friendly and atypical working arrangements in place, balanced with business needs 												
<p>4. Successful policies on gender equality and diversity</p>	<ul style="list-style-type: none"> • Achieve the following targets to ensure an effective level of female representation in senior grades, in accordance with Government policy <table border="1" data-bbox="794 1666 1278 1809"> <thead> <tr> <th>Grade</th> <th>Nov 2004</th> <th>End 2007</th> </tr> </thead> <tbody> <tr> <td>HEO/AO</td> <td>41%</td> <td>47%</td> </tr> <tr> <td>AP</td> <td>23%</td> <td>27%</td> </tr> <tr> <td>PO</td> <td>14%</td> <td>17%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Recruitment, induction, training, development and retention policies in place which are positive to diversity 	Grade	Nov 2004	End 2007	HEO/AO	41%	47%	AP	23%	27%	PO	14%	17%
Grade	Nov 2004	End 2007											
HEO/AO	41%	47%											
AP	23%	27%											
PO	14%	17%											

Outputs	Performance Indicators
5. Successful implementation of decentralisation	<ul style="list-style-type: none">• Government decisions on decentralisation implemented within agreed timescales• Risks to performance effectively managed throughout the decentralisation process• Effective support, training opportunities and deployment options provided to staff whose work is transferred

Strategy 2.2 – Improve our Organisation

Our organisation must evolve and improve to support our strategies, to respond to projected growth in our volumes of business and to take advantage of emerging opportunities. We will use the Management Information Framework to drive improvements by more effectively linking the allocation of our resources with our business planning and performance reporting systems.

Our restructuring marked a major step in aligning our organisation with our core strategies for taxpayer compliance. We will continue to refine and develop our structure and to develop new and innovative working methods to support this goal.

Outputs	Performance Indicators
<p>1. Effective and efficient use of our resources</p>	<ul style="list-style-type: none"> • Administration costs as a percentage of tax and duty collected • Continued re-alignment of resources in line with business priorities • Business planning and integrated performance reporting actively used to drive improved performance • Corporate and business level risks identified and actively managed • Systematic evaluation of largest areas of administrative expenditure
<p>2. Ongoing assessment of organisational structures and processes</p>	<ul style="list-style-type: none"> • Relevant aspects of structures and processes assessed on an ongoing basis to ensure that Revenue's goals are consistently fulfilled • Quality assurance review of regimes for both Customs and Excise compliance carried out in 2005 • Range of evidence-based operational policy projects commenced in 2005

Outputs	Performance Indicators
	<ul style="list-style-type: none"> • A new Customs strategy in place by end-2005 • Outsourcing opportunities that can enhance efficient concentration on our core business identified and exploited
<p>3. Enhanced managerial and leadership ethos and capability</p>	<ul style="list-style-type: none"> • Leadership programme, building on our existing management training, developed by end-2006 • PMDS and other influencers used to build a culture which fosters empowerment and innovation
<p>4. Dynamic internal processes to ensure the alignment of legislative and administrative development</p>	<ul style="list-style-type: none"> • Cross-divisional networks actively resolving issues relating to each tax and duty • Effective flow of information between legislative and operational areas

Strategy 2.3 – Enhance our Capability through Technology

We will continue to exploit current and emerging information and communications technologies to improve our existing services and to deliver an enhanced range of services to our customers. We will continue to look for technology-based solutions to assist us in identifying and dealing effectively with all forms of non-compliance, in improving productivity and in our management and reporting capability.

Outputs	Performance Indicators
<p>1. Optimum use of ICT in our business processes</p>	<ul style="list-style-type: none"> • Technology solutions benchmarked against other Revenue agencies and international best practice • Annual review of new technology and global IT trends completed • New ICT and eBusiness Strategy prepared by December 2005 • Ongoing technology refresh to exploit next generation solutions • Maintenance and evolution of our advanced tax administration framework • Systematic evaluation of use of external IT support carried out and a policy established during 2005
<p>2. Increased integration and enhancement of our systems via <i>Integrated Taxation Services</i></p>	<ul style="list-style-type: none"> • PAYE applications integrated by end-2005 • Customs and VRT administration systems in place by mid-2006 • Income and Corporation Tax assessing systems in place by end-2006 • Excise Licensing, Customs accounting and betting duty systems in place by end-2006

