



# State Boards of Internal Revenue Organization Structure Workshop



July, 2012

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# Table of Contents

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- Introduction
- Objectives of Organization Structure Review
- Organizational Design Guiding Principles
- Organizational Design Approach
- Global Trends in the Organization of Revenue Authorities
- Gaps Analysis
- Recommendations
  - Harmonized Organizational Structure

# Recommended Organization Structure

## Main Considerations (1/2)



The target Organization Structure will be primarily designed with the following key considerations:

### □ Functional Alignment

- With respect to operations, each Internal Revenue Service has the Assessment and Collection of approved\* taxes and levies as its primary mandate

Taxes and Levies Collected by the State Government	
1. Personal Income Tax - Pay-As-You-Earn (PAYE) - Direct taxation (self assessment)	7. Business premises registration fee
2. Withholding Tax (individuals only)	8. Development levy (individuals only)
3. Capital Gains Tax (individuals only)	9. Naming of street registration fees in the State Capital
4. Stamp duties on instruments executed by individuals	10. Right of Occupancy fees on lands owned by the State Government in urban areas of the State
5. Pools betting and lotteries, gaming and casino taxes	11. Market taxes and levies where State finance is involved
6. Road taxes	*Federal legislation has sole authority over taxes collected on income, profit or capital. State laws may permit other taxes in addition these listed

- Tax Assessment, Tax Collection and Tax Audit form the Core Operations of each SBIR. Collections should be automated as soon as possible to discourage SBIR personnel from handling cash. This will help reduce leakage and discourage touting

# Recommended Organization Structure

## Main Considerations (2/2)

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### Geographical Spread

- Each Internal Revenue Service should have at a minimum one tax office (and/or Licensing Office) at each of the 3 Senatorial districts in the State
- Where possible, there should be tax offices in each Local Government Area of each state
- There should be also be tax offices for field operations in districts within each state where tax volumes to be collected are relatively large e.g. per population or per number of businesses in the organized sector

### Taxpayer Segments

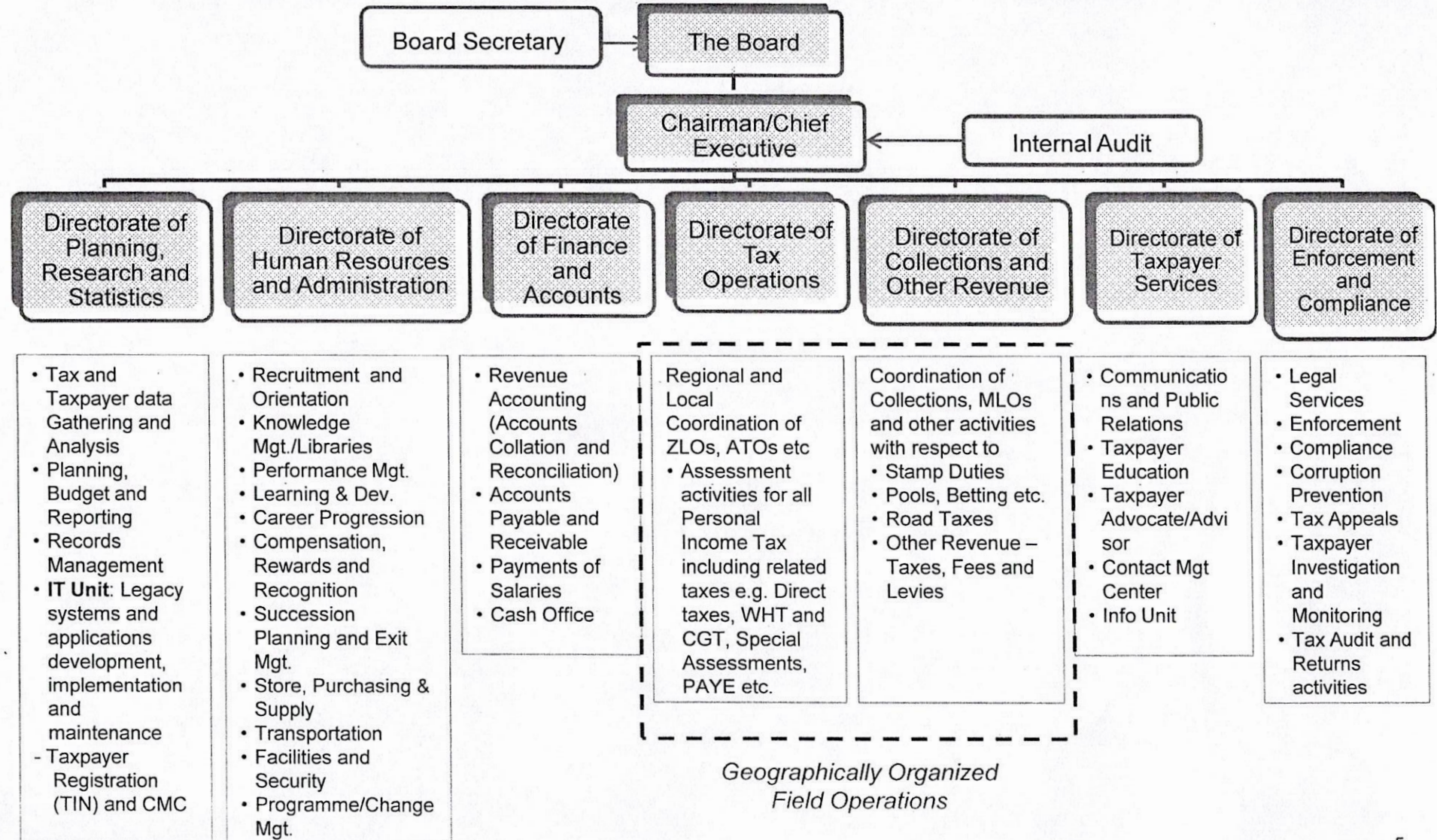
- Each Board should develop a structured approach to researching and understanding the compliance issues of their different taxpayer segments. Priority should be given to income earners who give particular resistance to paying taxes e.g. the unorganized sector

