Objective and features

1. Objective
The Tax Administration Maturity Model Series primarily aims to allow tax administrations to understand their strengths and weaknesses and compare their level of maturity with other tax administrations on an anonymized basis.

2. Institutional coverage
Tax administrations at national and subnational governments.

3. Technical coverage
The maturity model covers different aspects of tax administration.

4. Application method
Self-assessment or by any external assessor.

Methodology

5. Methodology
The overview of the model displays a set of summary descriptors for each maturity level by subtheme. Results of the self-assessment are recorded by comparing actual practice with the summary descriptors. In addition to recording the level of maturity, there are some open test boxes where it is possible to record the key evidence for determining maturity.

By nature, maturity models are not prescriptive regarding the details of processes and regarding how broad outcomes should be achieved. There is neither one-size-fits-all nor any detailed method that should be preferred over another in all circumstances. There is also no judgment within the models themselves as to what the optimal level is for a particular tax administration.

This will depend on their own circumstances, objectives, and priorities.

6. Benchmarking system
The model sets out five levels of maturity:

1. Emerging level represents tax administrations that have already developed to a certain extent, and, at least in the area of tax debt management, have made significant progress.
2. Progressing level represents tax administrations that have made or are undertaking reforms in tax debt management as part of progressing toward the average level of advanced tax administrations.
3. Established level represents where most advanced tax administrations are, such as FTA members.
4. Leading level represents the cutting edge of what is generally possible at the present time through actions by the tax administration itself.
5. Aspirational level looks forward at what might be possible in the medium term as the use of new technology tools develops and as tax administrations make a paradigm shift toward a more seamless tax administration.

7. Linkage to PFM framework
The maturity model is related to PFM (Performance Indicator Revenue Administration, PI-19).

8. Complementarity with PFM framework
The maturity model provides a drill-down detailed diagnostic for specific revenue administration operational functions.

Development and use

9. Development and coordination
The OECD Forum on Tax Administration (FTA) first developed a maturity model in 2018 in order to assess digital maturity in two areas—natural systems/ portals and big data. The digital maturity model was introduced in the OECD 2018 report, Technologies for Better Tax Administration. Building on this, work began in 2018 to develop a set of standalone maturity models covering the functional areas of tax administration, such as auditing and human resource management, as well as the more specialized areas such as enterprise risk management, analytics, and measurement and minimization of compliance burdens.

As of December 2019, maturity models on tax debt management and compliance burdens have been developed and published. Enterprise Risk Management Maturity Model and Digital Transformation Maturity Models were published in 2019. The Belgian Debt Management Agency and the Advisory Group comprising of Canada, Hungary, Norway, Spain, and Singapore were involved in the development of the maturity model.

10. Assessment management
The main steps of the assessment process are as follows:

- The administration decides which of the OECD maturity models to use.
- Relevant stakeholders are brought together in a workshop-style meeting where a lead person guides all participants through the model, with a set of descriptors for each maturity level by subtheme. For participants to understand what a given level of maturity means, a set of indicative attributes is also provided under each maturity level.
- The participants discuss each subtheme, and, guided by the indicative attributes, decide together the level of maturity the administration has for each subtheme.
- The outcomes are recorded in a self-assessment record sheet. Tax administrations are encouraged to record evidence as to why they arrive at a level of maturity to facilitate understanding of the assessment and provide the background for future assessments.

There is no system in place for external quality assurance and the framework relies on internal governance to avoid functions scoring themselves higher than justified. However, nothing prevents a tax administration from having an external verification.

11. Uses by the government and members of the PFM community
Maturity models can be used regardless of the capacity of the tax administration or income classification of the country. The model can help users in formulating a strategy and in identifying areas for further improvement, including where the improvements need to be supported by the actions of other parts of the tax administration. The models also provide an opportunity for seeking peer-to-peer assistance and advice from other tax administrations.

12. Sequencing with other tools
Some jurisdictions may find value in combining the use of the maturity model with other external assessment tools, for example the EADAT (ESI) or with internally generated performance indicators.

13. PFM capacity building
The level of maturity can help in formulating a strategy and in identifying areas for further improvement, including where they can be supported by the actions of other parts of the tax administration.

14. Tracking of changes and frequency of assessments
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15. Resource requirements
For self-assessment discussion - feedback from administrations suggests that it may take from a half day to a full day. Resources required include a range of functional staff across grades, someone outside of the function to lead the discussions, and staff from other tax administration functions, ideally at a relatively senior level, to assist in the challenge function and to provide insights from their perspective.

Transparency

16. Access to methodology
The toolkit documentation is available. Detailed instructions about the toolkit, consisting of details on each theme, is available. The methodology is documented in Norad mapping.

17. Access to assessment results
Database is internal to the FTA Secretariat. Reports of the assessment are kept anonymous to help ensure that administrations are not influenced in their use of the maturity model by concerns about external perceptions. This is intended to reinforce its primary purpose as a self-assessment tool for informing a tax administration's future strategy.

The results will always be owned by the administration conducting the self-assessment. However, administrations are encouraged to report results to the OECD FTA Secretariat on a confidential basis, who will then produce anonymized heatmaps that allow administrations to see where they are compared with others. Tax administrations that wish to speak to peers for knowledge sharing purposes (for example to those who are at a leading or aspirational level) can ask the OECD Secretariat to connect them to that peer.