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LEVERAGING TECHNOLOGY TO ENHANCE REVENUE ADMINISTRATION**

Introduction

Revenue administration is the implementation and enforcement of tax laws and regulations as mandated by a given nation or state's constitution. The backbone of a tax administration is the collection of levies and taxes as stipulated by the law. The processes involved in the administrations' operations are designed to simplify the collections of levies from the citizens and filing of tax returns in a friendly and corporate way, within the law as listed below, given the automated services.

- Electronic registration of taxpayers, including detection of non-registration and false registration.
- Automatic processing of tax returns, withholdings and third-party information.
- Electronic verification or examination of the correctness and completeness of received information (including audit activities).
- Process of enforced debt collection.
- Handling of administrative appeals and complaints.
- Provision of on line and mobile service and assistance to taxpayers.
- Detection and prosecution of tax fraud.

Facilitating, monitoring and enabling compliance through technology.

The above functions comprise of enabling processes that are integrated to facilitate for tax administration. The processes are undertaken as per best practice/the legal lines of a given country and secure environment.

Monitoring Performance

According to National Institute of Standards Technology special publication 800-61, 800-83, 800-92 and 800-94; monitoring capability is guided and achieved through a variety of tools and techniques such as: intrusion detection systems, intrusion prevention systems, malicious code protection software, audit record monitoring software, network monitoring software). Monitoring devices are strategically deployed at selected perimeter locations and server farms supporting critical applications to collect essential information and to track the impact of authorised and non-authorised security changes to the information system. This is key to protection of the service applications and databases that hold critical information of tax processes and taxpayers that are registered in the

tax administration system. Appropriate legal counsel and law enforcers are major team players of tax administrations in instances heightened risks of Revenue authorities' operations, assets are legal counsel with regard to all information system monitoring activities. Organizations **heighten the level of information system monitoring activity whenever there is an indication of increased risk to organizational operations, organizational assets, or individuals based on law enforcement information, intelligence information, or other credible sources of information.**

Monitoring involves establishing indicators; setting up systems to collect information relating to these indicators as shown in the framework above; collecting and recording the information; analysing the information; and using the information to inform day-to-day management. The key reasons for monitoring can be summarized as follows:

- To establish if performance targets have been met and the explanations as necessary;
- To act as an early warning system and detect potential difficulties and help to address them during implementation.
- To provide feedback to the next phase of implementation, reduce the cost and/or increase the efficiency of post evaluation studies.
- The strategy will be implemented through performance contracts by the ICT Department and its constituent units.
- The ICT Department will monitor the implementation of the strategy on a monthly basis while the corporate will monitor the implementation of the strategy on a quarterly and annual basis.