### Centralized Structure

- A centralized structure will keep key decision making at the SBIRs between a small (ostensibly 30% of resources), centrally located management and support/shared services team

# Recommended Organization Structure

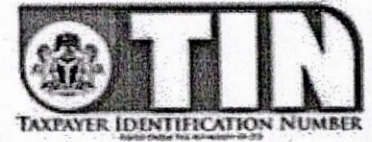
## Harmonized Option



# Recommended Organization Structure

## Key Changes

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### Taxpayer Services

- State Boards of Internal Revenue will now have a Taxpayer Services Directorate charged with the following functions – Communications and Public Relations, Taxpayer Campaigns and Education, Taxpayer Advocacy and a comprehensive Contact Management Center/ Information Unit

### IT Unit

- Every State Board must have an IT Unit and the requisite IT skills/resources to cater to/support taxpayer registration

### Contact Management Center

- The TIN Programme will provide a Contact Management Center to cater to TIN related enquires. Each State Board should however, expand this office to provide additional taxpayer management services. (The Solidus already provides technology provides chat, email and telephone channels. State Boards may wish to leverage these at the minimum)

### Other Structural Changes

- The harmonized option will require each State Board to make adjustments to its organization structure. In summary, some existing functions have been realigned while others have been created

# Recommended Organization Structure

## Directorate Functions (1/3)



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The mandate for each recommended Directorate is as follows:

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### Core Operations

#### Tax Operations

This Directorate is responsible for executing effective tax operational strategies for maximum organizational productivity. Their mandate includes the:

- Implementation all tax policies and programmes
- Assessment of personal income taxes in the formal and informal sector
- Participating in tax investigation and enforcement activities
- Planning, managing and coordinating core tax operations across all tax offices of the State Board

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#### Collections and Other Revenue

This Directorate exists to split responsibilities with the Directorate of Tax Operations. Its mandate is same as above but specific to indirect taxes, levies and other revenue. It is:

- Responsible for assessing other taxes and levies accruable to the State Board of Internal Revenue
  - Responsible for collections in liaison with the Finance and Accounts Directorate. This function should be automated as soon as possible as it will reduce the need for SBIR personnel to handle cash. This will help prevent leakage and discourage touts.
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# Recommended Organization Structure

## Directorate Functions (2/3)

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### Strategic Functions

#### Planning Research and Statistics

Its mandate is to provide strategic direction and information. This includes the use of tax and taxpayer data for:

- Planning and setting targets for Revenue Collection in liaison with the Directorates of Enforcement and Compliance, and Operations
  - Providing periodic monitoring and comprehensive evaluation of target performance
  - The IT Unit/Department (and TIN registration) is domiciled here. The Directorate will also handle(/automate) the Records Management function
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#### Enforcement and Compliance

The Enforcement and Compliance Directorate should:

