



***Taxpayer Problem Resolution  
Officer Report  
For the Year Ended  
December 31, 2014***

**March 2015**

**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 Internal Services 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, 2014.

## Survey Process

Surveys were distributed to 2 groups of taxpayers: new licensees and auditees. The following table details the level of responses:

Taxpayer Group	Surveys Returned				
	2010	2011	2012	2013	2014
New Licensee	242	109	253	283	72*
Auditees	49	44	46	30	24
<b>Total</b>	<b>291</b>	<b>153</b>	<b>299</b>	<b>313</b>	<b>96</b>

*\*The significant drop in new licensee responses can be attributed, at least in part, to the reduction in the number of surveys distributed. For 2013, approximately 3,100 surveys were mailed. In 2014, 1,512 surveys were distributed (124 were mailed and 1,388 were e-mailed), a reduction of 51%. As shown below, although fewer new licensee surveys were mailed, the response rate was actually slightly higher in 2014.*

The response rate for the past two years (since we began e-mailing some surveys) is as follows:

Taxpayer Group	Survey Type	Response Rate	
		2013	2014
New Licensee	E-mail	N/A	4.3%
	Mailed	9.1%	9.7%
Auditees	E-mail	24.6%	15.2%
	Mailed	17.1%	9.8%

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.

For those auditees and new licensees whose e-mail addresses were on file with the Tax and License Division, we e-mailed a webpage link for the taxpayer to respond to an online survey. We mailed surveys to the remaining auditees and to a sample of remaining new licensees. This process results in savings on postage costs for both mail distribution to survey recipients and return postage on responses.

