

MAKERERE UNIVERSITY

MAKERERE UNIVERSITY BUSINESS SCHOOL

RISK EXPOSURE AND REVENUE PERFORMANCE

THE CASE STUDY OF UGANDA REVENUE AUTHORITY

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**A RESEARCH REPORT SUBMITTED TO THE GRADUATE RESEARCH CENTRE
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DECLARATION

I hereby declare that this research is my own original work and has not been submitted for a degree award to any other university or institution.

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APPROVAL

This research has been submitted with our approval as university supervisors.

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Signed..... Date.....

DR. ISAAC KAYONGO

DEDICATION

I dedicate this work to my father, Kenneth L.T. Mulondo and mother Jane M. Kanabi who are some of the finest people I've been blessed to have in my life, I've grown to learn a lot from their decency, camaraderie and humility, they have made light work of living this life for me and for all those that have been equally blessed to benefit from their counsel. Also special dedication goes to the rest of my family past, present and future.

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This research is a result of an unflinching effort to understand the concept of risk exposure in tax administration and its impact on performance. I have faced a number of challenges and opportunities for which there was not always a ready response. Fortunately, I've had the assistance of dedicated colleagues; friends and professionals who have seen me complete this work at last and to whom I would like to express my sincere appreciation.

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Abbreviations and Acronyms

BPR	Business Process Reengineering
BSC	Balanced Score Card
CTPA	Centre for Tax Policy & Administration
df	Degrees of Freedom
FY	Financial Year
GDP	Gross Domestic Product
ICP	Internal Control Procedure
IT	Information Technology
RMA	Risk Management Association
Sig.	Significance Level (Alpha)
SPSS	Statistical Package for Social Scientists
Std. Dev	Standard Deviation
Std Error	Standard Error
U SHS	Uganda Shillings
URA	Uganda Revenue Authority
VaR	Value-at-Risk
VAT	Value Added Tax

ABSTRACT

The research set out to explain why Uganda Revenue Authority fails to collect all collectible revenue; and if risk exposure (the susceptibility of the organization to the adverse effects associated with the environment within which she operates) could be the reason for the gap in revenue performance. The purpose of the study was to examine the relationship between Risk Exposure and Revenue Performance in Uganda.

The study adopted a cross-sectional and descriptive format with a correlation inclination; a purposive Sampling design was used to select a Sample of 100 respondents comprised of 50 URA staff and 50 Taxpayers across all taxpayer segments in Uganda. The researcher used both primary and secondary data. Pearson's correlation coefficient and regression analysis were used to establish the relationship between the study variables, with chi-square tests utilized to refine the analysis of the findings.

The study established that there is a plausible risk exposure facing tax administration in Uganda manifested by such risks as technological, operational, regulatory, fraud, reputation and employee risk. The results showed that the Risk Exposure can explain 20.3% of the variance in Revenue Performance. It was recommended that revenue bodies should develop a systematized approach for resolving major compliance risks; with a robust and flexible risk management framework to cope with the volatile circumstances that characterize the business environment within which they operate.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Tax administration is faced with a number of challenges exemplified by occurrences of smuggling of goods leading to revenue loss, impersonation, false documents, forgery, transit irregularities, bribery, false verification, which accentuate the effects of false declarations and fraud that result in taxpayer apathy and frustration; all these factors tend to put a considerable drag on revenue performance. From March 2006 – February 2009, of the 30 cases under litigation between URA & taxpayers, 4% were lost causing a revenue gap estimated at Shs 570 million (Uganda Revenue Authority - Interim Revenue Bulletin, 2008).

The Tax Audit Report, (2005) showed that of all domestic tax audits conducted in FY 2004/2005, 21% of the cases were late or non filers while 10% filed incorrect returns; and over 40% of all cases showed that taxpayer files had inaccurate & incomplete information. Taxpayers hardly updated their files with such details as change of addresses, change in line of business, and a number of taxpayers tended to register their business multiple times in different names and Tax identification Numbers in a bid to evade taxes. These realities posed serious questions as to whether there is sustainable revenue performance given the fact that accurate & complete taxpayer information, registration, filing & assessments, payments and penalties obtaining are key indicators of good performance.

