

Inter-American Tax Administration – CIAT

44 CIAT GENERAL ASSEMBLY



“THE ROLE OF TAX ADMINISTRATIONS IN THE GLOBAL CRISIS”

Topic 1.1

**THE DEVELOPMENT AND STRENGTHENING OF THE CITIZENS’ TRUST: THE
ACCOUNTABILITY MECHANISMS IN THE TAX ADMINISTRATIONS**

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France**

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“Creating and building trust in citizens: the Tax Administration reporting mechanisms.”

Summary

The civil duty to pay taxes arises from tax administrations' ongoing effort. Users must receive but also perceive a quality service. They shall be able to measure the administration's performance based on a mechanism of public communication. The annual performance report presented in Parliament as well as the related external communication mechanisms stem from the organic law on financial acts (LOLF, as per the French acronym), and tend to meet the foregoing initiatives. In the last few years, an additional contribution has been the implementation of users' committees, for professionals as well as individuals, at the national level as well as in each department.

Ultimately, the trust relation with citizens (except in the case of fraud) is based on the reliability of the information delivered to them, beyond the quality of service. This fundamental requirement to improve the image and credibility of the administration and taxpayer's civic duty to pay taxes entails effective monitoring of actual performance. In turn, it is necessary to implement procedures that assure that the processes are undertaken in line with the sector's norms (auditing, deontology, risk control).

Introduction

For citizens, although it constitutes a vital element of democracy, acceptance of taxes not always depends on an immediate awareness. Enforcing, sustaining and developing taxpayers' civil duty to pay taxes, their acceptance of taxes (or social contributions) entails, in addition to the control and punitive aspects, not only facilitating formalities, but also establishing and nourishing a positive relation between them and the Tax Administration, a virtuous circle.

The challenge is to strengthen the acceptance of taxes and its concrete translation into tax compliance, accurately documenting the performance of tax administrations. On the other hand, citizens expect a better service, even the best at the lowest cost. Thus, it is a matter of guaranteeing the quality of service, its traceability and endurance. At the internal Tax Administration level, we shall spur performance, facilitate the channeling of the income from productivity and oversee quality, not only in terms of service efficacy and professionalism, but also risk control and, consequently, the deontological dimension of quality.

Along these lines, after the merge between the General Tax Directorate and the General Public Accounts Directorate in April 2008, the General Public Finance Directorate is paying close attention to this issue, by virtue of the broadness of the the sector under its umbrella, in the tax, accounting, financial and economic spheres. In furthering the initiatives started by the two inherent directorates, it implements in-depth actions: on the one hand, with respect to the vectors that enable accountability towards citizens (1), and on the other, with respect to the tools that enable quality and truthfulness on the performance report and performance conditions (2).

1. The vectors for "accountability" towards citizens

Information shall be detailed and reliable; but in addition to being mandatory, it shall be communicated as best as possible to the public.

1.1. The institutional vectors: the LOLF dynamics

1.1.1 The new LOLF scope

The organic law relative to the Finance laws of 2001 (the LOLF, which was enacted in 2006 and mainly governing the accounting sphere) requires Parliament to vote on and monitor programs that bring together the administrative actions.

This effort enhances clarity of the Tax Administration's activity for the authorities elected by popular will, with the assistance, if required, of the enforcement authorities such as the Court of Auditors.

Its purpose is to structure the Tax Administration's proceedings according to a performance and results' rationale, while the previous text of the law (the organic resolution of 1959) was centered chiefly on the means. Thus, the "LOLF" entailed a considerable innovation in providing a framework and recovering the Tax Administration's activity. Its scope is no longer limited to the chapters (implying in practice a certain degree of inaccuracy or opacity); Parliament and the Executive branch have envisioned it in terms of consistent programs that express strategic priorities, are detached from past compartments and, owing to their global nature, provide the grounds for Parliamentary control while making tax officials accountable. The question of "why" comes before the "how". Objective-based management and measurement of results are the core of the LOLF methodology, in order to attach an effective scope to the budgetary principles of universality, truthfulness and regularity. This requirement is made extensive to the certification of Government Accounts (articles 27 and 58 of the LOLF) by the Court of Auditors.