- Represent the State Board of Internal Revenue in providing recommendations to the Joint Tax Board on tax policy, tax reform, tax legislation, tax treaties and exemption as may be required
  - Provide legal services - strategic advise and direction – to the State Board
  - Coordinate/Carry out investigation, monitoring, compliance and enforcement activities e.g. Tax Drive activities
  - Coordinate/Carry out tax audit and tax returns activities in liaison with the Tax Operations and Collections and Other Revenue Directorates
  - Support the Taxpayer Services Directorate by participating in taxpayer education and advocacy/advisory services
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# Recommended Organization Structure

## Directorate Functions (3/3)



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### Shared Services and Support Functions

#### Human Resources and Administration

- This Directorate is responsible for all human capital management and organization resource administration functions

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#### Finance and Accounts

- This Directorate is responsible for all financial and accounting functions at the State Boards, including Revenue Accounting (where collections is coordinated by the Collections and Other Revenue Directorate)

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#### Internal Audit

- The Internal Audit Unit is responsible for carrying out independent monitoring and appraisals of operational procedures at the State Board to help calibrate and improve performance

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#### Taxpayer Services

- This Directorate/Department is responsible for external communication, programmes and other activities to educate and support taxpayers and the general public

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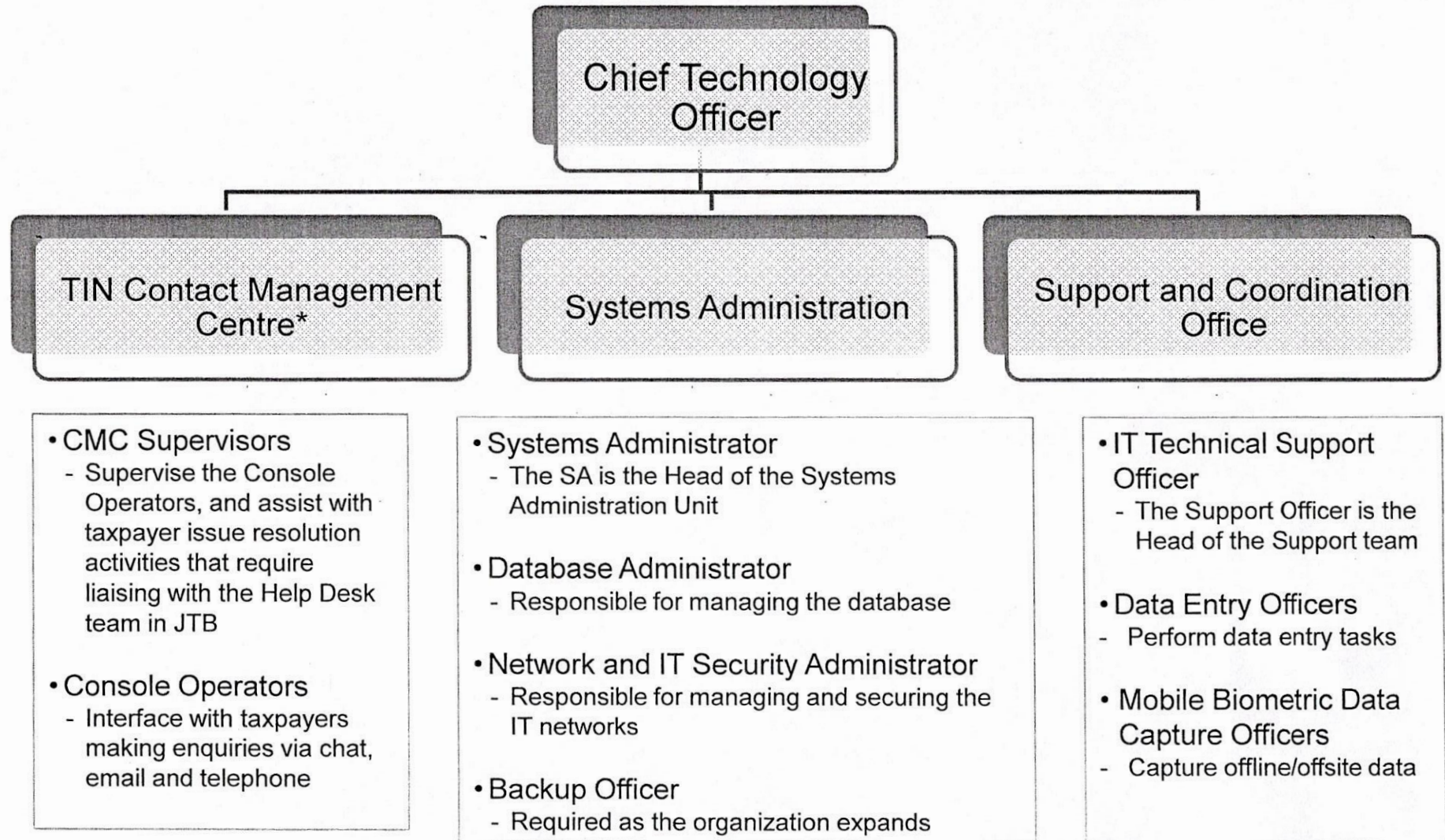
#### Information Technology