Some provisions in the tax laws such as those relating to Penal tax tend to take a broad-brush approach and are not cognizant of the degree of taxpayer culpability or repeat offences, and are inconsistent in design and application. Penalties applied to fraud and evasion cases are the same as those applying to instances of negligence. Tax laws do not provide for recognition of taxpayers making voluntary disclosures. These lapses in the tax laws tend to expose

manifestations of regulatory hazard that may have palpable negative impact on revenue performance. For example the Finance Act 2008-09 provided for the waiver of taxes outstanding as of June 30, 2002 and remained unpaid on June 30, 2008 - resulting in remission of revenue in excess of Shs 1.9 billion (Uganda Revenue Authority - Annual Revenue Bulletin, 2008). This may be interpreted as though it is rewarding to stall payment of tax in the hope that some time tax unpaid shall be waived, and may appear unfair to those taxpayers who exhibit voluntary tax compliance.

The risk management aspect is uncoordinated, for example risk profiles were only partially developed and overall staffing in this critical area has tended to be on a part-time basis, with personnel 'borrowed' from different functions; teams seldom met, participants often changed, decisions and findings were not systematically recorded or collated, severely compromising the risk mitigation effort across the organization (Uganda Revenue Authority - Annual Revenue Bulletin, 2005).

Revenue performance indicators are best understood from the standpoint of key functions of taxpayer registration, taxpayer services, returns and payment processing, collection enforcement, taxpayer audits, and dispute resolution. The quality and timeliness of the data is also essential in the quest to track revenue performance measures, which include rates of filing compliance, audit outcomes, revenue collection figures; trends over time will better reflect the progress made toward strengthening revenue administration (Uganda Revenue Authority - Annual Revenue Bulletin, 2007).

This reality, as aforementioned has caused curiosity, and prompted an attempt to rectify this status quo. This research attempts to study whether better management of risk can help resolve

this situation, hence seeking to explain the relationship between Risk Exposure and Revenue Performance: Case Study – Uganda Revenue Authority.

1.2 Problem Statement

Although total net tax collections for FY 2005/06 was Shs. 2,231.05 billion resulting into a surplus of Shs. 0.82 billion against a target of Shs. 2,230.23 billion, compliance levels stood at 59% during that financial year. Filing compliance is still weak; of the total annual income tax returns expected FY 2005/06 compliance rate for returns is below 50 percent, though considering filing compliance rate for PAYE taxpayers in isolation revealed a compliance rate of approximately 70 percent (URA Annual Revenue Bulletin, 2007).

As a key indicator of revenue performance, tax arrears exceeded of U Shs 54 billion in FY 2005/06, a ten-fold increase from U Shs 4.5 billion reported debt in October 2004. These arrears are both aging and growing, U Shs 19.3 billion in arrears is over one year old. The increase in arrears from FY 2003/2004 cannot be explained other than from poor follow-up procedures regarding taxpayer assessments, audits and collection effort, all of which is heightened by segmented record keeping about any given taxpayer across departments and units (URA Research & Statistics Unit - Annual Revenue Bulletin, 2007).

This research attempts to explain if risk exposure (the susceptibility of the organization to the adverse effects associated with the environment within which she operates) could be a cause of the gap in revenue performance manifested by the low compliance levels, growth in tax arrears and revenue collections aforementioned; and if more exacting ways of containing risk exposure can help close the void.

1.3 Purpose of the Study

The study examines the relationship between Risk Exposure and Revenue Performance in Uganda.

1.4 Objectives of the Study

- i) To establish the nature of risk exposure in tax administration.
- ii) To examine the risk management framework as an avenue of risk mitigation.
- iii) To examine the relationship between risk exposure and revenue performance.
- iv) To explain the inability to collect all collectible revenue from the registered taxpayers.