In global terms, the LOLF improves the quality of the information available for Parliament in its role of legislator and monitor, for government and officials in optimizing performance, for the rating agencies and investors and for citizens.

From the technical standpoint, the main counterpart for the greater responsibility delegated and better defined objectives are the asymmetric fungibility that grants flexibility in the use of credits while guaranteeing their appropriate use, but also the strict limitation of credit deferrals, which expresses the demand for more transparency in expenditure.

1.1.2 The practical implications of the LOLF for the DGFIP

Accountability regarding a program's execution requires Parliament to deliver information that is as truthful and complete as possible. A report is drafted to such purpose, which may be supplemented with hearings.

The DGFIP is responsible for the State tax and financial management program as well as the local public sector program, which entails over 8 billion Euros (other

programs are included therein). Twenty performance indicators are involved in the program-monitoring effort. Its documentation is released on the first semester of N-1, when the allocation of public finances is discussed. In fact, it is worth highlighting that performance management is assessed under the framework of the multiannual budget 2009-2011. The Finance Bill for 2011 shall constitute the groundwork of a new multiannual budgetary cycle, and for new documentation on performance indicators.

This multiannual dimension deepens the LOLF contribution. It ensures growing continuity and consistency in the objectives and their fulfillment in the program implementation.

Under this framework, the annual performance report to Parliament sets forth, pursuant to the terms of the organic law (Article 54), the performance with regards to the objectives and the values pursued, as well as the related costs (it also provides for the credit transactions' grounds and the expenses incurred, as well as the expense authorization proceeding).

On the other hand, the DGFIP is strongly involved in the State accounts' certification process, as operator from the different ministries, as well as actor for its inherent proceedings (such as, revenue accounting).

1.1.3 Advantages and disadvantages

The biggest **advantage** of this procedure is based on the methodological completeness effort with respect to the indicators' documentation (and the related objectives) and the results' analysis. Parliament relies on complete information and participates, through the informative debate, in the definition of objectives; it relies on a vision within the continuity of the priorities assigned to the program and their fulfillment: it may conduct an analysis in terms of efficacy and efficiency. The performance report is the starting point for a concrete dialog between Parliament and the DGFIP (parliamentary matters).

A practical disadvantage arises from the limitations that this procedure generates in drafting the indicators and objectives of the program operating budgets for the territorial services (departmental Directorates). Given the large number of indicators of the Annual Performance Program in the "Program Operating Budgets" (BOP, as per the French acronym) (see Annex 1), the calendar is defined by the discussion in Parliament. Nevertheless, in the dialog between the central administration and the departmental Directorates (through the Director General delegates) it is worth allowing for timeframes that match the desired objectives and the attainable objectives at the time of defining them.

Additionally, we shall consider a **twofold limitation**: in order to guarantee clarity for legislators, the number of indicators to follow shall be reduced (this is the DGFIP approach for the 2010 program, reducing the number of indicators by 25%); on the other hand, such indicators shall be a cross-section of the Tax Administration activity (thus, the DGFIP, based on its current strategy, continues monitoring the local public accounts' quality indicator or the coverage rate of the credits requiring external tax controls).

Finally, the framework for the programs defined by the LOLF, like the multiannual budgetary allocation, are not exclusive to the annual budget discussion. Finance laws shall be amended if required, introducing hues and complicating the interpretation of results.

A current example drawn from the 2010 Finance law is the reform of the tax on professional practice that has hindered the fulfillment of the objective of notifying territorial authorities from their temporary bases.

1.2. Communications' policy

- The information delivered to Parliament, no matter how complete and accurate, is aimed at citizens, and no longer exclusive as a communication for the "general public".

Therefore, the annual DGFIP activity report (summarizing the the program's annual performance report –RAP (as per the French acronym)-) is available for users at www.impots.gouv.fr. It may be also presented in the users' committees created in the departments (see item 1.3 hereunder).

In addition, the DGFIP performance is also explained and communicated to the public, since it is included in the Ministry's activity report.

Such reports constitute the opportunity of implementing an **external communication policy**, so that citizens may clearly perceive the performance report, its context and implications. Communication may also originate within a Directorate or Ministry. In recent examples, the communication from the Ministry, which creates strong visibility, mainly referred to the results and the external tax policy, but also the State's real estate property policy.

