Inland Revenue Authority of Singapore launches an interactive tax administration system
The Inland Revenue Authority of Singapore (IRAS) is the government agency responsible for administering, assessing, collecting and enforcing the payment of taxes from approximately 1.3 million individual and corporate taxpayers within the city-state.

Business challenge

The Inland Revenue Authority of Singapore’s (IRAS) previous IT system was originally commissioned in 1995 and implemented with the help of Accenture. At that time IRAS, like most revenue agencies, was focused on achieving process efficiencies. The system met that objective in a number of ways, including by integrating previously disjointed processes, introducing paperless operations and eliminating the backlog of tax processing work.

Despite these successes, the system was no longer an optimal solution for an agency that was now committed to delivering a variety of e-government services, achieving higher levels of tax compliance and transforming its relationship with customers. The legacy system had been designed to support the functional requirements of the agency, not the particular needs of the taxpaying public. The architecture did not support concurrent processing of batch and online applications. It was not equipped to handle 24x7 and straight-through processing. In addition, the existing mainframe system was approaching the end of its life. Vendors were no longer supporting its middleware applications or the system hardware. It also was becoming costlier to maintain, which translated into an increase in the overall cost of collections.

IRAS believed the time was right to develop a new IT system that would maximize efficiencies and serve as a cornerstone of Singapore’s move to more e-government programs. Accenture’s High Performance Business Research has shown that successful revenue agencies seek to deliver greater value—which the Accenture Public Sector Value Model defines as better outcomes, delivered in a more cost-effective way—by maximizing revenue, taxpayer compliance, cost-effectiveness and agency responsiveness. At the same time, they strive to minimize the burden placed on taxpayers and establish a true customer-centric philosophy based on principles of advanced citizenship relationship management. These indicators of high performance were clearly reflected in IRAS’ decision to build a more flexible and customer-focused IT system.

For help in designing and implementing a more convenient, effective and efficient core tax administration system, IRAS awarded the tender to Accenture. In addition to having helped IRAS build its earlier tax administration system, Accenture brought deep technical skills, as well as knowledge-based research and practices to help IRAS continue on its path toward high performance. Accenture also brought unmatched global systems integration experience, having worked with more than 50 government agencies and helped implement more than 20 large-scale, complex integrated tax systems in recent years.

How Accenture helped

Accenture deployed highly skilled resources from its systems integration, change management and customer relationship management practice areas to help IRAS design the agency’s new core IT system, dubbed the Inland Revenue Interactive Network (IRIN). Accenture began by developing an IT infrastructure blueprint and conducting a detailed review of IRAS’ taxpayer relationship management and core processing capabilities. These activities—which leveraged recent work Accenture completed for tax authorities in the United States and Australia—focused on developing a better understanding of taxpayer needs and the technical requirements that would allow the IRIN solution to meet those needs.

Based on the blueprint and assessment findings, Accenture and IRAS agreed that an optimized infrastructure would comprise three main technical components: a simple, custom-built browser-based front-end, a robust back-end database; and a middle-tier layer on which every back-end application would run. Using Microsoft .NET as the application platform offered a number of advantages, including cost-effectiveness, flexibility, responsiveness and multi-channel support. The .NET platform’s open architecture also made it easier for the IRIN team to integrate systems from other agencies and organizations, as well as various applications selected to support the agency’s critical processes such as document management, compliance management, enterprise knowledge sharing, reporting and taxpayer relationship management.

In developing the IRIN system, the Accenture team in Singapore drew on its alliance relationships with Microsoft and Avanade. Microsoft provided solution architects to help design a highly secure and scalable solution and other resources.
to provide ongoing software support. Avanade, a joint venture of Microsoft and Accenture that specializes in solutions based on the Microsoft enterprise platform, provided resources skilled in applying the Avanade Connected Architectures for .NET to accelerate the development of custom applications. Together Accenture, Avanade and Microsoft developed customized solution components for a variety of functions, including core processing and e-services. Tang Wai Yee, Chief Information Officer—IRAS, described the joint team’s contribution this way: “Accenture is the leading IT system provider for revenue systems around the world. So they have strong institutional knowledge about tax systems. Avanade and Microsoft provided us the necessary skilled manpower and the technical know-how to build and implement the system on the Microsoft .NET framework.”

