

## SAMOA 2017: BACKGROUND PAPER

**THEME: Leveraging technology to enhance revenue administration**

**Topic 1: Facilitating, monitoring and enabling compliance through technology**

**Topic 2: Equipping staff with skills to deliver in an increasingly digital environment**

### SAMOA - MINISTRY FOR REVENUE (INLAND REVENUE & CUSTOMS)

Ministry for Revenue (MFR) currently uses technology to facilitate and manage 90% of all its taxpayer services to the Samoan community and government services.

In the past 6 years, the transition on how we carry out our business in the Ministry vastly improved through the use of technology.

Improvements in terms of -

#### Availability

- Ensuring services and online resources are available at all Ministry sites for both staff and customers. Improved infrastructure for fibre and wireless connections from 3 to currently 8 sites between 2 main islands.



- Availability of these links enable staff to access resources and retrieve online information from the intranet such as legislations, contacts, CEO updates and staff announcements, 24 hours a day.

#### Accessibility:

- Staff has access to resources such as main tax systems, printing services, intranet, internet and telephony environment etc.
- Authorised IRS staff have access to its main tax system - Revenue Management System (RMS) on a daily basis from any location.

- Taxpayers that have registered online can access the Samoa Online Tax system (SET) via our Ministry website ([www.revenue.gov.ws](http://www.revenue.gov.ws)) or its specific link ([set.revenue.gov.ws](http://set.revenue.gov.ws)).

#### **Governance:**

- Setup a governing body for all Information, Communication and Technology services and policies - ICT Security Governance Committee.
- Improved security features through upgrades of RMS, and infrastructure to be inline with international best practises.
- Implemented Compliance strategies to facilitate and monitor various activities such as:
  - A new division - Policy, Performance and Improvement team that manages all areas of policy reviews, Ministry monthly balanced scorecards, and data analysis etc.
  - A new team - Community Compliance Unit (CCU) that manages our relationship with our customers by providing trainings one to one, and one to many to assist on our compliance.
  - Segmentation of taxpayers to specialise focus areas such as Large Enterprises, Small Medium Enterprises and Special Audit cases which consist of hidden economy cases and high wealth individuals.

#### **Technology Improvements**

##### **Tax System (RMS)**

##### **1. Audit Case Management and Selections (CMS).**

Tax risk profiling is done during the Plan phase of audit for which comparison of financial status, industry profile, taxpayer's profile, tax issues, external data source if available and locally develop filters are manually extracted and recorded. For audit this is input and submitted for approval using the three phases of audit (ie) Plan, Act & Close. All paper work are loaded/scan and save under each taxpayer's TIN with reports and final audit letters.

##### **2. Debt Management (DM)**

Taxpayer debts are managed and can be accessed using its relevant TIN. All information associated to the TIN can be viewed by each staff depending on its access role as approved by its team leader.

It also has other functions to manage audit cases. Full utilisation of this DM is not yet functioning due to training required as the turnover of staff in this area is huge. Disputes and Objections (DOW) is also recorded and monitored

under this CMS as well as the Instalment Arrangement (IA) and Enforcement cases.

### 3. Online Services

Web services can be linked to the main RMS platform with available tools such as -

- (a) online filing for all PAYE and VAGST returns including the recent launch of the INCOME TAX in September last year. Since its launch in 2014, online registered users have increased by an average of 4% every month.
- (b) Online services also include viewing of statements, due dates and online help.
- (c) The initiation and development of the tax due-dates reminder scheme through utilisation of telecommunication services was indeed a great move towards strengthening communication with our stakeholders and the public general. This will further expand viable means of reaching our stakeholders and customers on a timely basis.
- (d) Reports are available for auditors, taxpayers, payments etc

## Planning and Policies

### 1. Compliance Improvement Plan

The launching of our Compliance Improvement Plan 2016 - 2018 was also an achievement which we are still monitoring thru our Compliance Risk Management Committee (CRMC) meeting held every second Thursday of every month.