1.5 Research Questions

- i) What are the current and potential risk exposures facing tax administration?
- ii) Is risk effectively managed in order to curb the adverse effects of risk exposure?
- iii) What is the relationship between risk exposure and revenue performance?
- iv) Why is there a continued inability to collect all collectible revenue from the registered taxpayers?

1.6 Scope of the Study

- **Conceptual Scope**

This study restricts itself to understanding the nuances of risk exposure and their impact on performance in tax administration.

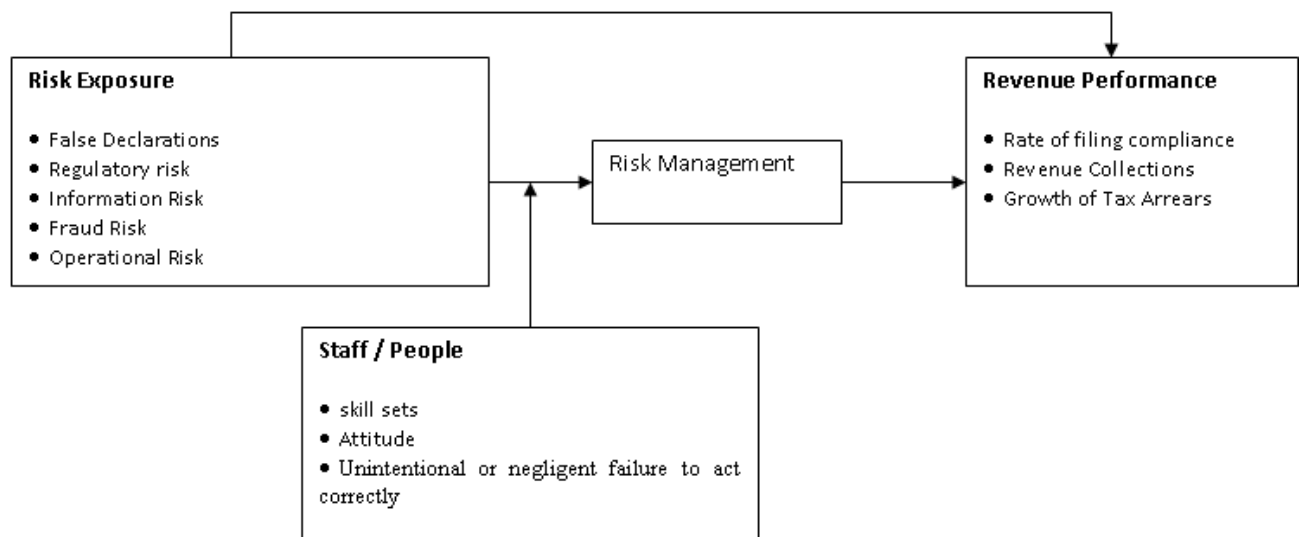
- **Geographical Scope**

This research is a case study of Uganda Revenue Authority which has a presence in all regions of Uganda; and its clientele who primarily comprise of URA staff and taxpayers. The study was carried out in the central region of the country with the highest concentration of taxpayers.

1.7 Significance of the Study

- i) This study provides useful insights in to ways of carrying on tax administration in an effective and efficient manner.
- ii) The study provides a firm foundation on which to base further research particularly in the area of risk exposure and risk management and its impact on tax administration.
- iii) The study adds new knowledge on the subject of tax administration in Uganda.

