



***Taxpayer Problem Resolution  
Officer Report  
For the Year Ended  
December 31, 2012***

**April 2013**

**City of Tempe  
Internal Audit Office**

**City Auditor: Barbara Blue, CIA  
Auditor: Keith Smith, CPA**

## Introduction

In accordance with Chapter 16, Section 16-515 of the Tempe City Code, the Taxpayer Problem Resolution Officer is responsible for performing an annual survey of Tempe privilege tax licensees to determine their satisfaction with the City's Tax Collector and to respond to complaints of improper, abusive or inefficient services. The City's tax collection responsibilities are assigned to the Tax and License Division of the Finance and Technology Department. The City Auditor serves as the Taxpayer Problem Resolution Officer.

This report summarizes the results of surveys and Taxpayer Problem Resolution Officer activity for the calendar year ended December 31, 2012.

## Survey Process

Surveys were distributed to 3 groups of taxpayers: new licensees, auditees, and the general population of license holders. The following table details the level of responses:

Taxpayer Group	Surveys Returned		
	2012	2011	2010
New Licensee	253	109	242
Auditees	46	44	49
General Population	9	16	24
<b>Total</b>	<b>308</b>	<b>169</b>	<b>315</b>

We asked taxpayers to:

- Respond to specific questions regarding the services provided by the Tax and License Division;
- Rate the quality of service provided by City staff; and
- Provide comments or suggestions for improvement.

We developed a revised survey process this year and plan to continue changing the process to become more efficient and cost-effective. Although the three taxpayer groups are mailed paper surveys with postage-paid return envelopes, we are introducing other distribution response options. In order to increase the efficiency of the survey process and reduce postage costs, survey respondents are encouraged to complete the survey on-line (via a webpage listed on the paper survey). This change was made in the last quarter of the calendar year. To further this initiative, we plan to transition to an on-line survey tool that can be accessed via a link that will be e-mailed to taxpayers. This will potentially result in a significant reduction in postage costs and possibly increase the response rate.