From the organization's standpoint, the DGFIP relies on a communication department that reports to the Director General, for the information coming from a Directorate, and in the territorial sphere, reporting requirements from each head of department. In 2010, a specific initiative was launched to relate to the university world.

Beyond the strict communication of results, it is recommendable to **deliver a highly focused communication to different groups under the administration** of the tax, accounting and financial authority. The examples that do not strictly refer to tax statements, contribute in building trust and understanding relations. We may refer to the communication towards local elected authorities (whether they are renewed, for training purposes, or to present the DGFIP services, or even in the case of tax reforms that impact their budgets); massive communication regarding income tax statements (it is massive, but experience proved that it may be in series, through letters or e-mail), the use of the Internet whether to document information, or for Questions and Answers, and the involvement of professional tax proceedings, with intermediate agencies (accountants, certified institutions) and the insertion of messages on VAT statements.

The advantage of external communication efforts is to provide the target audiences with information, not only technical (this largely depends on all the formats: physical, telephone and electronic), but also the one providing a framework to understand the actions by the Tax Administration, and, just like any great organization that processes information, updated benchmarks that increasingly streamline the user-services relation. The user that trusts the Tax Administration requires fewer contacts therewith.

The limits for communication depend on three features:

- A complex and ever-evolving matter that entails reactivity;
- The public's difficulty in understanding, based on the fact that communication was focused on the technical details: communication does not replace reception, in general as well as specialized terms;
- The need for an appropriate balance between external and internal communication. The message that the Tax Administration delivers to its users shall not contradict its internal values, but rather assert them. Communication shall be balanced and consistent.

The DGFIP 2009-2010 effort entails fine-tuning a strategic guidelines' document, with the active participation of over 7000 agents in theme-based workshops. It stands for a strong internal consistency and communication challenge, which shall be in line with external communication.

1.3. Users' relation policy: users' committee

1.3.1 A space for a specific dialog

Since 2004, the Tax Administration has been implementing committees of users, professionals and individuals, at the national and departmental level. They are consultative bodies that seek to gather the concrete analyses of the users, with respect to the enforcement of the texts and the ways and means to improve the quality of the service rendered, based on documentary queries and working meetings. They link representatives from the different sectors of the administration with representative bodies. Meetings are scheduled every 6 months approximately. Their works refer to the results obtained by the administration (delivery of the activity report) and, from such starting point, the way to streamline the service rendered.

Such users' committees constitute an interesting innovation. On the one hand, they supplement the communication policy; and on the other, the action of lobbies, which may be exerted in the drafting of regulation through different channels.

The key advantage is to set forth a space for specific dialog, vis-à-vis law enforcement (forms, relation modalities, summaries, supporting explanations, etc.). What is perceived from the progress or the progress margins of the Tax Administration, such as the expectations by category of users, is set forth and processed without any issues, more precisely than through surveys (which are useful mostly on the qualitative mode with quality panels, for example, in terms of a form). It enables conveying and listening to practical messages.

At the same time, it guarantees the administration's openness towards society, and somehow the equivalent of an analysis with "customer" panels. The administration presents its methods and may receive the feedback and a critical opinion from the users who are still taxpayers with an active role. Likewise, users become aware of such instances, which entail rights, of course, but also duties (fulfilling their obligations).

A tangible example of the mechanism's outcomes is available in the charter of Rights and Obligations for the Tax Administration's users of 2005, with the effective participation of the national committee of private users.

1.3.2. Limits in the mechanism.

Firstly, owing to the time restrictions and the heavy burden on IT that condition the enforcement of tax regulations, users' committees may only address a given number of issues, mainly, the main tax statements. Their frequency prevents them from focusing on the daily detail of the implementation mechanisms that tend to be very complex. The frequent evolution of the norm also hinders their subsequent assessment.

Beyond this functional limitation, experience has shown that it was easier to find representatives of professional users, mainly at the national level, than of private users. In effect, in the latter case the administration may either deal with associations that challenge the tax from the onset and are less interested in improving its enforcement (even though this is not the purpose of the users' committees), or rely on counterparts with insufficient representation (such as, a majority from the retirees associations, or social entities). At the departmental level, it sometimes seemed inappropriate to extend full powers to the users' committees. In fact, their ability to articulate practical proposals is still limited.