1.8 Conceptual Framework



Source: Conception of this model is a clarification of the problem and the study variables as abovementioned, and benefits from research carried out by Kien and Siong (1998), Syed and Kalirajan (2000), Brooks (2001), Centre for Tax Policy & Administration - CTPA (2001)

This framework assumes a linear relationship between Risk Exposure and Revenue Performance; recognizing that the relationship between the independent and dependent variables is affected by apt deployment of the right skill-sets that allow for management of the perceived risk so as to bring about the desired results in performance. The framework also

depicts a scenario where there can be results in revenue performance in the absence of risk management, at least up to a given point.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This research is conducted within the context of existing findings and speculations by a community of researchers on the subject of tax administration. Here the researcher will draw from such a pool of professionally shared knowledge and will indisputably contribute further to the conventional understandings of the study variables of risk exposure and revenue performance. This chapter reviews the concepts of risk (risk exposure) and performance in tax administration and it is the researcher's considered opinion that this review will establish a context for the study and identify the area of focus constituting a 'gap' which this study aims to fill.

2.2 Risk Exposure

There are various manifestations of risk exposures facing organizations in today's dynamic and sometimes unpredictable Business environment (Gill, 2003). Risk exposure refers to the susceptibility of organizations / persons to the adverse effects associated with the environment within which they operate (Mills, 2001). For instance, 3 decades ago it was almost un-thought of to control for information risk associated with concentrated data processing methods that are the core today's IT driven business operations (Mundy, 2004).

Tax administrations today face a kaleidoscope of uncertainties occasioned by the rapidly changing business environment within which they operate and from which they draw their sustenance (RMA, 2008). Business transactions are becoming more complex; with such developments as e-commerce, companies executing operations across national borders, concentrated data processing and storage methods associated with today's computerized

business operations, a need to have a regulatory framework that matches these challenges...all of which tend to increase the riskiness of carrying on the organization's business (Gill, 2003).

Globalization, liberalization of trade and a higher inclination for economic integration, expose organizations to novel manifestations of risk and tax administrations have to be cognizant of these realities and take proactive steps to manage and mitigate the adverse effects of associated risks (Gill, 2003).

The dawn the information age has come with the possibility of multidimensional risk potentials that characterize today's business landscape. This has necessitated that novel risk management strategies be developed to not only mitigate the wide ranging types of exposures but also view the organization's business operations from a holistic standpoint (Olson, 2005). Risk exposures have increased steadily over the past decade due to an increase in such practices as outsourcing partnerships, a need to find value & harness synergies in alliance partnerships as well as the need to tap value that accrues from information age technologies (Olson, 2005).

Risk management strategies succinctly designed to view the organization in its entirety shall successfully accommodate the different types of risk exposures. Organizations are applying new approaches to manage risk with every new initiative; be it internal transformation where control of risk factors is very high but technology new, with partners where control of risk factors is shared or with other stakeholders where direct control over risk factors is often very low (Olson, 2005).

2.3 People

Proper management of Human Resources is critical in the realization of an organization's aspirations and strategic goals. Human resources drive innovation and help actualize the

systems and processes that lead to a sustainable overall organizational performance (Management Development Review, 1997).

Recruitment and placement of people with the right skill sets that match the organizational roles they are meant to fulfill cannot be overemphasized (Collins, 2001). The management of people is often complicated owing to the attendant challenges of understanding human nature (The Antidote, 1998). There is need for a fervent attention to such matters as ethical considerations, attitudes as well as motivational matters all of which do affect productivity, resourcefulness and novelty of staff. Unsatisfactory management of people would almost certainly compound the management of various types of risk exposures (Cowie, 2003).

The object of any good tax administration is to cause voluntary compliance, carry out tax administration in the most cost effective manner so as to attain the desired performance levels in revenue collections (Centre for Tax Policy & Administration – CTPA, 2001). There are different measures of revenue performance. Good performance can be discerned from a number of differing viewpoints. Some indicators of performance may include; raising filing ratios, timeliness of collections, and steady raise of tax to GDP ratios (Gill, 2003).