# Survey Results

## New Licensees

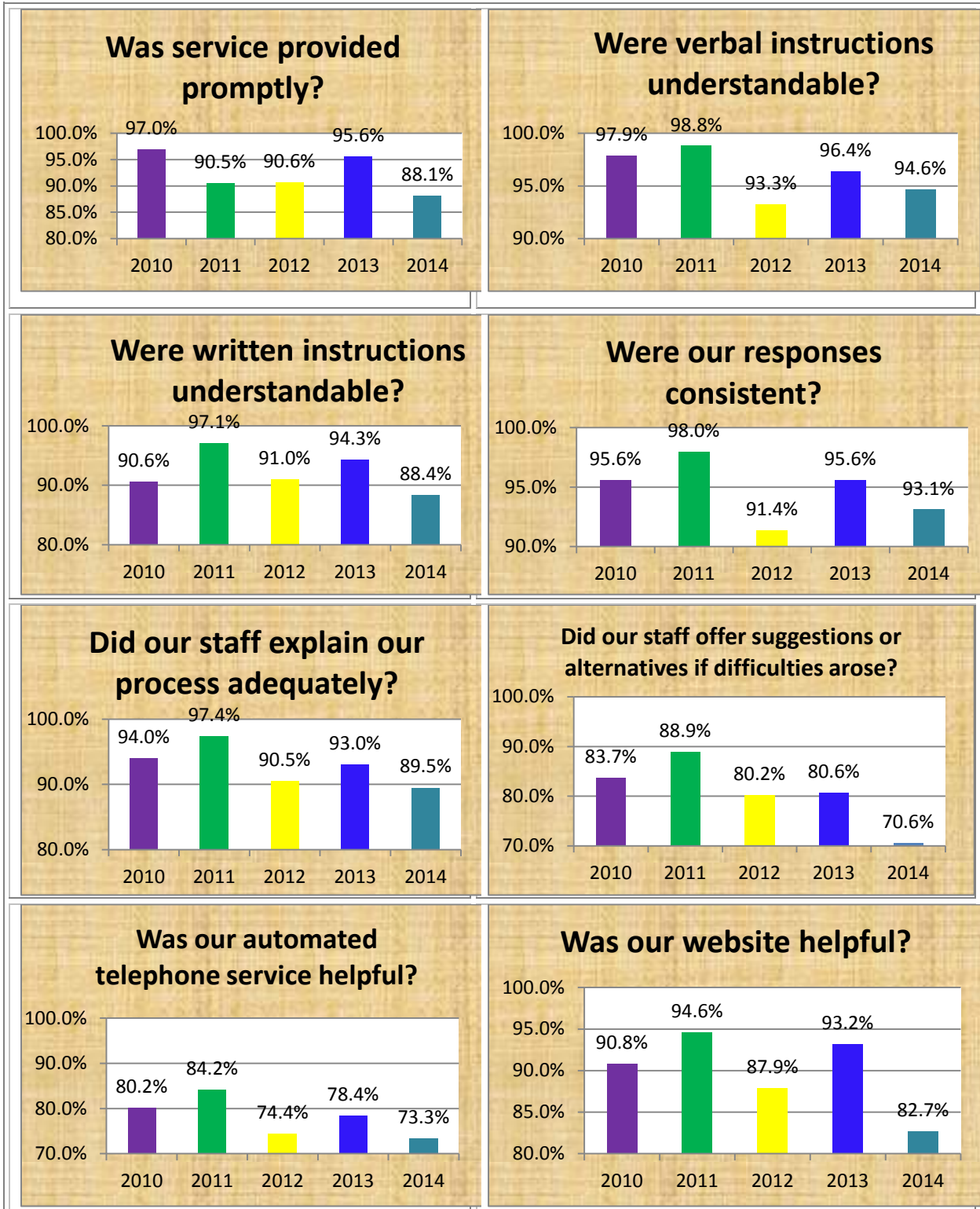
### New Licensee Satisfaction

Overall, the results indicate new licensees are generally satisfied with the quality of service provided by the Tax and License staff. However, as detailed in Table 1 and illustrated in the graphs on page 3, satisfaction levels were at 5-year lows in 6 of 8 (75%) areas measured. In all areas, satisfaction levels decreased over the prior year.

**Table 1– New Licensees’ Satisfaction**

Question	2010	2011	2012	2013	2014
Was service provided promptly?	97.0%	90.5%	90.6%	95.6%	88.1%
Were verbal instructions understandable?	97.9%	98.8%	93.3%	96.4%	94.6%
Were written instructions understandable?	90.6%	97.1%	91.0%	94.3%	88.4%
Were our responses consistent?	95.6%	98.0%	91.4%	95.6%	93.1%
Did our staff explain our process adequately?	94.0%	97.4%	90.5%	93.0%	89.5%
Did our staff offer suggestions of alternatives if difficulties arose?	83.7%	88.9%	80.2%	80.6%	70.6%
Was our automated telephone service helpful?	80.2%	84.2%	74.4%	78.4%	73.3%
Was our website helpful?	90.8%	94.6%	87.9%	93.2%	82.7%