Outputs	Performance Indicators
<p>3. Continue to develop solutions to improve productivity and enhance the quality of service to the public</p> <p>(See Strategy 1.1 also)</p>	<ul style="list-style-type: none"> • New on-line facilities for PAYE (for employers and employees) by end-2005 and for Customs by mid-2006 • Enhanced telephony system in place by end-March 2005 • On-line service to support EU Savings Directive by end-2005 • Ongoing enhancement of our website
<p>4. Enhanced systems to support whole case management, targeting and compliance interventions</p> <p>(See Strategy 1.2 also)</p>	<ul style="list-style-type: none"> • Integrated Business Intelligence facility rolled out during 2005/2006 • Risk-based targeting system operational throughout Revenue by end-2005 • Integrated case management solution developed

GOAL 3

Play our Part Nationally and Internationally

Revenue is an integral part of Ireland's system of government and administration. A fair and efficient tax administration, alert to the impact of taxation on its customers, is a key component in economic success and international competitiveness.

We play important roles in cross-departmental programmes and initiatives, improving the overall quality of public service and working to shape and influence key policy areas nationally and internationally.

Mobility of wealth and economic activity, the heightened security environment, drug trafficking and organised crime are all issues which drive the need for international co-operation between Tax and Customs administrations. Revenue plays an active part in this area as a member of the worldwide network of tax and customs administrations.

Strategies

3.1 Play our Part in Government Programmes

3.2 Play our Part Internationally

Strategy 3.1 – Play our Part in Government Programmes

Revenue plays an active and committed part in a wide range of Government and cross-departmental activities. In particular, working closely with the Department of Finance, we have a key role in the development of the Budget and Finance Acts.

We co-operate closely with other State Agencies such as An Garda Síochána, the Navy, the Air Corps and the Criminal Assets Bureau in the fight against drug smuggling and organised crime. We perform “agency” tasks on behalf of other State Bodies including the collection of PRSI and the Environmental Levy on plastic bags and the implementation of the Common Agricultural Policy.

Outputs	Performance Indicators
<p>1. Precise and robust draft legislation supported by clear, accurate advice, statistics and forecasts</p>	<ul style="list-style-type: none"> • Timely provision, in Budget, Finance Bill and other legislative matters within Revenue’s areas of responsibility, of: <ul style="list-style-type: none"> o Balanced, clear and comprehensive policy advice o Accurate statistics, costings and forecasts o Draft legislation that is clear, workable and capable of withstanding detailed scrutiny • Legislation informed by the regulatory reform principles in <i>Towards Better Regulation</i> • Continued consolidation of legislation: <ul style="list-style-type: none"> o Non-statutory consolidation of Customs and related legislation published in 2005 o Modernisation of VAT Regulations by mid-2005

Outputs	Performance Indicators
<p>2. Quality participation and influence in cross-departmental activities</p>	<ul style="list-style-type: none"> • Full participation in all aspects of the Civil Service modernisation agenda, including implementation of Revenue's Action Plan under Sustaining Progress, in 2005 and the first half of 2006 • Relationship with the Department of Justice, Equality and Law Reform put on a structured footing in 2005 • Memorandum of Understanding agreed with the Office of the Director of Corporate Enforcement in 2005 • All e-business initiatives fully consistent with REACH, BASIS and OASIS standards • Full participation in the National Drugs Strategy • Full examination of opportunities and risks associated with proposals for shared services
<p>3. Participation with the Department of Finance in evaluation of incentive reliefs and exemptions</p>	<ul style="list-style-type: none"> • Finance Oversight Group and Steering Groups, to include Revenue representatives, established by end-January 2005 • Revenue Working Group established by end-January 2005 • Proposals developed by June/July 2005
<p>4. Provision of agency services on behalf of other Departments and Offices</p>	<ul style="list-style-type: none"> • Continued development of agency services with relevant Departments and Offices • Revised Service Level Agreement with the Department of Social and Family Affairs completed by end-June 2005
<p>5. Data/Information Strategy developed to support evidence-based policy making in line with Government Decision</p>	<ul style="list-style-type: none"> • Initial Data Strategy 2004, further developed during 2005. • Improved flow of data/information from and to other Departments/Agencies, subject to data protection legislation

Strategy 3.2 – Play our Part Internationally

International co-operation between tax and customs administrations is a necessary response to the worldwide mobility of wealth and economic activity. It is also a vital response to cross-frontier tax fraud and to the deepening international security concerns of recent years.

