

PROGRAM FACT SHEET

Department of Revenue Collections Division

Services:

The Collections Division helps ensure that the State receives tax monies owed. The Division's collection functions are divided among three major sections:

- **Office Collections**—Office collectors generally handle the first step in the collections process and attempt account resolution through telephone and mail.
- **Field Collections**—Field collectors generally work on collections cases after collections efforts have been exhausted by office collections. Field collectors attempt account resolution via telephone and field contacts and can recommend that a case be written off.
- **Bankruptcy and Litigation**—Collectors assigned to this section are responsible for identifying cases that involve bankruptcy filings and following up on actions taken by the courts. Additionally, they handle a wide variety of other activities, including handling disputed accounts.

Facilities:

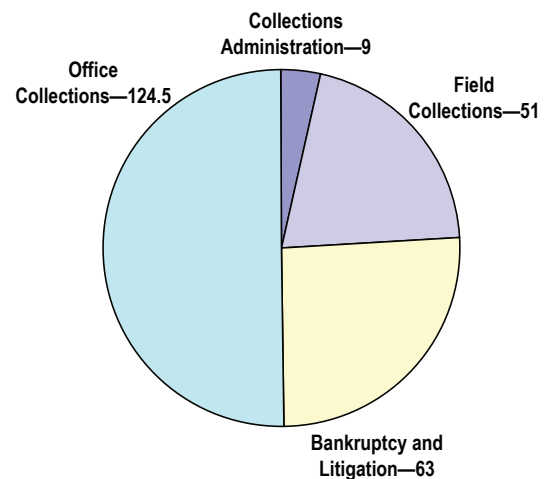
The Division's staff are located in three offices state-wide. Specifically, division staff are located in the agency headquarters, a state-owned building at 1600 West Monroe in Phoenix, and in a state-owned building complex at 400 West Congress in Tucson. Finally, Collections Division staff are also located in a privately owned facility at 3191 North Washington Street in Chandler, Arizona. The Division occupies 5,200 square feet of this private, 20,783-foot facility that the Department leases for \$283,426 annually, plus operating costs.

Equipment:

The Division uses a Predictive Dialer System (PDS) and an Automatic Call Distribution (ACD) system, which has an Interactive Voice Response (IVR) module. The PDS is an inte-

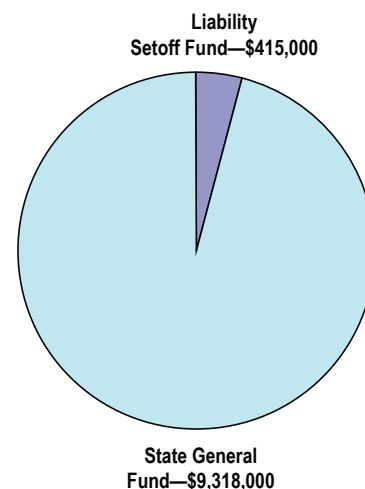
Program staffing:

247.5 FTEs, including 35 vacancies (as of January 2005)



Program revenue:

\$9.73 million (fiscal year 2005, estimated)



grated outbound call collection system through which the collector works the accounts the system dials. The system also provides taxpayer information on the collector's computer and anticipates collector availability. The Automatic Call Distribution system is a system that manages and processes incoming phone calls. The ACD has an IVR module that provides automated responses for some basic collections questions, such as account balances. The Division also has a Simon board, which reflects information from both the PDS and the ACD, such as the number of incoming calls, outgoing calls, and hold and wait times. The Department pays the Department of Administration for use of these systems, which are shared with other state agencies.

In addition, the Department's field collectors are provided handheld computers. The 50 devices contain specific information on taxpayers' accounts including amounts owed, payments made, and prior collections history. This allows collectors to perform major job functions, such as initiating payment plans and logging case activity, while in the field. The Department paid approximately \$500 for each device.

Mission:

To fairly and efficiently collect receivables and delinquent returns and to insure businesses are properly licensed/registered with the Department.

Program goals:

The Collections Division has adopted the Department's three goals:

1. To maximize the return on investment.
2. To maximize customer and stakeholder satisfaction.
3. To maximize employee satisfaction.

Adequacy of performance measures:

Although the Division's 18 performance measures appear to be generally appropriate and well-aligned with the three departmental goals, the Division should consider expanding its performance measures and ensure it has readily accessible data to monitor its performance. Currently, the Division has established a variety of performance measures including outcome, quality, and efficiency. To ensure that it can more effectively assess its performance, additional measures should be considered, such as those relating to collector caseloads, the age of collection cases, and the number of cases entering collections, as well as the number of cases and reasons for closures each year. Doing so will require that more data is readily accessible. Because of computer storage limitations on its outgoing system, the Division did not have key historical information readily available during this audit. The Division indicates that its new computer system, BRITS, is designed for better data retention and access. However, since BRITS is still being developed, the Division should identify the key performance data it needs and ensure that the BRITS system can readily provide this information.

Source: Auditor General staff analysis of unaudited financial schedules prepared by the Department of Revenue for the years ended or ending June 30, 2003 through 2005, the Department's 2004 annual report and strategic plan, the Department's organizational chart for the Collections Division, and other information provided by the Department.