## Graphs - New Licensees' Satisfaction



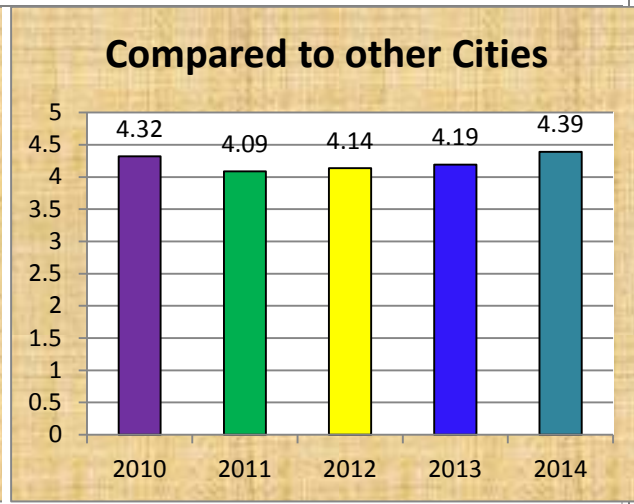
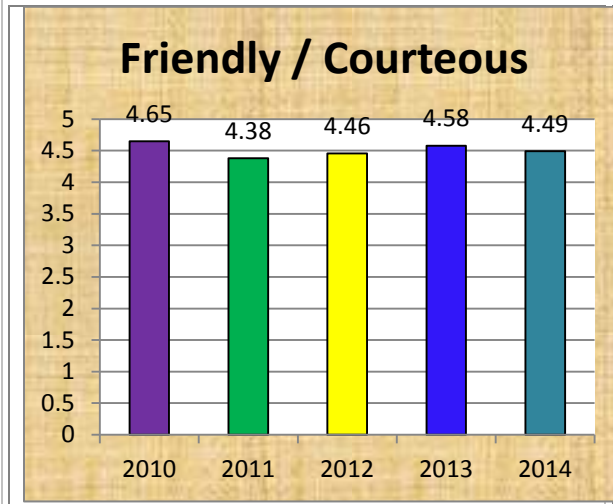
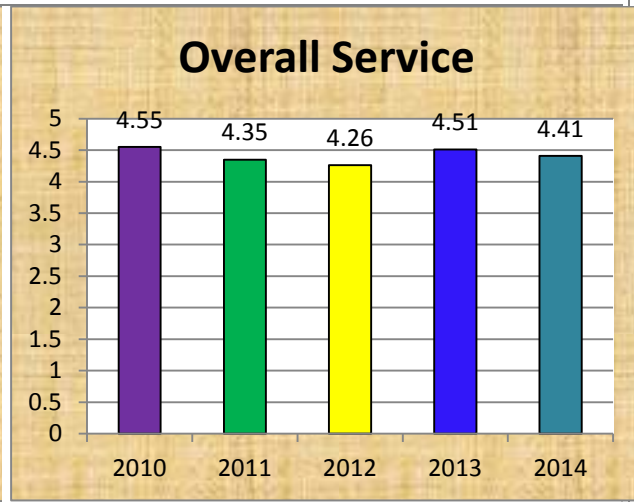
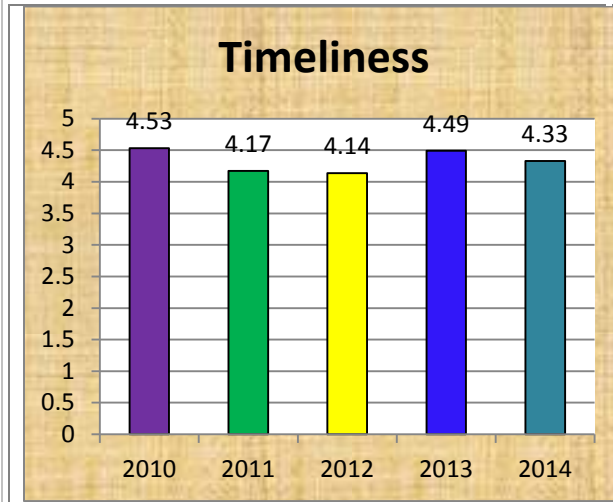
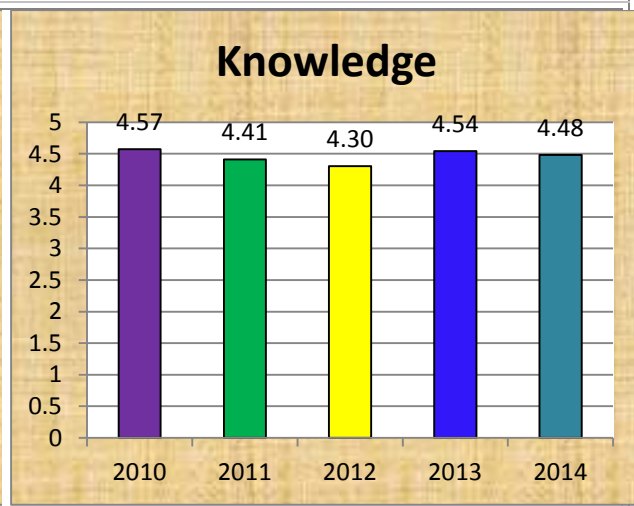
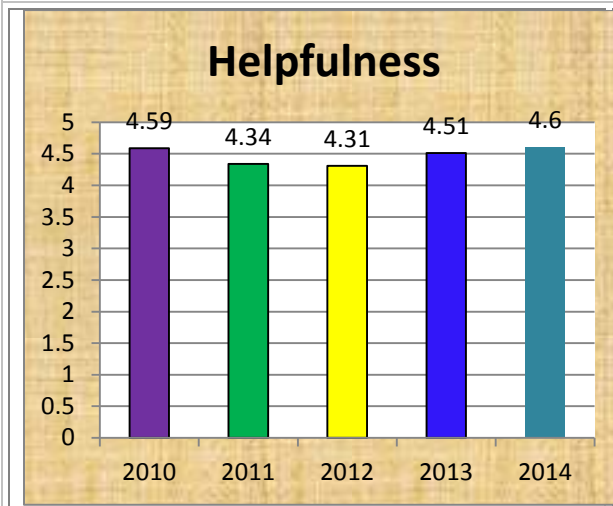
### New Licensee Quality of Service

As detailed in Table 2 below and illustrated in the graphs on page 5, there was a high level of Quality of Service satisfaction in all six areas. However, satisfaction levels were down from the prior year in 4 of 6 areas.