2. Performance report quality tools

Although it is vital to develop a regular, precise and reactive communication towards the administration's authorities and users, whether institutional or for the general public, in order to build a relation of trust it is equally important that such communication be based on undisputable elements (otherwise, it would lose credibility and become counterproductive).

To such purpose, it is important to rely on effective performance management, based on strong risk-control means.

2.1. Performance management

2.1.1. Management control

Performance management by the DGFIP in 2009-2010 is developing on different fronts: renewed management dialog principles have been set forth and applied, in line with an initiative regarding the tools for management control and a project on the redefinition of indicators. The details of this evolution may be found in Annex 2 hereto.

Overall, management control (and activity monitoring) is aimed at delegating responsibility on the officials at the territorial level or those from the specialized directorates (mainly, by means of the dialog with the Director General delegates) as well as, at the sub-departmental level, those responsible for the different operating services. It connects the network, while favoring the accurate analysis of deviations and creation of the appropriate corrective action plans.

2.1.2 The hubs per sector for the visible performance progress.

The certification dimension stands as the supplement for performance monitoring. The objectivity of the performance report is assured by the existence of external counterparts of the administration.

For the DGFIP, it is first a matter of certification for the purpose of collective participation, based on a dozen indicators (see Annex 3), which constitute the dimension of user service quality by 15% (which is in turn audited during the proceedings by the external parties, mainly under the form of "mystery" calls). It is conducted by an external body, the General Financial Inspection Office.

Then, it becomes a matter of certification of benchmarks per sector, such as, onsite customer assistance or the proceedings by a group of inspectors. Such specific quality standards provide the framework for good practices. They may be completed by the "rules of the trade" that define optimal processes (such as a tax audit report) in the specifically internal operation of the services.

The advantage of the certification is to determine an objective framework, traceable to a quality level for a specific sector, which if absent, would be blurry.

The disadvantage lies in the relative burden that monitoring the framework entails (in particular, for the heads of service) as well as, in terms of the quality of user service, in the need of attaching new dynamism to the actions that meet the objective pursued.

On another note, the DGFIP mediators in litigation cases, as well as the development of the administration's answer, constitute the progress factors in the sectors involved, but also prove to users the quality efforts implemented to their benefit.

2.2. Quality assurance mechanisms

The General Public Finance Directorate features proceedings and operations subject to audits by different external auditing agencies: the General Financial Inspection Office of the Court of Audits (as a control body as well as accounts and accountants' jurisdiction and also as public accounts' certification), public or private auditors that participate in the general review of public policies.

Firstly, it shall rely on internal quality controls, according to the following three areas:

- In terms of auditing (for internal purposes, without disregarding the external auditor role): this is the case via a national auditing committee, with a national auditors' Mission and departmental missions, the delegates of the Director General who fulfill a coordination mission in this respect;
- In terms of internal control, which called for the implementation of a risk control Mission, replicated in each department, and in charge of defining the functional organizational charts in detail and overseeing their compliance in each operating service, with regards to the sector pilots.

Pursuant to the international standards, at the national level such groups directly report to the Director General, and to the head of the territorial office, at the local level. Their dimension is strategic.

- Lastly, the DGFIP oversees the necessary monitoring, through an office devoted to the central administration, more specifically for a financial administration, in terms of deontology.

Conclusions/recommendation: 3 guidelines

The technical framework that CIAT defines emphasizes the improvement of the administration's image to strengthen their performance with citizens. Three guidelines may contribute in such respect:

Regular performance measurement

Honest citizens demand quality service. Defining objectives, monitoring compliance or analyzing deviations and correcting the path, knowing the related costs, contributes in the creation of awareness of the administration's answer to this demand. Quality only exists when measured, and measured continuously.

Internally, management control, auditing and internal control may be perceived as burdensome with regards to the operating demands, but nevertheless, they are still the guarantors and advocates of the sector's correct processes.

Is it necessary to go even further, in the final measurement of the quality perceived? Beyond the surveys, which are a contributing factor, shall we put increasingly more efforts in users' committees? and subsequently, how shall we rely on truly representative counterparts?