Revenue shares the responsibility for the external frontier of the EU with other Member States. We conduct joint operations with other administrations and share our knowledge, expertise and experience.

In doing so, we are conscious of the need to ensure that we strike the right balance between security and trade facilitation.

We also contribute to the development of Tax and Customs policies at the EU, the OECD and the World Customs Organisation (WCO).

Outputs	Performance Indicators
<p>1. Full participation in the formulation and implementation of EU policy and legislation</p>	<ul style="list-style-type: none"> • Extent to which our recommendations and concerns are reflected in EU tax and customs policies, in particular in relation to: <ul style="list-style-type: none"> o The development and implementation of the programme for modernisation of VAT legislation to cater for internationally traded services and new, technology-driven business models o The recast of the Sixth VAT Directive
<p>2. Influence at the OECD, the WCO and other international policy-making bodies reflecting Government policy</p>	<ul style="list-style-type: none"> • Extent to which our recommendations and concerns are reflected in the OECD, the WCO and international tax and customs policy and legislation

Outputs	Performance Indicators
<p>3. A network of double taxation treaties which facilitates investment and international trade in goods and services and assists in combating tax evasion</p>	<ul style="list-style-type: none"> • 4 treaties signed in 2005 • 5 treaties signed in 2006 • 5 treaties signed in 2007 • Number of exchange of information agreements concluded with other countries, to support investigations into tax evasion
<p>4. Close co-operation with international agencies in the fight against drug smuggling and other forms of trans-national crime</p>	<ul style="list-style-type: none"> • Implementation of international security standards for Customs controls of container traffic, especially the Container Security Initiative agreed between the EU and US authorities • Implementation of recommendations of the EU and the WCO relating to supply chain security • Level of co-operation and intelligence sharing with other agencies, both national and international
<p>5. Provision of technical assistance to Revenue Administrations and other bodies (OECD, WCO, etc.)</p>	<ul style="list-style-type: none"> • Level and quality of international technical assistance provided, as measured by structured feedback

Accounting for our Performance

We account for our performance in an open and public manner so that we can maintain and improve public confidence in the tax administration system. We will continue to deepen our direct accountability to individual citizens through the provision of information on our procedures, practices, internal deliberations and reasons for decisions. Through our proactive approach to the media, we will ensure that the wider public are kept informed of developments and performance.

We particularly account for our performance as follows:

The Minister for Finance

We report in our Annual Reports to the Minister for Finance on progress made in achieving the outputs specified in this Statement.

The Comptroller and Auditor General (C&AG)

The C&AG conducts ongoing audits of our receipts and expenditures and of our systems, procedures and practices. He also conducts Value for Money examinations of specific Revenue functions and programmes. The outcomes of these audits and investigations are made available to the Committee of Public Accounts and to Dáil Éireann.

Committee of Public Accounts

As Accounting Officer, our Chairman appears regularly before the Committee of Public Accounts to deal with issues raised by the C&AG and any other matter relating to our activities which the Committee wish to examine.

Other Committees of the Houses of the Oireachtas

We appear before other committees of the Houses of the Oireachtas, including the Joint Committee on Finance and the Public Service and the Select Committees on European Affairs and on Enterprise and Small Business.

The Institutions of the European Union

We are subject to audit by the European Court of Auditors in relation to our implementation of European Customs law. We are also accountable to the European Commission and to the European Parliament.

The Ombudsman/The Information Commissioner

We fully co-operate with and support the Ombudsman and the Information Commissioner in investigations of complaints or appeals. We review the findings of such investigations, to ensure that the issues arising and the underlying administrative systems are addressed.

We publish in our Annual Reports a statistical analysis of all complaints made to the Ombudsman about Revenue, and of all Freedom of Information requests that we have received.

The Prompt Payment of Accounts Act, 1997 and the European Communities (Late Payments in Commercial Transactions) Regulations, 2002

We facilitate all our suppliers of goods and services by complying with the provisions of the Act and Regulations and by publishing details of our level of compliance in our Annual Report.