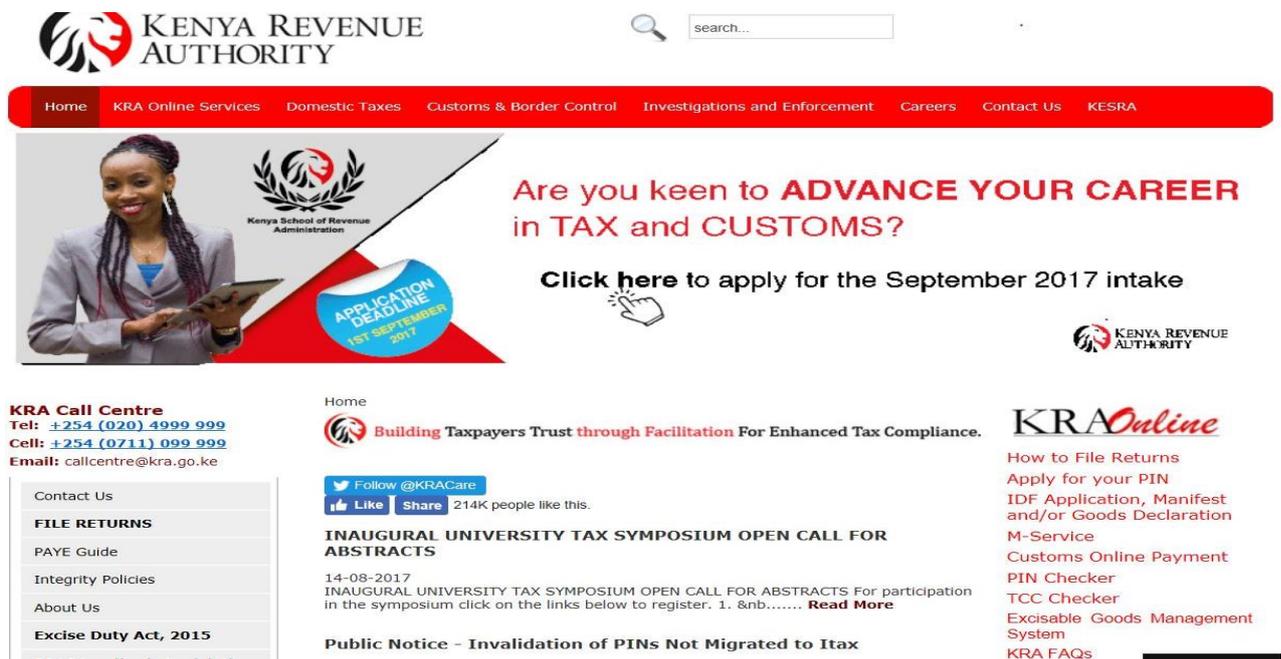
As a growing continent with growing economies, tax administrations ought to be updated with technology which is currently being embraced widely in the continent. Automation of tax payer services demand for exploitation of emerging technologies to provide enhanced services to citizens and businesses of a given country in order to deploy improved compliance programs and maximise revenue collection.

The technological strategy is geared towards minimal customer contact and more customer self-service oriented. This should be followed by electronic options for tax payers in order to support business operations with appropriate and evolving set of tax administration applications and productivity tools. This will be a foundation that will facilitate for development of business intelligence and data mining capabilities to support tax administrations' focus on using risk based approaches to tackle non-compliance in all its forms (Saina, 2014/2018).

Equipping staff with skills to deliver in an increasingly digital environment.

The automation of services and processes in organisations has resulted to an exodus from the traditional manual operations. Employees underwent training and customers through online and media sensitization to achieve maximum service provision and customer satisfaction within the tax administration.

Despite the high costs incurred during service provision and process automation, high service quality, efficiency and convenience carries the day. Revenue authorities are now able to serve thousands of clients at once. Through mobile payments and online filing provisions, one can access services at the comfort of their homes and offices via the Kenya Revenue Authority website. As shown below



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Kenya then introduced Transfer pricing rules in 2006 to supplement the provisions of section 18 (3) of the Income Tax Act (ITA) 2006, Cap 470, as amended by the Income Tax rule, 2012 and Income Tax rule, 2014. This simplified the environment and conditions for international business operations and cooperation within the Kenya Revenue Authority as it limited the relevant clients to within defined laws and guidelines thus sealing the loopholes of anarchy. (Wenckebachweg, 2015)

Kenya Revenue Authority uses data analytics for its compliance risk management. This enables reviews and references in order to mitigate risks and prevent future occurrences. (LUBANO, 2011) Three main competences for risk management are:

- **Process** - At its best, risk management is an iterative process.
- **Facilitation** - Using facilitation skills is critical to creating an open, safe environment that enables participants to explore risks, develop mitigation strategies and set priorities thus bringing everything together in effective risk management.