The Accenture-led team, in collaboration with more than 200 dedicated IRAS project participants and a local systems integration provider, NCS, deployed the new system in three releases. In 2004, the team rolled out IRIN for corporate income tax, as well as goods and services tax. In 2005, individual income tax was added, followed by property tax in 2006. A major component of the new IRIN system involved implementing an electronic filing system via a personalized Internet portal known as myTax Portal. Through myTax Portal, taxpayers are able to access their files and perform tax transactions with IRAS electronically, near 24x7. An innovative feature of the e-filing system allows taxpayers to view their pre-filled employment income and deduction information and simply submit their return with the click of a computer key. This feature is available to individuals whose employers have opted to participate in the IRAS Auto Inclusion Scheme, which allows employers to transmit employee salary information automatically to IRAS.

Since 2004, Accenture has been providing application management and system maintenance services, with the scope of the outsourcing arrangement expanding with each release of the IRIN system.

High performance delivered

According to Alan Ow Soon Sian, Senior Deputy Commissioner—IRAS¹, “The vision of the Inland Revenue Authority of Singapore is to be the leading tax administration in the world, and a partner of taxpayers in nation building and economic development.” Clearly, the new citizen-centric tax administration system is playing a critical role in helping IRAS achieve this ambitious goal.

For the taxpayer, IRAS has enhanced customer service by providing a number of new customer-focused applications, including the highly popular and personalized myTax Portal. Through the one-stop portal, taxpayers—including companies and Goods & Services Tax-registered traders—can access a comprehensive suite of transactional, enquiry and account management services. Singapore’s individual taxpayers have shown overwhelming support of IRAS’ new way of interacting with the public. In 2005, the year IRIN’s individual tax modules were launched, 850,000 individuals (or approximately 64 percent of all taxpayers) filed their taxes online. In 2007, the year myTax Portal was officially launched, the number of individuals who e-filed their tax returns topped 1 million (or about 80 percent of all individual taxpayers).

In launching myTax Portal, Lim Hwee Hua, Minister of State for Finance and Transport, said “The road to providing such an innovative solution was not an easy one. To make myTax Portal truly interactive, IRAS had to revamp its internal computer system as well. It was designed with taxpayers’ needs in mind using a leading technology known as Microsoft .NET. It provides a powerful platform for more efficient connections among information, people, system and devices and IRAS is one of the first tax administrations in the world to adopt this technology.”

For the majority of taxpayers whose income information is automatically populated within the returns, e-filing takes only a matter of minutes. One satisfied taxpayer described his experience this way: “I was hoping to spend less than 2-3 hours to e-file my Singapore tax returns. To my surprise, it took only 2-3 minutes for me to complete the whole e-filing. There is no question on how efficient Singapore e-systems are. It was a breeze... all the information I had given last year was used to fill out most of the details automatically and my earnings/deductions are directly provided to IRAS by my company. So I had to click a few buttons and it was done... I did not even have to use my keyboard except for logging in.” IRAS’ success in making tax reporting and payment so easy and convenient has justifiably caught the attention of the international community. A 2008 study by the World Bank and PricewaterhouseCoopers ranks Singapore first overall in Asia for ease of tax payment. And Managing Information Strategies (MIS), Asia’s leading IT management magazine, awarded IRAS its 2007 IT Excellence Award, delivering a perfect score from the judging panel.

In addition to improving the experience of taxpayers, the IRIN system is driving a number of efficiency and productivity gains within IRAS. A new case management function, integrated with data warehousing and enterprise reporting capabilities, is now available to IRAS staff via an Enterprise Knowledge Portal, which enables IRAS staff to provide faster, better and more knowledgeable service to taxpayers across multiple channels. Compliance-related activities are also now recorded, which means tax officers have an integrated view of each taxpayer and can interact with him or her in a consistent manner and prioritize audit cases. The IRIN system has also introduced online forms, straight-through-processing, automated processes, a comprehensive workflow solution, and a rules engine for processing tax legislation. These and other new features have contributed to significant operational improvements.

Clearly, against every measure, the Inland Revenue Authority of Singapore has become one of the most efficient and effective tax administrators in the world. IRAS’ success lies, in large part, in its unwavering commitment to customer centrality and, according to Lim Hwee Hua, a vision to “deliver quality e-services that delight customers by designing government processes around the customers’ needs and personalizing e-services to the individual.” IRAS’ success is also due, in part, to its choice of Accenture as its solution partner and to Accenture’s ability to translate the agency’s vision into a model for high performance in the global tax administration sector.

¹ Mr Ow has since retired from IRAS after 37 years of distinguished service.
About Accenture
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About Avanade
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