The financial administration, Caesar's wife

But, citizens' demand goes even further: upon managing revenue and confidential information, the financial administration shall be irreproachable: not only is it transparent (within the limits set forth by the law) in their objectives and efficiency, but also above suspicion. It shall be Caesar's wife. The issue entails several dimensions, including deontology and internal control. Service professionalism shall not be detached from strict ethics.

This deontological policy is tied to exemplary tax officials' behavior. How to translate it in practice?

Communication and pedagogy

The communication policy is a subtle matter. It could not be mistaken for publicity, even if, in practice, it falls under the general framework of government communication. On the basis of the topic under discussion, it may not replace the information functions that depend on the reception. Its scope is general information.

¿Should we ban any attempt at pedagogy and education with the administration officials? Whether on the technical sphere to minimize the need for onsite assistance (with powerful tools like an updated Internet site or an effective telephone customer service), or in earlier stages, especially aimed at students – the seedbed of future citizens with the civil duty to pay taxes.

Annex 2 – The evolution of management control in the DGFIP

I. The unification of the performance management mechanism

The DGFIP pursues a triple objective, defined in its preliminary document on strategic approaches, disclosed in early July, 2009:

- Building a unified management method for the whole network, pursuing the performance, efficiency and accountability objectives, based on legacy mechanisms and procedures from the two merged directorates;
- Establishing new modalities for the management dialog at the inter-regional, departmental and sub-departmental level, based on a simplified and unified management tool, aimed at the heads in the different territories;
- Guiding the reflection upon performance measurement based on fewer and more pertinent indicators.

A. Reflection on the indicators

It is performed within the network and the dialog with the organizations representing officials and is based on a twofold assessment.

Firstly, the number of DGFIP indicators overall (over 250) is quite significant. Not all depend on the same record, some translate objectives, and others provide clarification. But nothing prevents us from thinking that they arise from a tendency towards settlement. Additionally, from a practical standpoint: is a consolidated number of too many indicators compatible with management focused on strategic priorities, in a context of challenges tied to the deep reformed implied by the merger and the consolidation of results, among which many have reached a high level already?

Secondly, the issue of the race towards indicators, or the excessive burden it would represent on the activity of the services, with potential consequences in terms of professional stress, was subject of debate. Consensus is being sought in this respect. It requires in-depth consideration.

If defining an organization's progress margin based on measurable objectives is deemed healthy, an effort to establish them according to series as the means to enhance and make performance definition more dynamic is also evident. Reviewing indicators, based on the analysis at the central administration level as well as field studies, is covered by this scope. It translates according to a reduction in the Program Operating Budget indicators (almost twenty) and a renewed articulation with the activity monitoring mechanism, as automated as possible and aimed at providing context elements if required¹.

The reflection on the indicators was conducted in depth, with consensus, tied to the preliminary work in workshops on the Strategic Guidelines' Document, relative to the sectors. In 2010 it shall be translated. It constitutes the background for performance dialog.

Thus, the procedure to apply the national indicators, defined in the fall of 2009, represents a significant stage. A list of almost twenty indicators supports the

management dialog. They are based on the application of national indicators (mainly those in the PAP of programs N° 156, 200 and 201 in the PLF 2010). Fourteen of them come from the State and local public sector Tax and Financial Tax Management Program, 2 from the reimbursement and exemption programs, and the others from previous performance contracts.

In this panel of indicators, the sectors have defined targets, included in the inter-regional application. The Director General delegates (DDG, as per the French acronym) manage the local application on this basis in the framework of a dialog within the defined set so that the cycle may complete the last iteration with the central administration. The DGFIP subsequently considers such feedback. The DDGs then notify the indicators and the target heads of territorial offices.

These objectives are subject to DDG monitoring, in the course of the year, within the framework of the management dialog.

B. Performance dialog organization

The implementation of the new performance dialog mechanism is organized on the basis of the DDG. This pivot role is understood within the respect to the principle of subsidiarity and accountability at the operating level.

Thus, the performance dialog is established in two phases: within six months after the head of the territorial office takes office and, annually, based on a performance report. The head of the territorial office (or the inter-regional director for tax control (DIRCOFI)), who performs a diagnosis, is responsible for the initiative in each case. The delegate shall analyze this diagnosis and elaborate on it, during an interview, if required. The delegate's role falls under the framework of the departmental strategy, and does not intervene at the sub-departmental level.