2.4 Revenue Performance

The attainment of voluntary compliance is a primary object of tax administration. When compliance is not achieved voluntarily, revenue authorities must identify and address the risks associated with non-compliance by developing strategies targeted at those risks. Voluntary compliance is maximized when revenue authorities are aware of major developments and trends in the business and legislative environment, and are responsive to their implications on tax administration and compliance. These strategies include education, service, marketing, profiling risk, auditing, general anti-avoidance efforts, prosecution and proposals for useful

legislative change. These interventions help guarantee sustainable revenue performance (Centre for Tax Policy & Administration – CTPA, 2001).

Taxpayers who are aware of their rights and expect, and in fact receive, a fair and efficient treatment are more willing to comply. Skilled and committed employees who are valued and treated equitably will be more likely to act fairly and professionally. Voluntary compliance is achieved not only by an awareness of rights and expectations of a fair and efficient treatment but also by clear, simple and “user-friendly” administrative systems and procedures (Centre for Tax Policy & Administration – CTPA, 2001).

Tax compliance can be approached from two standpoints; whether the taxpayer(s) is paying the assessed tax, and whether the tax assessed is appropriate (Syed *et al*, 2000). For example about 60 per cent of large corporations in Australia do not pay their fair share of tax (Braithwaite, 1998). Monitoring whether taxpayers are paying the tax assessed is relatively less challenging, however controlling and investigating whether taxpayers are paying their fair share of tax is much more complex calling for skilled expertise to analyze taxpayer performance (Kalirajan *et al*, 2000).

Tax administrations use various types of research methodologies to target taxpayers for audit; these may include focus groups, panel studies, taxpayer surveys, experimental and quasi experimental designs (Wickerson, 1994).

The downside of most of these approaches to taxpayer audit is their inherent subjectivity - thus cannot be used to test various hypotheses regarding tax compliance and to target risky taxpayers from a large mass of taxpayers. This in turn complicates the revenue collection effort as taxpayer follow-up becomes murky with an inevitable adverse impact on revenue performance.

In the 1990s, novel approaches to risk management place emphasis on targeting taxpayers or segments of taxpayers which represent the greatest risk, this as a departure from the subjective selection of taxpayers for audit based merely on a random basis.

Scientific approaches to management of risk employing logically well developed methods capable of ranking taxpayers and market segments based on acceptable economic parameters are more workable (Wickerson, 1994).

This approach will target that taxpayer that present the greatest 'risks to revenue' and avoids costly direct random selection methods. Such targeting will be perceived by most taxpayers as fair and reasonable, ultimately nurturing a healthy environment for voluntary compliance (Syed and Kalirajan, 2000).

The quest to understand the behavior of taxpayers in regard to tax compliance should be cognizant of the knowledge of macroeconomic research with a focus on such details as industry, trends, sector or unit characteristics, and operational staff' insight about risks associated with various taxpayer segments. For example these core indicators in determining the degree of risk to revenue include trends in the number of taxpayers lodging returns in each segment, levels of business income / chargeable income and losses, tax payments, tax refunds, tax arrears (Wickerson, 1994).

2.5 Risk Management Framework

Tax administration's degree of emphasis to risk management directly impacts on its efficiency and effectiveness. Some of the nascent experiences that a tax administration experiences as it ascends the learning curve of risk management are explained by CTPA, 2001 as;

On the one hand are tax administrations that tend to deal with clients (taxpayers) in accordance to internal organizational outlook, such as service according to tax types without any effort to address unique taxpayers' needs. Typically taxpayers are approached by a number of officers for different taxes and audit from the tax authority which approaches tax administration in an uncoordinated broad-brush manner. Risk management is almost non-existent; instead a reactive approach to problems drives tax administration matters.

On the other hand, the tax administration is cognizant of taxpayers' distinctive needs, acknowledging that they have different compliance challenges. Taxpayers (clients) are segmented into strategically defined sectors with a focus on sector wise needs rather than opting to have taxpayers adapt to the tax authority's needs. The emphasis on taxpayer needs is achieved by understanding the reasons for taxpayers' compliance or noncompliance, and their unique needs; and by determining the best apposite strategies to pursue so as to bring about voluntary compliance in a cost effective and systematized manner.

