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The Major Issues We Face: Challenges and Expectations for Digital Technology

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Government reform, modernization of public services and strategic planning are terms we've all heard before.

Digital technology, in particular e-services for professionals, individuals, local communities and the accounting and finance sector, has revolutionized and streamlined government processes thanks to digital technology.

That said, a true digital shift is something else altogether. A challenge for all sectors, organizations and public authorities, it means re-evaluating existing IT systems, exploring new avenues for reflection, looking at the big picture and calling into question traditional structures. It is profoundly unsettling for anyone in a decision making position.

By its very nature, a digital shift requires an overarching strategy—digital technology in tax services is no less innovative than the taxation of digital services. A shift to digital should not be seen as merely perfecting existing technology, nor should it be limited to evolving or static organizations. Rather, a digital shift is a key element in a department's overall positioning strategy.

In the public finance sector (or any cross-departmental setting), strategic projects must serve

as a lever for change. As such, they must cover multiple aspects of public administration in order to get the most out of digital technology, improve services, streamline processes and obligations, strengthen the bond of trust between the public and private sectors, and improve productivity and efficiency.

1- A strategic project with clearly stated goals

- Contribute to public institutions' financial strength, while taking into account economic and budgetary constraints

- Improve service quality and availability to improve user satisfaction and build trust

- Use new technology to reorient online services toward solving physical service problems and informing taxpayers

- Formulate a digital strategy that serves users as well as those inside the organization who will be implementing it

- Make digital technology an integral part of the organization's culture and position it as a strength of its professional community. The strategy must revive teams' professionalism and evolve their culture.

You must be able to present a digital strategy as just that: a strategy. That means a clear outline, a plan describing short-term, medium-term and long-term actions, secondary operational objectives, timelines and dedicated management.

The key pillars of the strategy are increasing openness in tax administration (and public finance in general), taking into account the needs of internal and external users, and benchmarking against similar organizations' e-services. The shift must fit your own context.

The shift must be transversal. It must break down the walls between technology and management (direct/indirect taxation, customs and excise, local taxes, etc.), between operations and IT, between project designers and implementers, between management and oversight, etc.

To do so, you must build on existing knowledge to leverage best practices, create shared tools (service repositories, databases, etc.), harmonize taxpayer credentials with other public authorities (the goal being a single unique identification number) and develop services using the full range of tools offered by new technology.

The digital shift must apply to all your organization's missions: tax base, audits (where digital technology has opened the door for new methods and fields for audit, such as the informal economy), collections (where mobile technology has all but eliminated cash payments), legal, and relations with municipalities (land register, geolocation, etc.), other departments, banks, etc.

A digital strategy must play an important role in interdepartmental projects, in terms of identifying individuals and businesses, streamlining administrative procedures and limiting the information that individuals and businesses are asked to provide (a "tell us once" approach). Digital strategies are a new lever of change in government.

Paperless is the only real gauge of streamlining and cost-cutting measures—every stage in a new

process must be fluid and continuous. Developing a unique taxpayer account, for example, allows for the creation of a service portal including online help tools.

Of course, this doesn't mean you have to go full digital right away. Coaching and transitional measures are also important. They key to remember is that digital technology must serve users both inside and outside your organization.

2 – A digital strategy based on users' needs

While service administration might seem like a conventional term, the shift to digital represents a break with tradition—the themes and tools of reform are intended mainly to improve service quality.

Physical interaction with taxpayers has long been an issue for tax authorities. This is especially true in developing countries, where the need for information and assistance is highest. On the one hand, taxpayers in these countries are particularly wary of tax law and its application; on the other, peak periods around filing and payment deadlines are difficult to manage.

Technology not only gives taxpayers options for interacting with tax authorities (in person, by mail, by phone, online), it also makes it possible to maximize the efficiency of interactions by redirecting taxpayers to the most efficient channel depending on the subject of the interaction (general query, information about a personal file, change in situation, return, notice of assessment, etc.). Essentially, the goal is to prevent taxpayers from instinctively going to a service counter when another means would be faster, easier and more convenient, both for them and for you.