In the case of the initial dialog, a report is drafted at the end of an interview, according to a format defined by the office of the central administration in charge of controlling performance and coordination (BP1A). Based on this synthesis of the organization and the results, leverages, hurdles and priorities to be defined, the delegate writes a preliminary charter of objectives: it is submitted to the central administration for the Director General's approval.

The charter of objectives determines the principles of the mission and the priorities of the head of the territorial office for his/her term. It is signed by the Director General, and integrates elements that deal with the evaluation of the head of the territorial office. This initial procedure replaces the final procedure, which applied in the former General Tax Directorate (former DGI) and results in a simplification of proceedings.

In the case of the annual performance report, the delegate analyzes the document drafted by the head of the territorial office – with an interview, if necessary – and then delivers it to the BP1A office, which communicates it to the sector's office. This information delivery process (more refined and improved in terms of analysis with respect to the DIGITEX or DESCARTES tools) seeks to contribute to the examination (crossed) of the sector's directorates on a given department's management.

Indeed, such principles may go beyond the sub-departmental management dialog, where certain practices prevailed. The unification process of the tools for performance control shall finish, in the IT sphere, the unification conducted from this moment onwards in the methodological sphere.

This description of the management dialog mechanism is understood if we consider, in its content, the elements contributing to the wealth of shared diagnosis: the causal analysis of situations in retrospective, the evaluation of conditions and the context in which results are obtained, and the focus on the action hubs that have been most adapted.

II. Operation modalities of the unified performance dialog.

A. The dialog between the DDG and the heads of the territorial offices

- From the delegations' standpoint, the dialog has been facilitated in terms of technical knowledge by the increasingly mixed nature of the groups, by assigning to the delegations Chief inspectors and inspectors who specialize in government administration. Given their educational role, the management control efforts (centered, based on their structure, on the performance reports in the course of the first semester, and conducted for the initial dialogs according to the dates featured for turnover in senior positions) are developed in an environment of increasing competition in multiple fields, which shall focus on a multi-skilled approach.

This osmosis is facilitated by the cross-sectional initiatives that delegations shall undertake, not only in terms of monitoring the hubs arising from the merger, but also to establish a monitoring process for the quarterly activity, as defined in the circular letter dated 2 October, 2008 and for the budgetary discussions or the suppression of jobs. As from 2010, the network or working groups' mutualization initiatives, as well as the oversight of audits, seek to enhance the dialog content and the relevance of the contribution in the mutualization on the action hubs.

- From the directorates' standpoint, the dialog is the opportunity to structure the activity based on the merger's dimension overall. This is especially true in the initial dialogs that coincide with the creation of the DRFIP or the DDFIP, which take on a truly managerial dimension for this reason, to make the senior team more consistent and homogenize the new management.

Beyond the managerial dimension, the creation of a DDFIP or DRFIP stands as an opportunity of reviewing the activity monitoring issue, as well as control staff and internal communication of results, acknowledgement factor and the action hubs. The pursuit of a harmonized format and the frequency is relevant to learning about a new dimension for directorates and mutually enhances know-how.

B. Performance dialog at the departmental level

- In the case of the directorates that have not been merged yet, the mission charter mechanism implements the formal application by the head of department of the strategic priorities in the implementation of their departmental management. Of course, the local priorities remained in the definition process, within the continuity of the previous results; the mission letter confers upon the departmental management a deeper field depth and confirms the sub-departmental dialog that had been sustained.
- In the increasingly frequent case of merged directorates in 2010 and in general, as from 2011, the departmental dialog constitutes the opportunity of assigning a single responsible party in its global framework, given the joint development by the cross-sectional center and the sector-based centers, since it is enforced upon the heads of service to express the new unity in the directorate and concretely translate the merger into the operating commitments.

In the merged directorates, 2010 is the year of a new management, which implements a more systematic dialog; the government administration sphere relies on a chapter on management issues and improvement hubs in addition to the application of the objectives defined. On the other hand, the tax management sphere features the simplification of procedures that could be inspired by the directorate/DDG mechanism ("incoming head of service" procedure followed by an annual simplified stage assessment).

