Achieving "compliance by design"

Now a top priority for social services and revenue agencies

accenture

Improving the experience citizens receive can play a critical role in boosting compliance. And digital channels present an unprecedented opportunity for agencies to lead with impact in this crucial area.

In a post-pandemic world, compliance matters even more

Worldwide, COVID-19 transformed entitlement to benefits. As governments moved fast to shield their citizens from the pandemic's economic impact, unprecedented sums of money flowed through welfare programs. For millions of people, entitlement to financial support changed almost overnight.

Now increasing fiscal pressure is putting more scrutiny on agency budgets, taxation receipts and non-compliance. Most people want to comply with government rules and regulations and non-compliance is usually unintentional. But it can be hard to comply when processes and systems are complex, outdated, and out of step with citizens' other digital experiences.

Making compliance easier—through more personalized, real-time and accessible digital experiences—has been a high priority for agencies for some time. But while they have been making progress in this direction, many are still seeking guidance on how to ensure these initiatives better support citizen needs, reduce errors and delays, and cut costs.

To better understand the fundamental changes that are needed to improve compliance, in March-April 2021 Accenture conducted a study of more than 4,000 people[1] (from Australia, France, Italy, United Kingdom and the United States). Survey respondents told us that they want straightforward, intuitive digital compliance processes. This creates real scope for agencies to improve compliance through digital experiences designed for people.

However, for government agencies to provide these experiences, they need citizens to be willing to share their data and interact in different ways with authorities—something which our survey shows they are currently reluctant to do.

[1] Respondents were people who had received social services or interacted with tax or revenue agencies in the last 12 months.
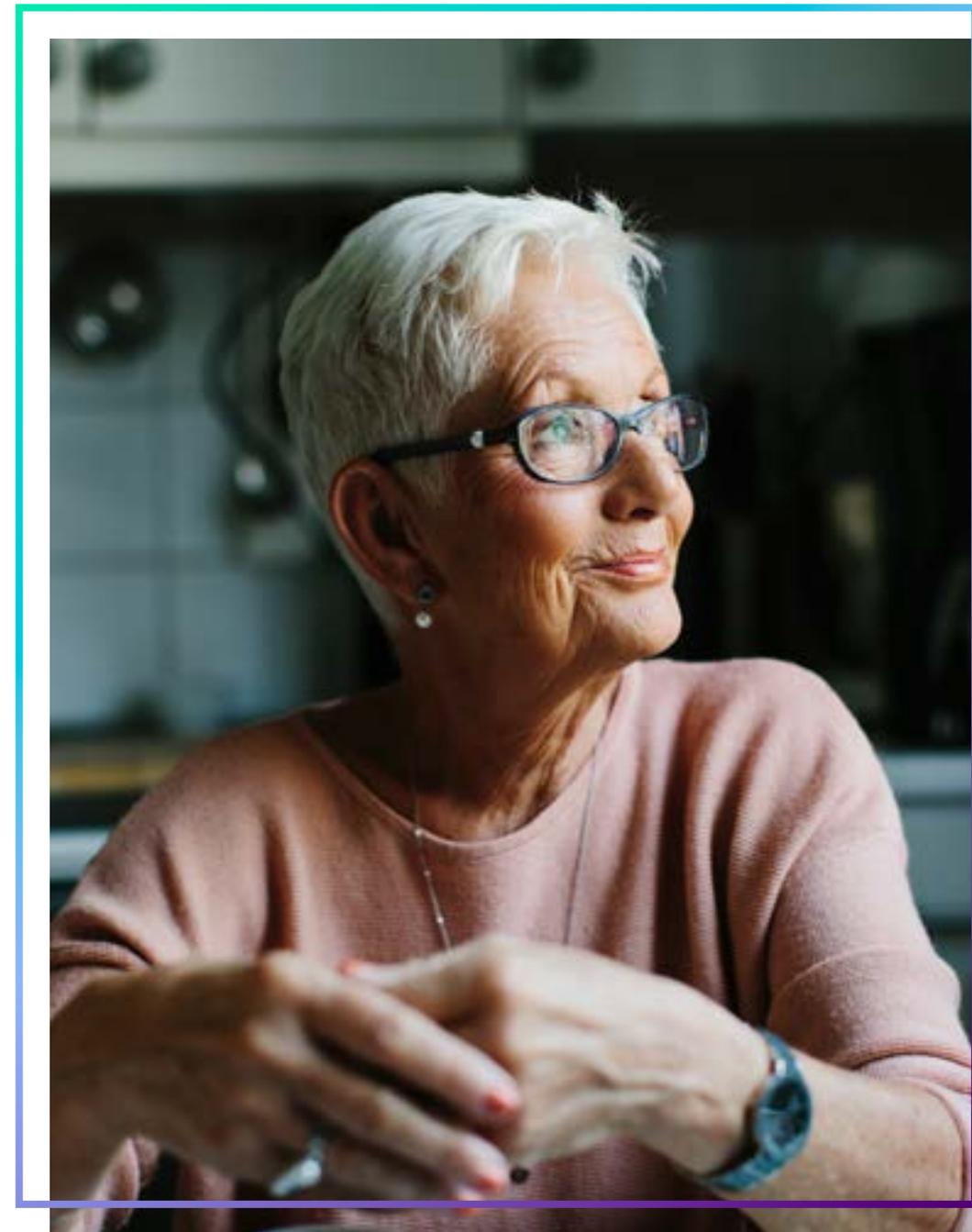
The trust gap

Citizens' comfort with data-sharing—central to the [Organization for Economic Co-operation and Development's (OECD) 3.0 vision for the digital transformation of tax administration](#)—hinges on their trust in public institutions.