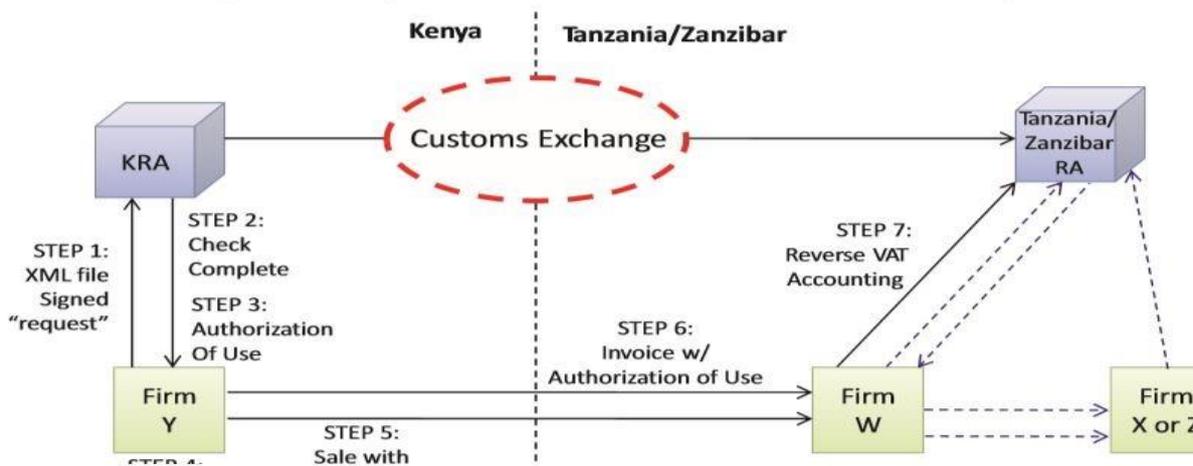
- Storytelling -in order to manage risk, one needs to envision and communicate many scenarios that might occur. (Brennan, 2017)

When it comes to customer relationships and interactions, social media plays a major role in Kenya Revenue Authority. Facebook, twitter serve as interaction platforms for updates, complains, comments, queries, contacts, sensitization and other needed information that facilitates for tax administration in a simplified format.

Kenya Revenue Authority has an Information Technology system called iTax. iTax is a web-enabled and secure application system that provides a fully-integrated and automated solution for administration of domestic taxes. It basically enables Taxpayer internet based PIN registration, returns filing, payment registration to allow for tax payments and status inquiries with real-time monitoring of accounts.

Block chain technology creates a strong, secure, transparent distributive ledger, thus serving as a revolutionary technique. Kenya Revenue authority, in conjunction with Tanzania and Zanzibar have implemented this technology which helps them fight Fraud and maximise on profits from their business operations. (Shact, 2016)

Figure 3. Kenya and Tanzania/Zanzibar Customs Exchange



During the transition from Legacy to new IT systems, there was the need to undertake change management among the staff in order to minimize resistance and facilitate for a smooth operation. Flexible employees had to undergo training in order to simply their interactions with the new systems which helped Kenya Revenue authority to do away with the traditional long queues along its corridors. (Okoth, 2014)

The automated environment is effective and convenient in terms of tasks completed at a given time. One may encounter malfunctions due to system overload, hardware, software and connectivity issues but system continuous maintenance ensures that work goes on through its dynamic processes within Kenya Revenue authority. Enforced security controls within the systems ensure

confidentiality, Integrity and availability of information in time for business processes and services within Kenya Revenue Authority.

Conclusion

Technology is the future of world class business organisations. The more technology innovations are implemented, the easier and more convenient Tax administration becomes and the more the systems are going to be exposed to threats from cyber criminals and natural disasters such as fire, earthquake or insiders. Tax administration should focus on incident prevention, mitigation and business continuity after disaster strikes. This is achievable through organised backups, cloud computing/storage and well planned contingency strategies.

Recommendations.

With emerging technologies that integrate services within organisations, Tax administrations have reduced fraudulent activities, revenue loss and increased income. Tax administrations can play a major role to fight corruption in the police and judicial departments and pay them more through an integrated financial system that channels money paid as traffic and court fines. The income collected as fine will be directed to paying the policemen and court officials to avoid bribe temptations which lead to massive corruption that extends its claws to other departments that greatly frustrates the mission and vision of African tax administrations.

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