Management tends to strengthen the network development role inherent in the directorate.

Annex 1

PAP 2010 Indicators

Program 156 – Tax and financial State and local public sector management (09/14/2009)

Objective 1 Completing the merger

- Indicator 1.1 Deploying the one-stop shopping window (from the user's standpoint).
- Indicator 1.2 Number of regional or departmental public finance directorates (from the user's standpoint).
- Indicator 1.3 Improvement of the services rendered to the territorial administrations (from the user's standpoint).

Objective 2 Favoring voluntary compliance with tax obligations (civil duty to pay taxes)

- Indicator 2.1 Part of the taxes filed or paid voluntarily to the DGFIP
 - 2.11 *Rate of individual users who fulfill their tax filing obligation.*
 - 2.12 *Rate of collection of taxes on professional activities.*
- Indicator 2.2 Gross rate of collection of taxes filed.

Objective 3 Facilitating taxation

- Indicator 3.1 Degree of effective implementation of the initiatives in the program "Facilitating taxation" (from the user's standpoint).
- Indicator 3.2 Degree of development of virtual procedures in the DGFIP (from the user's standpoint).
 - 3.21 *Part of VAT collection, Corporate Income Tax- IS (as per the French acronym) and Payroll Tax - ISal- (as per the French acronym) paid by professional users who have adhered to a remote payment procedure.*
 - 3.22 *Number of remote tax statements - Tele Income Tax- IG (as per the French acronym).*
 - 3.23 *Rate of virtual payment of taxes on individuals (Income Tax-TH-Real Estate Tax).*

Objective 4 Reinforcing the struggle against tax fraud and tax and fines' enforcement

- Indicator 4.1 Percentage of controls that punish the most serious types of fraud (from the taxpayer's standpoint).
- Indicator 4.2 DGFIP gross collection rate of duties and fines on external tax control credits for year N-2 (from the taxpayer's standpoint).
- Indicator 4.3 Rate of fines' payment (from the taxpayer's standpoint).

Objective 5 Controlling financial administrations' management costs

- Indicator 5.1 Rate of intervention on revenue and expenditure (from the taxpayer's standpoint).
 - 5.11 *Rate of intervention on taxes (DGFIP).*
 - 5.12 *Rate of intervention on customs duties (DGDDI).*
 - 5.13 *Global rate of intervention on revenue (DGFIP – DGDDI).*
 - 5.14 *Rate of intervention on Government expenditure (DGFIP).*
 - 5.15 *Rate of intervention on the local public sector's expenditure (DGFIP).*
- Indicator 5.2 Annual evolution index of the global DGFIP productivity (from the taxpayer's standpoint).

Objective 6 Improving the quality of accounting procedures

- Indicator 6.1 Rate of days-noncompliance verified on the State accounting records (from the user's standpoint).
- Indicator 6.2 Rate of compiled data on the qualitative monitoring of local accounts (from the user's standpoint).

Objective 7 Reducing government expenditure terms of payment

- Indicator 7.1 Government expenditure term of payment (from the taxpayer's standpoint).
 - 7.11 *Government expenditure global term of payment.*
 - 7.12 *Term of payment for accountants of the local sector expenditure (Administrations under the Hélios application).*

Objective 8 Strengthening the quality of the cooperation service for the local public sector

Indicator 8.1 Implementation of virtual procedures in the local public service.

8.11 Coverage rate of virtual procedures in the local public sector.

Indicator 8.2 Cooperation agreements with the most important Administrations and the local public businesses.
(Rate of weighted coverage of the CSCF) *(new)*

Objective 9 Accelerating processing terms to optimize the quality of the service rendered to public officials in terms of retirement procedures

Indicator 9.1 Percentage of urgent retirement formalities processes within a two-month term.
(from the user's standpoint)