This encompasses trust in the digital ecosystem in which government operates, trust in how government uses and protects data, and trust in the accuracy of the returns and/or benefits it provides. Pre-pandemic, that trust was in decline, with just 45% of citizens in OECD countries saying they trusted their government in 2019.[2] And it is unlikely to have been significantly raised since then.

Our survey underlines the scale of challenge currently confronting governments in the drive to elevate trust and improve transparency for citizens.[2]

[2] Organization for Economic Co-operation and Development, [Trust in Government](#)

59%

Today, 59% of respondents are uncomfortable with their data being shared with third-parties (even if it improves the service experience).

44%

44% of citizens globally (and 59% in the US) are very concerned or concerned about the security of their personal information held by government agencies.

Trust is vitally important as an enabler of more complete and more accurate digital services. Without trust, citizens will likely be unwilling to be as open with government as they would otherwise be.

This will likely have two unwelcome consequences. First, because data might not be captured as a natural part of transactions, government will likely need to explicitly request it, adding to the compliance burden on citizens and increasing costs.

Second, less data means government compliance activity can be less effectively targeted. This will likely undermine citizen confidence, making them less willing to use a service or tool and non-compliance could escalate as a result.

Taking action: a focus on citizens, agencies, and whole of government

Trust in government can be gained or lost for a wide range of reasons. Elected officials play a crucial part. But leaders of government agencies can also drive trust in the services for which they're responsible.

So what can agencies do to build trust and user confidence in service delivery and, by doing so, improve compliance?

We have identified three priorities.

01

Provide 'natural' end-to-end experiences, designed for people

With digitally-enabled experiences, agencies can reinvent collection and disbursement processes—and save money at the same time. The more 'human' and 'natural' these experiences are—intuitive, personalized and proactive—the more they can change behaviors. And the simpler experiences are, the more compliant citizens and businesses can be.

One way in which trust can be built (or eroded) is through the quality of citizen digital experiences and agencies need to design experiences with this in mind. Transparency feeds into this, of course: ensuring that services are clearly communicated, with continuous updating on status. But at a more fundamental level, agencies need to focus on improving the digital experiences they provide.

We know non-compliance is mainly unintentional so it's important to make it as easy to comply as possible. This means interactions and experiences must be so user-friendly that mistakes become a rarity.

Technology, on its own, is not the solution. Citizens are receptive to interacting with bots, but they still value human interactions. Agencies need to strike a balance between the two.

Right now, however, just **one in five** respondents (on average) feel that their digital experiences are intuitive, personalized, proactive, or human to a large extent.

And only **one-third** have a high level of confidence that their return or benefits can be correct.

To improve the quality of experience that citizens receive, agencies can take these four steps:

1. Introduce more flexible IT solutions and real-time interactions, such as chatbots and/or Q&A with staff.

2. Identify the types of citizen data that can help to support the creation of more personalized, proactive services (e.g. education, health and income data.)

3. Build prototypes of new digital solutions, co-created with citizens.

4. Integrate human-centric design principles into the core service design approach.

Accenture's Virtual Visits Solution is helping governments make services more accessible while increasing trust through safe, on-demand delivery. The completely virtual solution allows for secure self-service booking of appointments, sharing of documents and information, and follow-up interactions to maintain ongoing engagement between citizen and service provider.

02

Help citizens with easier processes

There are two key levers for this. More data sharing can enable compliance processes to be pre-populated with the relevant information. Citizens can simply need to acknowledge the information's accuracy. Second, where citizens do have to input data, clearer guidance can help them understand what information is required.

Right now, there's work to be done. In our survey, more than half of citizens globally say that with confusing processes and no clear guidelines, it's (very) easy to make an error during digital interactions.
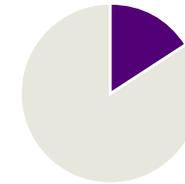
Currently, just **16%** have a strong understanding of the benefits to which they may be entitled.
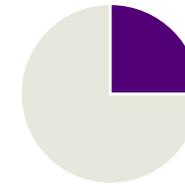
And only **25%** have a strong understanding of their individual tax obligations.

For agencies, the point is not to attempt to build universal tax knowledge. It's to ensure universal tax compliance by designing it into the process. Provided citizens trust the agency to have the relevant data and related payments as part of a 'natural system' of taxation, they just want to know that their obligations are being dealt with—so they don't have to fill out tax returns themselves.