**Table 2 - New Licensee Quality of Service**

<b>Sales Tax Licensing Staff Service Quality</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Helpfulness</b>	<b>4.59</b>	<b>4.34</b>	<b>4.31</b>	<b>4.51</b>	<b>4.60</b>
<b>Knowledge</b>	<b>4.57</b>	<b>4.41</b>	<b>4.30</b>	<b>4.54</b>	<b>4.48</b>
<b>Timeliness</b>	<b>4.53</b>	<b>4.17</b>	<b>4.14</b>	<b>4.49</b>	<b>4.33</b>
<b>Overall Service</b>	<b>4.55</b>	<b>4.35</b>	<b>4.26</b>	<b>4.51</b>	<b>4.41</b>
<b>Friendly / Courteous</b>	<b>4.65</b>	<b>4.38</b>	<b>4.46</b>	<b>4.58</b>	<b>4.49</b>
<b>Compared to Other Cities</b>	<b>4.32</b>	<b>4.09</b>	<b>4.14</b>	<b>4.19</b>	<b>4.39</b>

**Graphs - New Licensee Quality of Service**



## Auditees

### **Auditees' Satisfaction**

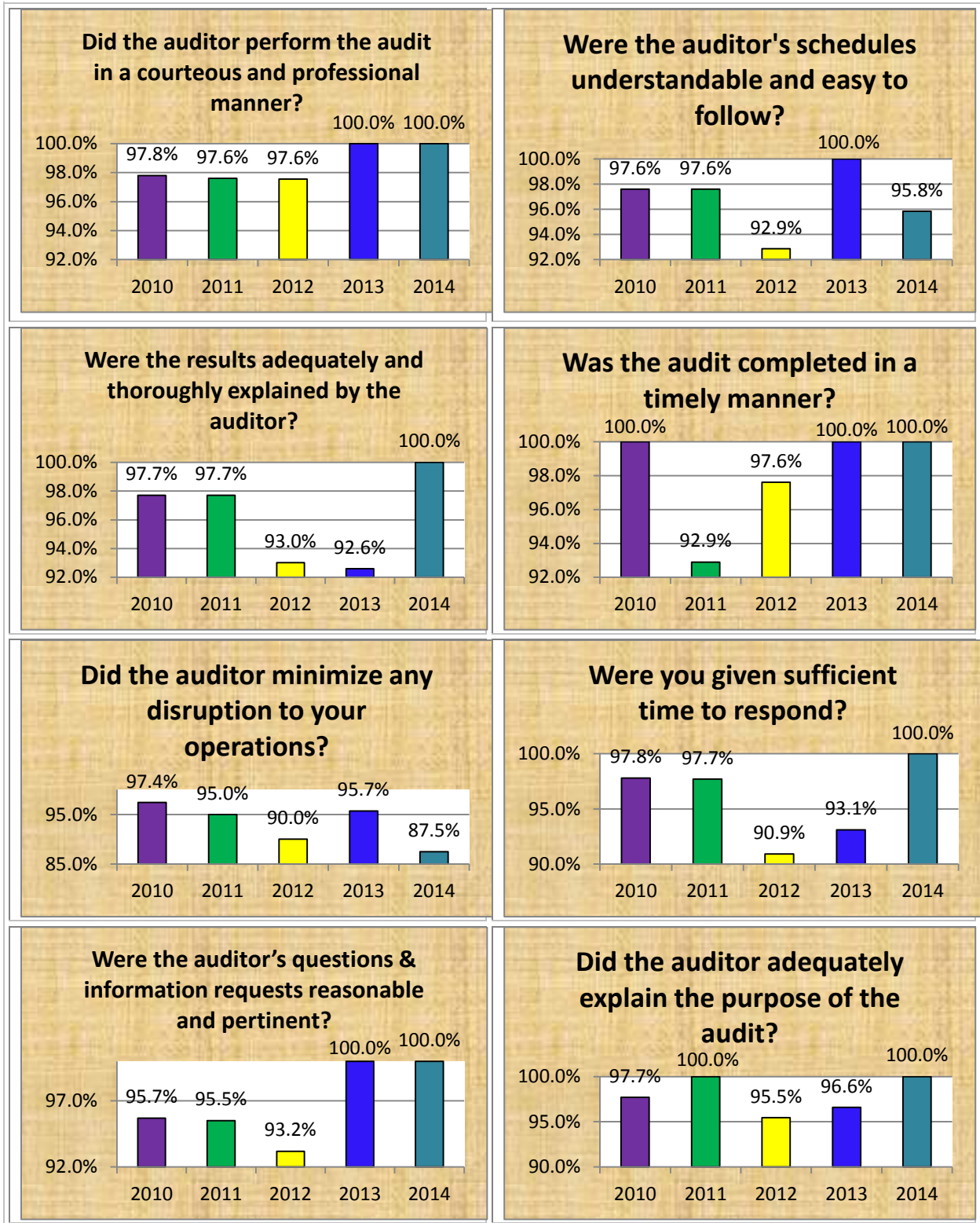
The Internal Audit Office surveyed all taxpayers who were audited during calendar year 2014. Overall, those who responded expressed a high level of satisfaction with the audit process. As detailed in Table 3 and illustrated in the graphs on page 7, satisfaction levels increased in three of eight categories from the prior year and remained at 100% in three areas. Decreases were observed in two areas.