Doing so requires carefully studying user habits and expectations to properly configure services (clarity of website, accessibility, RWD, e-service design, mobile apps, promptness and quality of telephone response, etc.) and adapt communications.

This single-channel approach, where the user can choose the means of interaction and where services are designed to maximize the user experience, depends largely on digital technology.

Improving information overall starts with a user-friendly and informative website that is organized according to demand, lets users access all services and is adapted for mobile devices (tablets, smartphones). The site must be secure, globalized, updated quickly and readily available to taxpayers, client services and file managers.

This allows you to separate the informational from the transactional and thereby streamline and professionalize in-person services by creating remote service platforms (such as phone services capable of providing general as well as personalized information, which can solve simple cases).

The same design rationale applies to e-services, where a single set of credentials can be used to smoothly carry out any sort of administrative transaction (for example, a simple transition between filing a return and selecting a payment method).

At the heart of these new "digital interactions" is a personalized space that takes into account users' expectations and their online experience.

Even audits, a particularly delicate interaction between a taxpayer and tax authority, should be included in an organization's digital shift. Audit procedures must be modernized. Auditors should be encouraged to use newly tested data mining methods or automatic data exchange systems.

3 – A unifying digital strategy

An interesting aspect of the digital shift is the desire to involve tax agents from the design stage.

Beyond reducing resources and improving productivity, digital technology must have clear short-term benefits for agents.

New, more modern equipment and tools must be acquired. Users must have the opportunity to submit their most common irritants (disruptions in the processing chain, lack of compatibility between applications, redundancy and duplicate work, re-emergence of printed data, etc.). The purpose of this is to avoid implementing tools that appear useful at first glance but do not actually address the problems agents encounter. At a time when quality of life in the workplace is ever more prevalent in social discourse and employee expectations, such an approach is essential.

Technology cannot be designed solely for the user, nor solely for interactions with taxpayers. It must help agents better carry out their delicate mission.

It is easy to see how, in many ways, technology makes things easier for both users and tax agents. For example, a single set of credentials per taxpayer links applications and simplifies management (in other words, it links the tax base and collections).

Alternatives to cash or cheque payments will simplify the collections process. Shared folders where taxpayers and agents can access the same data will reduce the risk of error and cut down on unnecessary work.

Technology can also streamline internal management processes (pay stubs, training, vacation time, etc.). Like taxpayers, agents should have their own secure space for management transactions, including a pension file. Members of well-defined teams should also have access to collaborative network tools such as instant messaging, planners, alerts, file sharing, documentation, collective editing, etc.

4 – A progressive, inclusive shift

Obviously, going full digital would be impossible without transitional measures and proper coaching for both users and agents.

Naturally, you will have to determine which users will be required to use the new technology, as not everyone will be able to. You may also have to implement measures to incentivize them to use it.

Gradual implementation (for example, starting with the highest income bracket), transitional measures and coaching are all indispensable.

You may also want to consider exceptions based on access to the technology, age or education. In-person services could also be reconfigured to offer more personalized service. Arrangements with social organizations and other third parties may also be useful.

The shift to digital in interactions with tax authorities can be seen as a step toward digital inclusiveness by encouraging taxpayers to integrate new technology.

While this presentation focuses specifically on tax authorities a broader shift to digital by government as a whole must include:

- educating young people

- providing support for healthcare policy

- ensuring access to basic infrastructure

- developing agriculture that takes today's climate challenges into account

- encouraging the creation of new innovative businesses

In other words, a shift to digital in tax services will succeed with users reached through broader methods, and its positive aftereffects will signify a consistent, inclusive step in economic and social development.

On the other hand, unilaterally imposing digital technology solely for the organization's own needs is hardly a path to success. That is why some governments create special departments or positions to design and implement a global vision.

The shift to digital therefore means creating a true digital culture, calling into question traditional vertical structures, reducing the emphasis on paper, adopting digital tools, improving collaboration between public authorities and economic players, and increasing openness to best practices from around the world. A 21st-century challenge if ever there was one!