The tax authority then attempts to leverage its compliance improvement activities so that for a given resource input the long term revenue outcome is maximized. With a systematic risk management process in place there is a real danger of creating an illusion of certainty and accuracy that simply does not exist. Unless we are dealing with known probability distributions (as in a game of cards) our estimate of the probability of occurrence, our assurance in that estimate and our estimate of the exposure are going to be subjective. Such is the case no matter how the process and result may be packaged (CTPA, 2001).

Recognizing operational risk as the risk of a direct or indirect loss that results from inadequate or failed internal processes, people, systems, or external events; the road to better management

of risk often calls for not only re-engineering processes, procedures and systems, but also necessitates a mastery of the interface of the re-engineered processes with the soft human issues including but not limited to change management (Kien and Siong, 1998).

Risk measurement is often times strongly skewed toward quantitative analyses based on data collected from past performance. Even though such analyses provide useful insight into an organization's risk profile, their utility breaks down during times of extreme change which necessitate more accurate and exacting risk measurement (Calandro and Lane, 2006).

Quantitative risk measurement analyses have either failed to identify increasing risk or failed to convince executives of the need definitive risk management approaches. This failure is most certainly contributory to the collapse of such firms as Enron, WorldCom, Adelphia, and Parmalat.

The Balanced Scorecard (BSC) is one of the novel applications deployed in managing organizational performance. Its utility can further be enhanced through a considered and subtle incorporation of an enterprise risk management framework in to the BSC's internal perspective (Calandro and Lane, 2006). Kaplan and Norton (1996, P. 51) state that "in general, risk management is an overlay, an additional objective that should complement whatever expected return strategy the business has chosen." Operational risk, technological risk and environmental risk measures could be utilized in a BSC by their inclusion into the scorecard's Customer perspective or internal perspective (Kaplan and Norton, 2004).

The optimum number of measures to include in a scorecard is a constant poser; too many measures may complicate a scorecard possibly beyond the point of usefulness. Since performance measurement and risk measurement are distinct activities too often undertaken by different people within the organization, organizations should consider utilizing separate

scorecards for performance and risk as this would also avoid adding too many measures which render the BSC unnecessarily complex (Calandro and Lane, 2006).

Two separate scorecards linked to the overall strategy shall afford the organization a comprehensive diagnostic control system that can be deployed to monitor business activities & resolve any unfavorable variances (Simons, 2000).

Often performance receives a disproportionate share of attention at the expense of risk management leading to unwise levels of risk taking. This mismatch can be traced in the cataclysmic events that led to the collapse of such firms as Enron. Dual scorecards allow for a more balanced share of time and attention between performance and risk (Calandro and Lane, 2006).

2.6 The Relationship between inaccurate declarations and Revenue Performance

In this context, noncompliance refers to the under reporting Income, over reporting Deductions and over reporting of Cost items (business expenses). This situation / behavior of taxpayers is a manifestation of deliberate under reporting / over reporting of amounts due to misinformation, misunderstanding, negligence or some other cause (Syed and Kalirajan, 2000).

This phenomenon of under reporting or over reporting of amounts heightens the level of operational risk for tax administration where the processes, people and systems fail to accurately and appropriately detect and measure the level of resulting noncompliance. In turn this points to tax administration's capability to adequately follow up and correct these errors / misrepresentations by taxpayers so as to safeguard revenue – ultimately affecting performance of the tax authority (URA Research & Statistics Unit - Annual Revenue Bulletin, 2006).

2.7 Processes and Revenue Performance

Owing to the often changing business practices and a dynamic and sometimes volatile economic environment, there is need to consistently monitor and evaluate processes to ensure that they are in concert with the changing environment; otherwise they will become dysfunctional (Gill, 2003).