**Table 3- Auditees' Satisfaction**

<b>Question</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Did the auditor perform the audit in a courteous and professional manner?</b>	<b>97.8%</b>	<b>97.6%</b>	<b>97.6%</b>	<b>100%</b>	<b>100%</b>
<b>Were the auditor's schedules understandable and easy to follow?</b>	<b>97.6%</b>	<b>97.6%</b>	<b>92.9%</b>	<b>100%</b>	<b>95.8%</b>
<b>Were the results adequately and thoroughly explained by the auditor?</b>	<b>97.7%</b>	<b>97.7%</b>	<b>93.0%</b>	<b>92.6%</b>	<b>100%</b>
<b>Was the audit completed in a timely manner?</b>	<b>100%</b>	<b>92.9%</b>	<b>97.6%</b>	<b>100%</b>	<b>100%</b>
<b>Did the auditor minimize any disruption to your operations?</b>	<b>97.4%</b>	<b>95.0%</b>	<b>90.0%</b>	<b>95.7%</b>	<b>87.5%</b>
<b>Were you given sufficient time to respond?</b>	<b>97.8%</b>	<b>97.7%</b>	<b>90.9%</b>	<b>93.1%</b>	<b>100%</b>
<b>Were the auditor's questions &amp; information requests reasonable and pertinent?</b>	<b>95.7%</b>	<b>95.5%</b>	<b>93.2%</b>	<b>100%</b>	<b>100%</b>
<b>Did the auditor adequately explain the purpose of the audit?</b>	<b>97.7%</b>	<b>100%</b>	<b>95.5%</b>	<b>96.6%</b>	<b>100%</b>



