

MINISTRY OF FINANCE

REVENUE SERVICES OF BRITISH COLUMBIA REPORT

January - December 2009

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Ministry
of Finance

Overview

In 2003, the Ministry of Finance developed a Centre of Excellence that focused on streamlining and simplifying revenue management across government while ensuring excellence in customer service. Key objectives included:

- Maximizing revenue collection within the principles of fairness and equity.
- Integrating revenue streams from across government.
- Improving the cost effectiveness of government's collection methods.
- Increasing multi-channel service delivery.
- Improving customer service.
- Maintaining the government's high standard of privacy and security protection.

The Ministry relies on both Ministry staff and a private sector Service Provider to deliver revenue management programs and services.

In 2004, HP Advanced Solutions Inc., a British Columbia company, was selected as the Service Provider and signed a 12 year Agreement with the Province of British Columbia. In 2009, EDS Canada Corp., the parent company of EDS Advanced Solutions Inc., was acquired and amalgamated with Hewlett-Packard (Canada) Co., and continued under the name of Hewlett-Packard (Canada) Co. In 2010, EDS Advanced Solutions Inc. changed its name to HP Advanced Solutions Inc.

Under the terms of the Agreement, the services are provided under the Province's official brand and mark, Revenue Services of British Columbia (RSBC), on behalf of the Province of British Columbia. RSBC's business responsibilities include:

- The creation and operation of a streamlined and simplified revenue management system (RMS), including the implementation of new technology and business transformation to support account management, billing, payment processing and collections activities.
- Excellence in customer service, focused on citizen-centred service delivery to ensure public services are more accessible, responsive and customer-friendly.
- Compliance with stringent privacy, confidentiality and contractual security provisions for the protection of British Columbians' personal information.
- Streamlining tax remittance processing.
- Implementation of timely and innovative information technology solutions and support for the Ministry of Finance revenue functions.

The services provided by RSBC vary by revenue portfolio, depending on the program and client ministry needs.

Contract Objectives

Implementing a Revenue Management System

The vision for revenue management in government calls for a citizen-centered approach to service delivery, where information is more easily shared, personal information is protected and access is improved by providing services electronically.

RMS highlights in 2009 include:

- Implementation of a second release in April 2009 that enabled e-Service functionality and included online account and statement inquiry, electronic bill issuance and presentment, online customer information, and online credit card payments.
- Implementation of a third release in August 2009 that incorporated revenue management functions for all Medical Service Plan (MSP) accounts. This release resulted in RMS becoming the official system of record for all MSP financial information, and provided a new MSP invoice with more information in an easier to read format.

Realizing Financial Benefits

Over the term of the Agreement, RSBC is expected to generate benefits by improving the collection of accounts receivable and reducing the associated bad-debt expense and government borrowing costs. Gross financial benefits realized through increased cash collections are anticipated to range from \$815 to \$905 million over 12 years. The Service Provider's share of the incremental cash collection would range from \$275 to \$288 million. The Province's share would range from \$540 to \$617 million. Net of ongoing operational and infrastructure costs, the Province's share is anticipated to range from \$440 to \$517 million over 12 years.

As of December 31, 2009, cash collections under the Agreement were in line with the \$905 million target.

Protection of Privacy

The Agreement contains stringent privacy, confidentiality and security provisions for the protection of personal information. These strong contractual provisions provide a comprehensive strategy and privacy framework for protection against unauthorized access, collection, use or disclosure or disposal of personal information.

Privacy protection highlights in 2009 include:

- Joint development and implementation of an innovative integrated process for privacy, security and financial control risk analysis, and
- Launch of a public-facing version of RMS that securely enables citizens to access and edit their personal information online.

Of 4.6 million customer contacts in 2009, 16 incidents where personal information was misdirected due to human or technology error occurred and were fully addressed. The Ministry notified affected individuals and advised the Office of the Information and Privacy Commissioner where appropriate.

Providing Information Technology Services

In addition to the delivery of select revenue management services, the Service Provider provides the following information technology services to the Ministry:

- Project, Architecture and Engineering Services to support, manage, or execute Ministry initiatives.
- Application Services, including the management, maintenance, and enhancement of certain applications.
- Infrastructure Services, including application hosting, to ensure ongoing business continuity and support.

Information Technology highlights in 2009 include:

- Refresh of 1,100 workstations and peripheral devices to government standard.
- Development and implementation of the Property Taxation Deferment Financial Hardship Program and adjustments to Coal Bed Methane Royalties.
- Introduction of a development environment to standardize solution architecture, reduce support costs and improve project delivery times.

Governance and Audit

The Ministry and the Service Provider have in place an effective joint governance process reflective of best practices in alternative service delivery initiatives. This includes two joint executive and three joint oversight committees where issues identified are resolved or escalated for resolution in a timely formal manner.

The Ministry has extensive rights to perform reviews and audits that include the use of internal or external auditors or other professional advisors. Audits may cover any aspect of the Agreement, including privacy and security, general controls, practices and procedures, and financial or business matters. The Service Provider is also subject to investigations and reporting by the Offices of the Information and Privacy Commissioner, the Ombudsman and the Auditor General of British Columbia on any issue within their respective mandates.

Contract governance and audit highlights in 2009 include:

- An increase in April 2009 to the benefit sharing percentage in favor of the Province, one year ahead of schedule.

Service and Performance

The Agreement includes 12 service levels and 13 performance measures. The Service Provider can be assessed a financial penalty when service levels are not met, and can be subject to contract escalation procedures when performance measurement targets are not met. To date, the Service Provider has not been assessed a financial penalty.

In 2009, all service levels and performance measures in effect met their targets, with two exceptions. Since August 2009, both the Customer Call Wait Time and Customer Abandonment Rate performance measures exceeded their respective interim targets because of a significant increase in call volumes that stemmed from the introduction of the new MSP invoice, the new MSP account number, and the MSP rate changes effective January 1, 2010. The Service Provider is in the process of implementing a number of initiatives that should help to reduce call volumes.

The following six service levels or performance measures are considered key success factors and highlight the quality of customer service delivered by RSBC:

	Monthly Average for Calendar Year					
	Target	2005	2006	2007	2008	2009
Number of Customer Contacts ¹	n/a	196,250	183,000	227,530	236,925	385,407 ³
Service Levels:						
Substantiated Customer Complaints (as % of customer contacts)	0.02%	5.3 or 0.003%	1.3 or 0.001%	1.6 or 0.001%	0.9 or 0.001%	1.9 or 0.001%
Customer Busy Signals (as a percentage of total calls)	1%	5.1%	0	0	0	0.03%
Deposit Cycle Time (cheques only, same business day) ²	90%	n/a	n/a	n/a	99.4%	99.8%
Application Availability ²	98.0%	n/a	n/a	n/a	99.6%	99.9%
Performance Measure:						
Customer Call Wait Time	3.0 min	3.2 min	2.1 min	2.8 min	2.9 min	6.8 min
Customer Abandonment Rate	10.0%	n/a	10.4%	11.2%	10.7%	19.9%

¹ Including correspondence, inbound calls, outbound calls, dialler calls and email.

² In effect as of October 2007.

³ Following RMS 1.H go-live in September 2009, the Number of Customer Contacts increased substantially with the addition of bills for MSP under 90 day accounts and the addition of a RSBC telephone number on the bill.