A considered and exacting application of Business Process Engineering (BPR) helps achieve quantum leaps in organizational performance. BPR projects have to be executed with caution – for many have failed primarily due to change management issues resulting from the paradigmatic shift in work processes, performance measurement and skill requirements (Kien and Siong, 1998).

BPR should focus on simplifying, shortening and automation of processes and procedures; making them customer centered i.e. outward looking rather than inward looking. Since the complexity and number of transactions / returns that have to be processed are rising year after year, tax administrations have to install processes that allow for quick and accurate handling of transactions (Kien and Siong, 1998).

2.8 The Tax Gap

Ascertaining exactly how much ought to be collected by tax administration is an enormous challenge, especially since it would require that accurate data, particularly relating to proper assessments of all taxpayers' liabilities is available (Brooks, 2001).

Without viable systems to track all non-filers and stop-filers properly and issue reminders as well as institute other means of follow-up, the task of ascertaining the tax gap is made grander (Gill, 2003).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Methodology highlights the data collection and analysis framework. It describes the study design, study population sampling procedure and sample selection, data collection, processing and analysis, and limitations to the study.

3.2 Research Design

This is a descriptive, cross-sectional study and utilizing a correlation analysis to explain the relationship between the study variables. The correlation analysis was deployed in studying of the relationship between operational risk and revenue performance. The study used both Qualitative and quantitative data.

3.3 Study Population

The population of study comprised of 1,850 Uganda Revenue Authority staff; and taxpayers segmented as small, medium, micro and large.

3.4 Sampling Design & Sample Size

Purposive sampling technique was used to select the sample. Respondents were chosen deliberately because they have particular features or characteristics which would enable detailed exploration of the research objectives; key among these features was that the respondents had to be either taxpayers or members of URA staff or both. This provided a large number of potential respondents from the general population, across the whole country, from which the researcher selected people with the characteristics of interest to be part of the study.

Taxpayer register was utilized in part, for this purpose and where the register was not suitable because the characteristics of interest were not forthcoming, other sampling methods were used,

such as 'snowballing' (where people with the characteristics of interest helped identify people they know with those characteristics) or respondents were contacted through appropriate channels such as employers, organizations and associations.

The sample size was determined basing on the sampling theory that a small sample of 30 is adequate for small populations; whereas for larger populations, a sample size of above 30 is appropriate. A sample of 100 respondents comprised of 50 URA staff and 50 Taxpayers was considered sufficient. This is in line with Roscoe (1975) who proposed a sample size of 30 to 500 as appropriate for studies with fairly large populations.

3.5 Data Sources

Primary Data was collected from the targeted respondents, who filled the structured questionnaires. Secondary Data was obtained from Reports, Revenue Bulletins and other publications and prepared material from Uganda Revenue Authority. Sources from elsewhere considered to be palpably relevant to the subject of study were used as appropriate and these included textbooks, dissertations, Journals and other material.

3.6 Data Collection Instruments

Questionnaires; for exhaustive capture and compilation of the information from the respondents, the researcher used questionnaires with structured and close ended questions employing the Likert scales.

3.7 Measurement of Variables

A 5 point likert scale was used to measure and analyze the nature and level of Risk Exposure in regard to tax administration; as well as to examine the Risk Management framework as an avenue of risk mitigation in line with Wunder, 2009. It is should reiterated that the 5 point likert scale was utilized for measuring responses in regard to all the four study objectives with further

analyses such as the chi-squares employed to refine the results; as Pinho *et al*, 2007 did in their study.

3.8 Reliability of the Questionnaire Method

A pilot test for questionnaires was carried out. Cronbach’s Coefficient Alpha using the SPSS Statistical Package was used to test the reliability of the questionnaire.