### 2. IT Strategic Plans (2011-2016)

The IT Strategic direction of the Ministry started in 2011 to ensure employees are equipped with technology resources to carry out their duties efficiently, including upgrades to systems, computers/laptops, internet, e-learning facilities, telephones, file and storage management etc.

#### 1. Success factors:

- (a) Our administration is now being able to get access to the use of E-filing & E-Payment as well as using the RMS to conduct audits, debt collection under the Case Management system.
- (b) Currently we have no call centre but we have introduce a similar service for reminder of tax returns before due dates either thru the use of telephones or e-mail, and simple sms messaging.
- (c) Auditors are able to extract reports from the Customs automated systems - ASYCUDA++ and ASYCUDA World to review tax information and support

its audit activities. There is the future possibility of linking both systems in a separate project to ensure staff can access all customer records from both systems from one central location.

2. The challenges:

- (d) We continue to face the need to have the full understanding and use of this system to assist in our compliance area.
- (e) Maintenance and system upgrade costs
- (f) Up skilling of staff is one area due to the turnover of staff thus we need training to be done at least three to four time per year to ensure that the staff are onboard of the functions and uses of the system.

A simple use of email allows us to communicate and exchange information with relevant agencies. The information exchanged is limited to what is available as part of our online services which is to encourage taxpayers to self-register.

We have yet to get a case done using this information to access what benefits would our administration get from this exchange of information. Currently these requests for International information are process thru our Legal division. With the Automatic Exchange of Information (AEOI) whereby Samoa has signed in thus this is another huge area that we are sourcing it out due to funding and implementation. Given the issues for security thus our IT strongly required the support not only financially but thru capacity building.

Some major important data for audit cases are the third parties information from Ministry of Natural Resources & Environment (MNRE), Samoa National Provident Fund (SNPF), Ministry of Industry Commerce & Labour (MCIL), Central Bank of Samoa (CBS) as well as all information from the banks.

Data analysis is managed by one of the newly established division, the Policy and Business Improvement division. It is responsible with compiling reports, analyse data accordingly and then recommend appropriate policy if necessary. With limited resources, we use our risk management approach to manage the compliance behaviours of our taxpayers. Accordingly, we select high risk cases following analysis of certain reports within our database by applying pre-determined criteria that are within our system's case selection function. However, we only have one analytical senior officer who does this work for the whole of the Ministry and she does need more technical analytical training as to be efficient in selecting audit cases and recommending relevant policies and strategies to improve compliance.

Media platform thru advertisement and using of the local TV 30 minute “E te Silafia” Program to publicise our services is one area used to improve compliance. The mostly used social media now a day is the phone messages which we are progressively getting access with the use RMS.

All government e-invoicing, e-stamping are handled by the Ministry of Finance. We have the ability to use EFTPOs devices at each site where cashiers are located. E-cargo monitoring are managed through the registration of manifests at the Customs using the ASYCUDA systems.

This software would be considered if available for administrations like ours at no cost or minimum cost.

Implementing Key Business Users in all teams and ensure they are well trained to sufficiently address system issues and feedback within each division before it is lodged with system developers or IT department. The use of social media depends on who has access to the internet in the organization, but we have not used this for any feedback mechanism. It’s basically emails and e-learning facilities that are being used.

Yes, in terms of change management. It is a challenge to ensure changes to the operating areas are incorporated and inline with Standard operating procedures and approved models.

We have setup an elearning facility that is slowly integrating with the Ministry daily activities. Every year, we carry our annual staff engagement surveys, communication surveys and staff quizzes to evaluate staff knowledge after an intensive training programme.

Yes there are specific technology solutions that your administration is currently deploying in a bid to enhance tax compliance for which you would wish to showcase at the Conference with the AEOI implementation, we have a business case that needs financial support.

Yes in the area of simple FAQs and calculations of taxes we have thoughts on the future use of artificial intelligence in the area of tax administration.