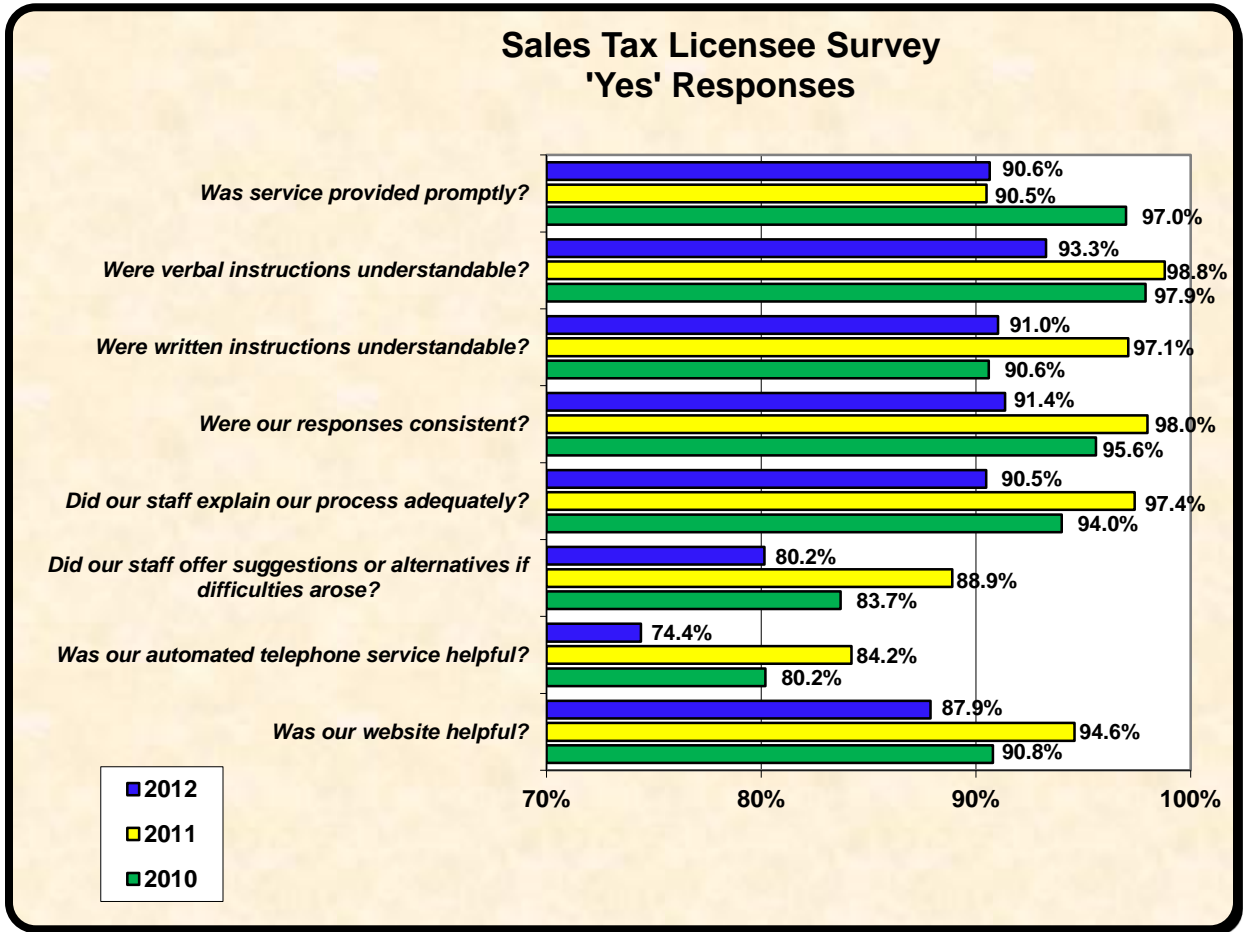
## **Survey Results**

### ***New Licensees***

Surveys are sent to all new licensees by the Tax & License Division and returned directly to the Internal Audit Office.

Overall, the results indicate new licensees are satisfied with the quality of service provided by the Sales Tax Licensing Staff; however, as illustrated in Table 1, the level of satisfaction is decreasing in all areas except promptness of service, which is relatively stable when compared to 2011. When compared to 2010, decreases were realized in seven of the eight areas. Table 1 follows on the next page.