Annex 1 Bis

INDICATORS (Updated as of 21 December 2009)	Presence in the BOP 2009 (Reminder)	National objective 2010
I. PAP 2010 Indicators		
Objective 2 : Favoring voluntary compliance with tax obligations (civil duty to pay taxes)		
2.1 Part of the taxes filed or paid voluntarily to the DGFIP.		
2.11 Rate of individual users who fulfill their tax filing obligation.	X	98%
2.12 Rate of collection of taxes on professional activities.		98%
2.2 Gross rate of collection of taxes filed.	X	98.40%
Objective 3 : Facilitating taxation		
3.1 Degree of effective implementation of the initiatives in the program "Facilitating taxation".	X	5
3.2 Degree of development of virtual procedures in the DGFIP.		
3.23 Rate of virtual payment of taxes on individuals (Income Tax-TH-Real Estate Tax).	X	55%
Objective 4 : Reinforcing the struggle against tax fraud and tax and fines' enforcement		
4.1 Percentage of controls that punish the most serious types of fraud.	X	18.50%
4.2 DGFIP gross collection rate of duties and fines on external tax control credits for year N-2.		43.50%
4.3 Rate of fines' payment. (rejected under the form of enforced collection of fines and punitive interest)	X	79% (39%)
Objective 6 : Improving the quality of accounting procedures		
6.1 Rate of days-noncompliance verified on the State accounting records.	X	20
6.2 IASQCL (not rejected on the BOP 2010, extended from the 2009 objective).	X	115 (objective 2009)
Objective 7 : Reducing government expenditure terms of payment		
7.1 Government expenditure term of payment.		
7.11 Government expenditure global term of payment.	X	28 days
7.12 Term of payment for accountants of the local sector expenditure (Administrations under the Hélios application).		7.5 days
Objective 8 : Strengthening the quality of the cooperation service for the local public sector		
8.1 Coverage rate of virtual procedures in the local public sector.	X	45%
8.2 Cooperation agreements with the most important Administrations and the local public businesses.		50%
II. Additional indicators in the BOP 2009		
Parts of the requests for VAT reimbursements and Corporate Income Tax refunds with a favorable or partially favorable response, within a term not exceeding 30 days.	X	80%
Rate of contentious claims regarding Income Tax and Residential Tax within a month's term.	X	95.90%
Increase rate in automatic Local Public Sector (SPL, as per the French acronym) payments (in amount or number).	X	8% (number) 7% (amount)
III. Other indicators issued by the CPP followed in 2009		
Rate of compliance within a month's term to provide an answer to the mandatory evaluation requirements for the France Domaine service (QSF3)		93.50%
Enforced collection rate.		55.75%
IV. Other indicators		
Coverage rate of the real estate transactions rate in N-2/N (H12R).		76%

Annex 3

PARTICIPATION INDICATORS 2009

Objectives	Objective 2009	2008 (reminder)	
		Results	Objectives
<i>Effective implementation level for the commitments from the program "Tax Facilitation" of the DGFIP (common to both networks).</i>	90% (PAP 2009)	90.93 %	90 %
Breakdown of the payment rate for tax on individuals. (Income Tax, Residential Tax, Real Estate Tax)	50% (PAP 2009)	50.15 %	49 %
Part of the VAT credit reimbursement requests and the IS refunds, with a favorable or partially favorable decision, within a term not exceeding 30 days.	80% (PAP 2009)	89.52 %	80 %
Contentious claims' rate in terms of Income Tax and Residential Tax in a one month term.	95.80% (PAP 2009)	96.16 %	94.1 %
Delivery of Real Estate Information within 10 days. ¹	100 % (BOP 2009)	99.98 %	100 %
Delay rate in the business annual income.	< 1 %	0.39 %	< 1 %
Record of private users who fulfill their income tax obligations.	98 % (PAP 2009)	98.20 %	98 %
Gross collection rate for the taxes filed as of 31/12/N+1.	98.35 % (PAP 2009)	98.52 %	97.9 %
Percentage of controls that punish the most serious frauds.	18 % (PAP 2009)	18.12 %	15 %
Rate of anomalous days on the State accounting records.	25 (PAP 2009)	33	35
Coverage scope of the CSCF (<i>Convention on Accounting and Financial Service</i>)	60%	57 %	50 %
Rate of increase in automatic payments in the SPL (<i>Local Public Sector</i>) (in amount or number)	5 % 5 % (BOP 2009)	15 % 22 %	+ 5 % + 5 %

¹ The objective is deemed fulfilled by 99.75 %.