## Graphs – Auditees’ Satisfaction



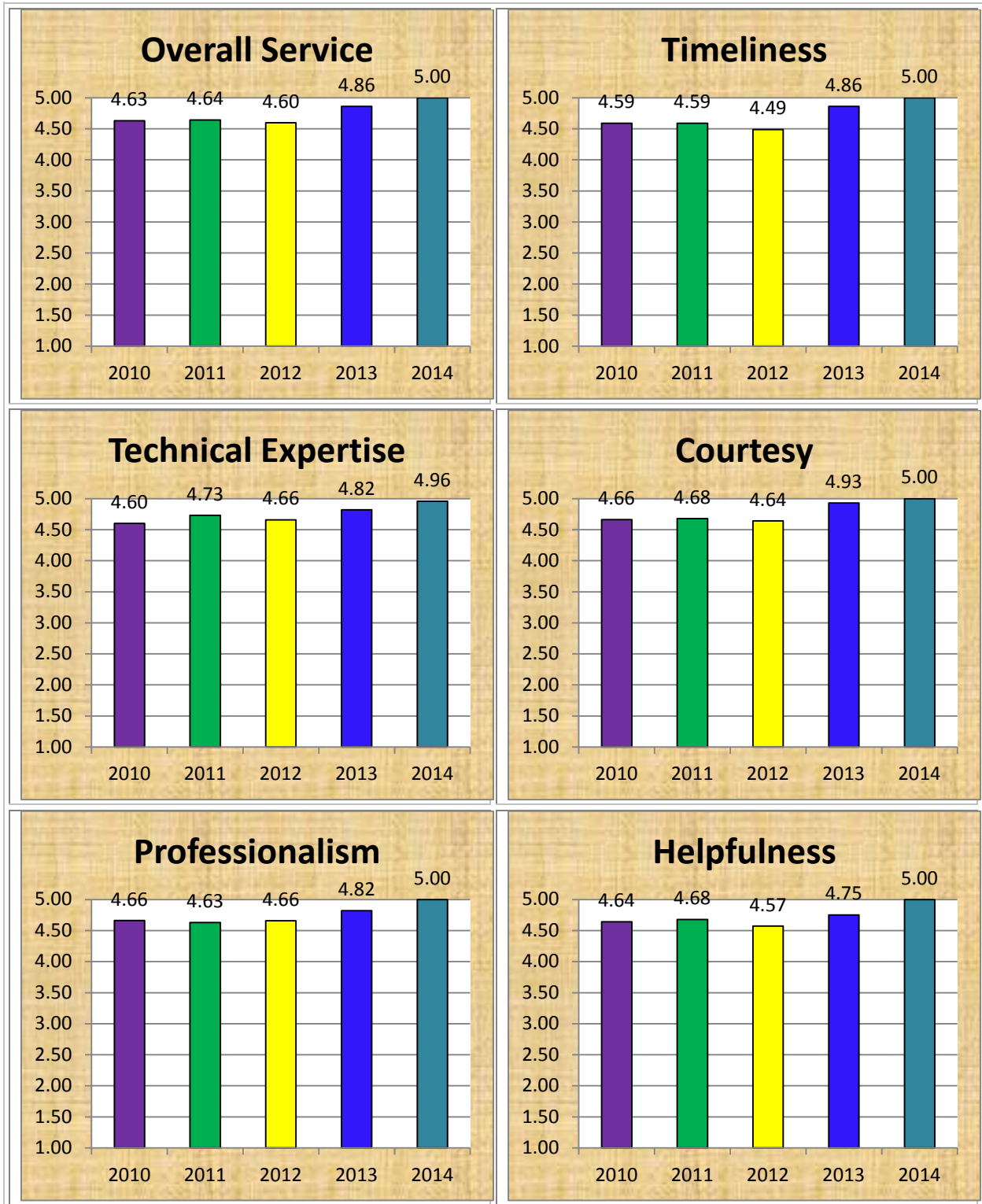
### **Auditees' Quality of Service**

The quality of service satisfaction for audits was high in all categories. As detailed in Table 4 and illustrated in the graphs on page 9, 2014 ratings exceeded those in 2010-2013 in all areas.

**Table 4- Auditees' Quality of Service**

<b>Sales Tax Audit Staff Service Quality</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Overall Service</b>	<b>4.63</b>	<b>4.64</b>	<b>4.60</b>	<b>4.86</b>	<b>5.00</b>
<b>Timeliness</b>	<b>4.59</b>	<b>4.59</b>	<b>4.49</b>	<b>4.86</b>	<b>5.00</b>
<b>Technical Expertise</b>	<b>4.60</b>	<b>4.73</b>	<b>4.66</b>	<b>4.82</b>	<b>4.96</b>
<b>Courtesy</b>	<b>4.66</b>	<b>4.68</b>	<b>4.64</b>	<b>4.93</b>	<b>5.00</b>
<b>Professionalism</b>	<b>4.66</b>	<b>4.63</b>	<b>4.66</b>	<b>4.82</b>	<b>5.00</b>
<b>Helpfulness</b>	<b>4.64</b>	<b>4.68</b>	<b>4.57</b>	<b>4.75</b>	<b>5.00</b>

## Graphs - Auditees' Quality of Service



## **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. Any significant or time-sensitive issues raised in the comments were immediately addressed with the Tax and License division management. 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 requires that a report be issued 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, 2014.