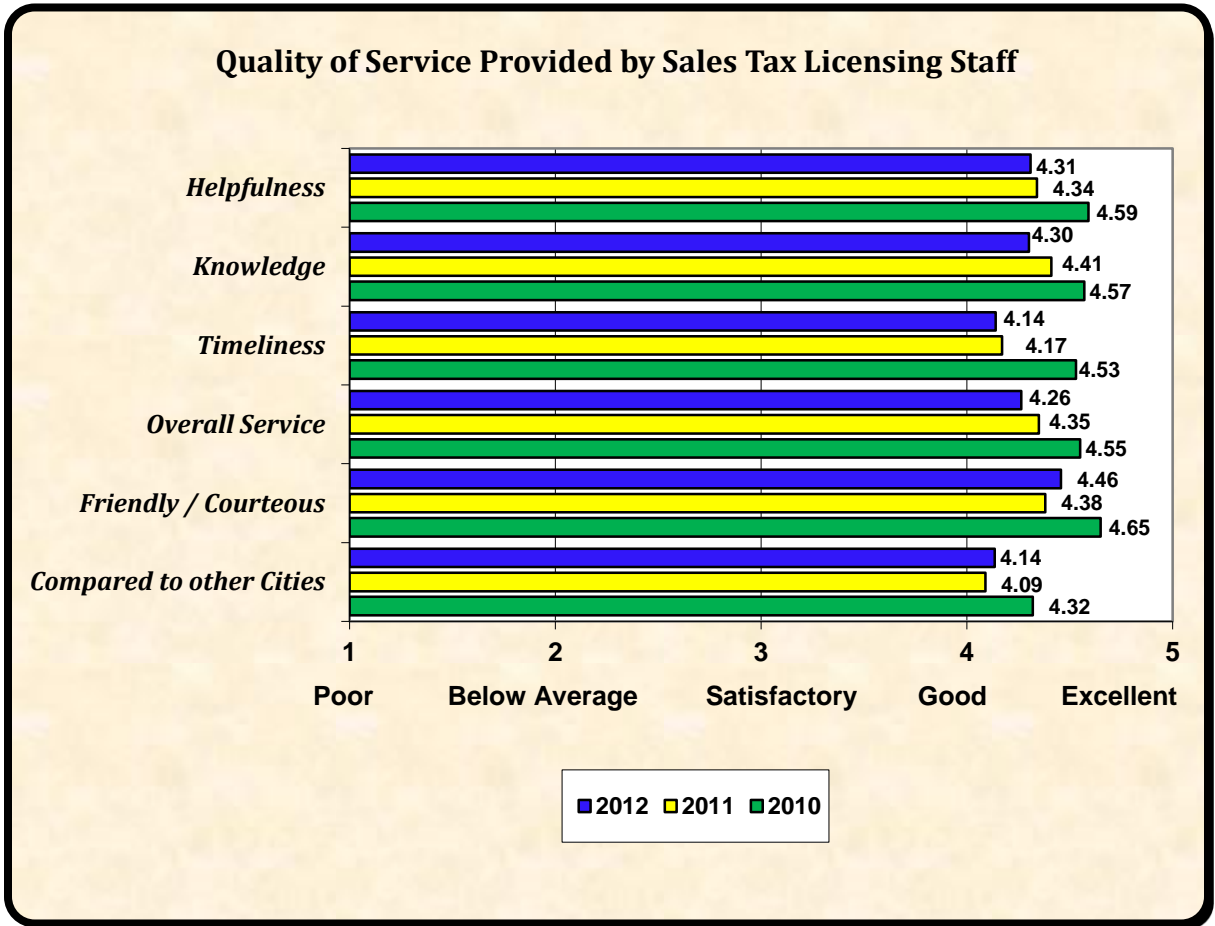
**Table 1**



<b>Question</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Was service provided promptly?	90.6%	90.5%	97.0%
Were verbal instructions understandable?	93.3%	98.8%	97.9%
Were written instructions understandable?	91.0%	97.1%	90.6%
Were our responses consistent?	91.4%	98.0%	95.6%
Did our staff explain our process adequately?	90.5%	97.4%	94.0%
Did our staff offer suggestions of alternatives if difficulties arose?	80.2%	88.9%	83.7%
Was our automated telephone service helpful?	74.4%	84.2%	80.2%
Was our website helpful?	87.9%	94.6%	90.8%

Table 2 illustrates a slight decrease in Quality of Service satisfaction in four of the six areas over the prior year and a decrease from 2010 in all six areas:

**Table 2**

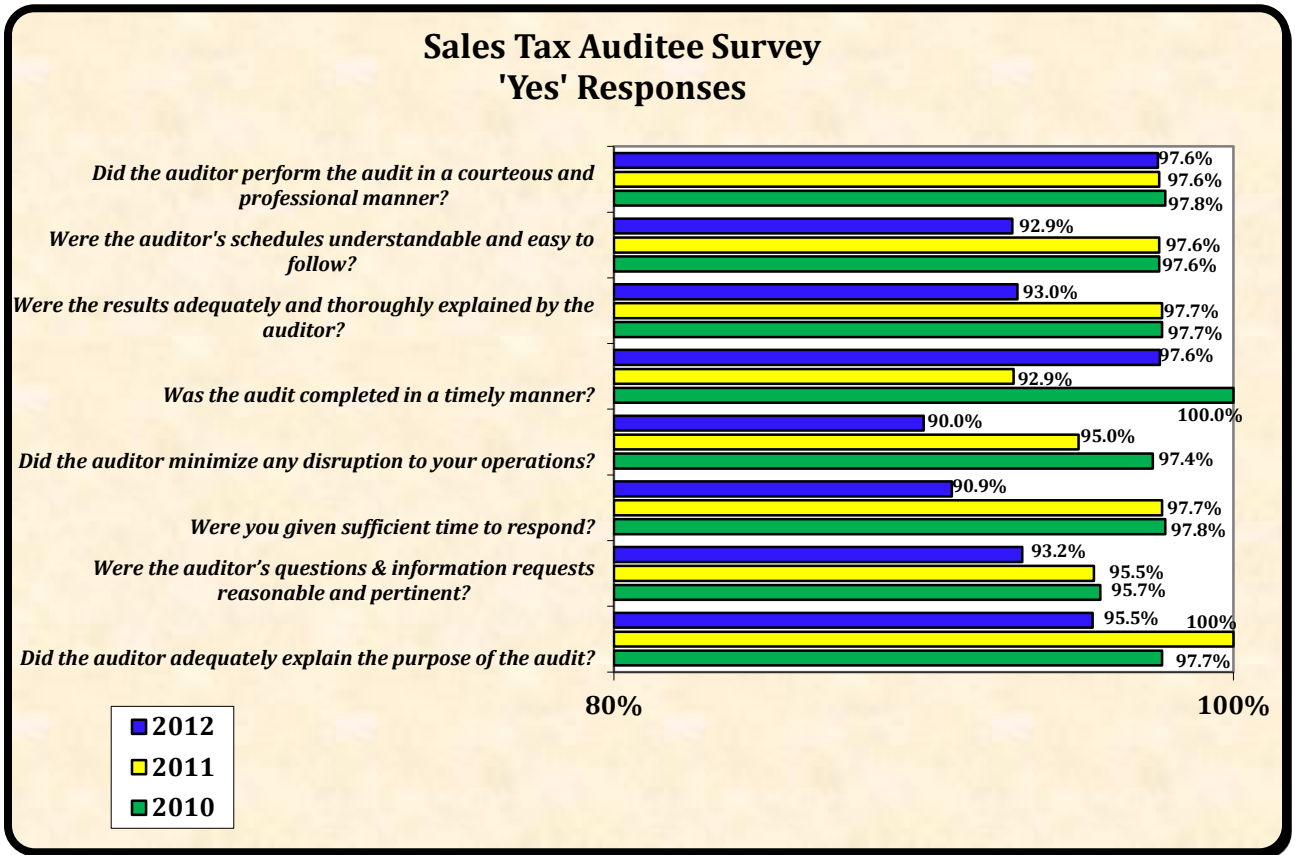


<b>Sales Tax Licensing Staff Service Quality</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Helpfulness	4.31	4.34	4.59
Knowledge	4.30	4.41	4.57
Timeliness	4.14	4.17	4.53
Overall Service	4.26	4.35	4.55
Friendly / Courteous	4.46	4.38	4.65
Compared to other Cities	4.14	4.09	4.32

***Auditees***

The Internal Audit Office surveyed all taxpayers who were audited during calendar year 2012. A total of 184 surveys were sent; 46 or 25% were returned (return rates were 23.7% in 2011 and 21.4% in 2010). Overall, respondents expressed a high level of satisfaction with both the audit/review process and the responsiveness of staff, but satisfaction level has decreased. Satisfaction levels decreased in six of eight categories from the prior year and decreased in all eight categories when compared to 2010. See Table 3 on next page:

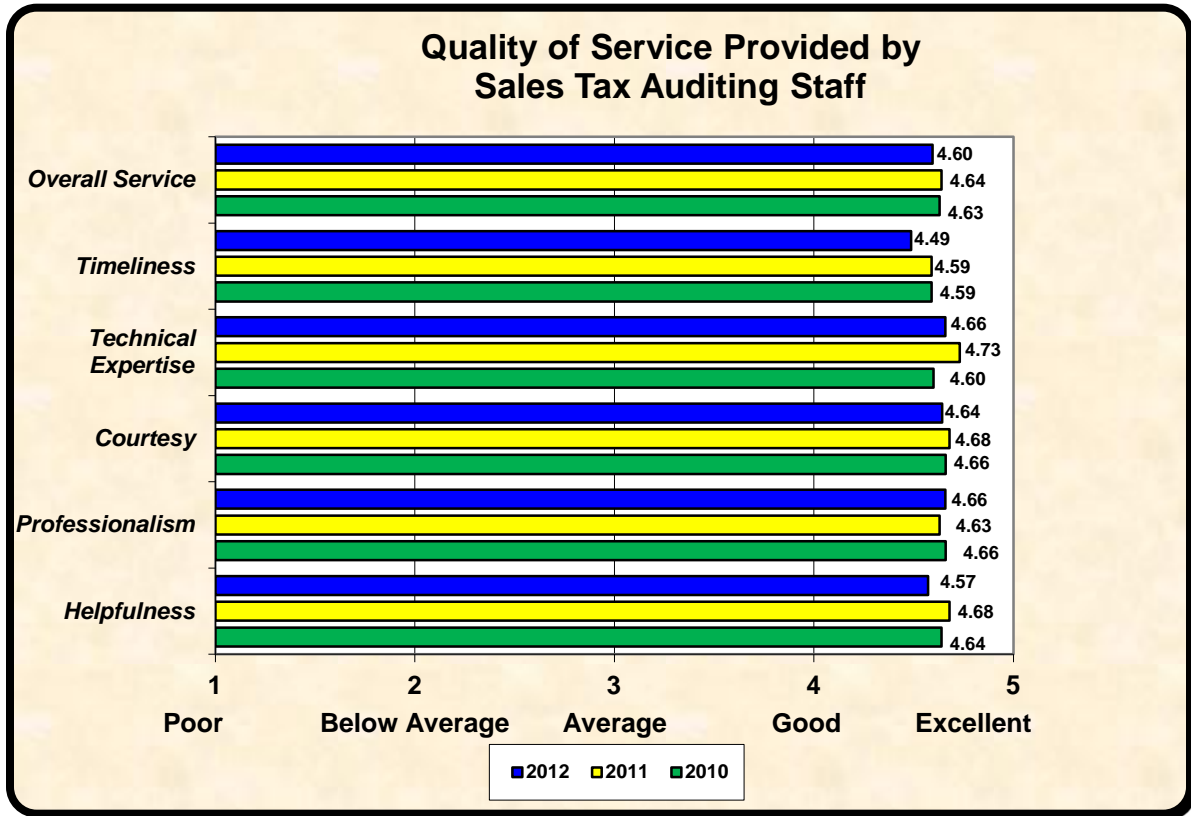
**Table 3**



Question	2012	2011	2010
Did the auditor perform the audit in a courteous and professional manner?	97.6%	97.6%	97.8%
Were the auditor's schedules understandable and easy to follow?	92.9%	97.6%	97.6%
Were the results adequately and thoroughly explained by the auditor?	93.0%	97.7%	97.7%
Was the audit completed in a timely manner?	97.6%	92.9%	100%
Did the auditor minimize any disruption to your operations?	90.0%	95.0%	97.4%
Were you given sufficient time to respond?	90.9%	97.7%	97.8%
Were the auditor's questions & information requests reasonable and pertinent?	93.2%	95.5%	95.7%
Did the auditor adequately explain the purpose of the audit?	95.5%	100%	97.7%

The quality of service satisfaction was high in all categories; however, ratings were down from the prior year in five of six categories, and down in four of six categories when compared to 2010. Summarized results follow in Table 4:

**Table 4**



<b>Sales Tax Audit Staff Service Quality</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Overall Service	4.60	4.64	4.63
Timeliness	4.49	4.59	4.59
Technical Expertise	4.66	4.73	4.60
Courtesy	4.64	4.68	4.66
Professionalism	4.66	4.63	4.66
Helpfulness	4.57	4.68	4.64



### ***General Population***

A total of 96 surveys were sent from the Internal Audit Office to a sample of taxpayers from the general license holder population; 9 or 9.4% were returned (16.7% were returned 2011 and 25% were returned in 2010). Only 3 of the 9 respondents had contact with the Tax and License division over the past year and completed the rating questions. Due to the lack of response, we are not presenting the results and will assess the usefulness of surveying this segment of the population in the future.

### **Taxpayer Comments and Suggestions**

We also included comments and suggestions submitted by taxpayers on the survey forms in Appendix I of this report. We found no comments that would warrant action by the City Auditor, serving as the Taxpayer Problem Resolution Officer. Names of City staff members have been redacted from the Appendix in this report, but were revealed to Department and Division management.

### **Annual Report**

The City's tax code also provides for a report to the Mayor and City Council outlining any complaints received by the Taxpayer Problem Resolution Officer of improper, abusive, or inefficient service by the Tax Collector. There were no complaints presented to the Taxpayer Problem Resolution Officer during calendar year ended December 31, 2012.