More sharing of information across the inter-government network can enable processes to be pre-populated with information that citizens recognise as accurate. This requires citizens to trust government with their data and we found that most do.
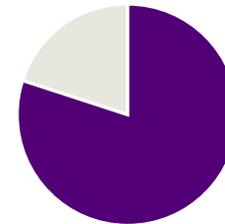
80% globally trust revenue and social services agencies with their personal data to a moderate or large extent.
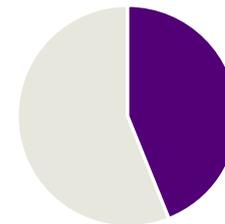
However, a significant contingent exists (**44%** of citizens globally) that is very concerned or concerned about the security of their personal information held by government.

While security is a complex challenge, with ecosystem and workforce dependencies, to build trust still further, government needs to fiercely protect citizen data, and be seen to do so.

To significantly enhance citizen transparency and make better use of inter-government agency data-sharing, agencies should be looking at these actions:
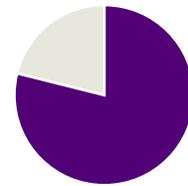
1. Use human-centric design principles to make accessing additional information and question-resolution as fast and intuitive as possible.

2. Provide consistent and ideally real-time engagement through multiple modes/channels

3. Use social listening to better understand the citizen conversation and common concerns

4. Focus on security through a holistic approach:

    • Implement a security operations centre to build structural defenses within the organization
    • Reinforce a culture of data security throughout the workforce
    • Understand security interdependencies in the partner ecosystem and address any vulnerabilities.

The German Labour Agency (Bundesagentur für Arbeit) has introduced an overarching, personalized platform to make it easy for its highly diversified user base (from school-leavers and active jobseekers to corporates and other institutions) to find the information they need, all in one place, 'within three clicks'. This intuitive portal spans all benefit programs, can be accessed via mobile and online, and provides customer-centric content and services tailored uniquely to each user's circumstances.

03

Create a better digital infrastructure… government-wide

Robust government-wide digital infrastructure is key to creating an environment where compliance can thrive. A focus on digital ID and stronger national payments/e-invoicing standards, for example, can ultimately provide better quality and more timely data, and increase confidence in outcomes— allowing agencies to shift compliance efforts from post-event controls to real-time risk monitoring.

They told us the top two ways to help them make fewer errors would be to validate data as it's entered and pre-fill as much information as possible.

One way forward? The introduction of a cross-government digital ID will likely help to provide a centralized source of citizen data. And this is widely supported (72% support this or are neutral about it).

Real time access to government services really matters to citizens— **79%** of respondents say this is very important or important to them.

In Australia, Employment Minister Stuart Robert has said the country's digital ID program is a high priority for all government agencies, announcing that its Digital Transformation Agency (DTA) is relocating from Services Australia to the Department of Prime Minister and Cabinet. The government will likely set up three cyber hubs to allow large agencies to provide cybersecurity services for small agencies. An electronic funds transfer point of sale vendor (Eftpos), has applied for its digital ID service to be accredited, making it the first business to apply to be part of the framework.[3]

[3] Australian ministers agree to work on national digital identity and data sharing

Steps agencies can take now to contribute to a stronger government-wide digital infrastructure include:

1. Focus on data sharing, open government (platforms), national infrastructure initiatives, and adherence to standards.

2. Modernize system architectures to accommodate new capabilities related to creating a national digital ID.

3. Champion an approach that repositions government organizations around the delivery of exceptional citizen experiences that respond to their new, often unmet and frequently changing needs.

4. Track the evolution of new technologies and standards for sharing data to improve the user experience and reduce errors in financial transactions.

Start your journey to a more trusted compliance experience

Digital processes and data-driven operations can accelerate progress towards a less error-prone, more frictionless, and more personalized compliance experience for citizens. For this to happen, enhanced citizen trust is crucial.

And trust can only be established and increased by reimagining the compliance process with a more human approach.

About the authors

Rainer Binder
Managing Director
Public Service, Social Services Lead
rainer.binder@accenture.com

in

Rainer has more than 20 years of experience working with government agencies and large commercial organizations across the globe. He is a recognized expert in supporting social services, employment and pensions agencies in the fields of strategy, business transformation, program management, IT program delivery and solution design. He has an Economics degree from the University of Hohenheim and is based in Germany.

David Reagan
Managing Director
Public Service, Revenue Lead
david.regan@accenture.com

in

David has more than 25 years of experience working with revenue authorities around the world. He is particularly skilled in supporting transformation journeys, designed to create positive outcomes that impact citizens and businesses across the world. He has a bachelor's degree in Civil Engineering from University College Dublin, and a master's in Information Technology from the University of West England. He is based in Dublin.

Meghan Yurchisin
Senior Principal
Public Service, Accenture Research Lead
meghan.yurchisin@accenture.com

in

Meghan has more than 12 years of experience researching and advising government clients around the world. Her current portfolio focuses on how macroeconomic, geopolitical, and technology trends affect public service organizations and their strategic response. Meghan holds a BA from Grinnell College and an MBA from the University of Oxford. She is based in Washington, DC, USA.

About Accenture

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 569,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. Visit us at **www.accenture.com.**