- The Information Technology Unit/Department is responsible for all IT-related systems and technology, including TIN registration (and automated records management)

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# Recommended Organization Structure

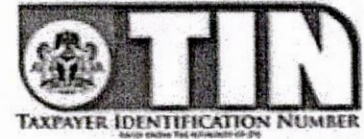
## Information Technology Unit



\*A comprehensive Taxpayer Management/Information Unit function should be managed by the Taxpayer Services Directorate. The TIN Contact Management Center (and Solidus Technology) will be better managed by the IT Unit because of its direct relationship with TIN Registration

# Recommended Organization Structure

## Information Technology Unit Functions



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The IT Unit is the center for TIN activities\*. The SIGTAS and AFIS solution is domiciled here for taxpayer registration activities, including taxpayer identification number generation, and responding to TIN-specific queries from taxpayers/the public. The functions of the 3 sub-units in the IT Unit are as follows:

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### Information- Technology Unit

#### **Contact Management Center**

- The Contact Management Center is the nerve center for TIN issue resolution. It is equipped with the Solidus application and will be supported by a supervisor, a console operator and the Help Desk at the Joint Tax Board.

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#### **Systems Operation and Administration**

- The Systems Operation and Administration Office is led by the Systems Administrator. This office manages the proper functioning, use and maintenance of all organizational hardware and software

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#### **Support and Coordination Office**

- The Support and Coordination Office is led by the IT Technical Support officer. This office manages and coordinates all technical support and data capture

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\* Each SBIR should make plans to expand the number of TIN Registration Centers in their State via WAN connection to the SBIR HQ 11

# Recommended Organization Structure

## Information Technology Role Definitions (1/2)



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The role definitions for the Information Technology Unit are below. Detailed job descriptions are provided in a supporting document:

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### IT Role Definitions

#### **Chief Technology Officer**

- The Chief Technology Officer (CTO) is the top technology executive, playing an integral role in the organization's strategic direction, development and future growth. He is responsible for developing and implementing all technology initiatives within the SBIR

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#### **Systems Administrator**

- The Systems Administrator (SA) is responsible for the effective provisioning, installation/configuration, operation and maintenance of systems hardware, software and other related infrastructure

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#### **Network and IT Security Administrator**

- The Network and IT Security Administrator is responsible for installing, managing and securing/supporting the organization's IT communication networks

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#### **Database Administrator**

- The Database Administrator is responsible for the performance, integrity and security of the organization's database

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# Recommended Organization Structure

## Taxpayer Services Directorate – Unit Functions



### Taxpayer Services Unit Functions

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#### **Communications and Public Relations**

- The Communications and Public Relations office, led by a PRO, is responsible for all external communication with taxpayers and taxpayer groups. They collaborate with the Taxpayer Campaigns and Education office, and the Customer Care Unit to craft messages and disseminate information to the public

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#### **Taxpayer Campaigns and Education**

- The main objective of this office is to educate taxpayers on their rights and obligations, and create awareness that will facilitate voluntary compliance with all tax laws. Its activities will help broaden the tax base and widen the tax net by recruiting taxpayers through education e.g. tax clinics, seminars and other forums

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#### **Taxpayer Advisory/Advocacy**

- The Taxpayer Advisory/Advocacy unit helps taxpayers resolve disputes, and negotiate with the Board of Internal Revenue on the taxpayers behalf to resolve complex issues, and assist with any immediate or urgent tax problem. The Advisory

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#### **Contact/Customer Management Center/ Info Unit**

- The is office primarily responds to public/taxpayer enquiries via the various channels available – walk-in, writing, telephone, chat, email etc. This unit also provides information in form of booklets, brochures, articles in the print media etc. to support the Communications and PR office