Table 3.0: Reliability Test Results

Variable	Anchor	Cronbach Alpha Value
Risk Exposure		
Employee Risk	5 point	.8148
Financial Risk	5 point	.9000
Fraud Risk	5 point	.7000
Information Risk	5 point	.8986
Operational Risk	5 point	.6054
Regulatory Risk	5 point	.5538
Reputation Risk	5 point	.5132
Technological Risk	5 point	.9293
Revenue Performance	5 point	.8611

Source: Primary Data

The reliability of the questionnaires was improved through pre-testing as shown by the test results in table 3.0 above. The instrument was further improved by use of Cronbach Alpha coefficient so as to check for internal consistency of the scales. The variables all had values above 0.5 showing that the instrument was generally reliable.

3.9 Data Processing and Analysis

To further lend credibility to the study and ensure data integrity, the data collected through the research instruments was edited, classified, tabulated, coded and reviewed in order to ensure that the required level of quality, accuracy, consistency and completeness is achieved. The data was analyzed with the use of a Statistical Package for Social Scientists, the SPSS computer software. Tables and charts with measures of central tendency such as the mean and standard deviation were used in analyzing the descriptive findings. Correlation coefficient analysis was

used to measure the strength and direction of the relationship between the study variables and adjusted R-square was used to test the significance of the regression model.

3.10 Limitations

- i. Financial restraints could not allow the researcher to reach out to all respondents and collect all the desired data required for this study.
- ii. Time for collection, organization of data and preparation of the report of five months turned out to be rather short. This was real problem owing particularly to the slow response rate from the respondents as well as a lengthy & rigorous analysis period, the original timelines hard to be adjusted accordingly.
- iii. There was some resistance and non-responsiveness from respondents. This was minimized by mastering and exhibiting a professional and neighborly demeanor as well as good communication skills, assurance of confidentiality and clarifying the purpose of this study.
- iv. The selection of a sample size of only 100 respondents for a fairly large population of potential respondents, and heavy reliance on the questionnaire method of data collection presented a further limitation as to generalizing of the study results to the wider population. This could not be helped for it would be impracticable to reach the entire population given the resources and time within which the study had to be completed.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF THE STUDY FINDINGS

4.1 Introduction

Here is a presentation, analysis and interpretation of the study findings, which were obtained through self administered questionnaires. The study sample targeted a total of 100 respondents comprised of 50 URA staff and 50 Taxpayers. To achieve clarity, the results are tabulated; this is also to ease analysis and interpretation. These findings include a presentation of the sample characteristics of the respondents, descriptive statistics of the study subjects, correlation results for the variables under study and the predictions.

4.2 Sample Characteristics

The general characteristics of the study sample were collected, and show the response rates, gender, age and educational level composition of the sample. In the quest to contextualize the major findings, the research sought to give an in-depth understanding of the sample characteristics. This was also meant to allow for a clear understanding of the circumstances under which the findings were obtained and who the respondents were.

Analysis of the sample characteristics employed a cross tabulation (contingency table) approach yielding two broad data types: i.e. numerical and categorical. The Chi Square statistic was used to compare counts of categorical responses in order to test the level of independence (association) among the sample characteristics. The chi square (χ^2) statistic was found suited for this purposes since it is used to investigate whether distributions of categorical variables differ from one another.

4.2.1 Response Rate

100 questionnaires were administered and 83 were returned represented by 47 taxpayers and 36 URA staff, yielding a response rate of 83%. The data collected was cross tabulated and demonstrates the characteristics of the study sample. Chi-squares were used to show the level of significance of the differences among the respondent characteristics, that is Sig>.05, implies No association; Sig<= .05, indicates association between the variables under analysis.

4.2.2 Gender and Respondent Category

An examination of the distribution of the respondents by gender and category was made.

Table 4.1 presents a cross-tabulation of the results:

Table 4.1: Gender and Respondent Category

		Respondent Category		Total	
		Tax Payers	URA Staff		
Gender	Male	Count	24	17	41
		Row %	58.5	41.5	100.0
		Column %	51.1	47.2	49.4
	Female	Count	23	19	42
		Row %	54.8	45.2	100.0
		Column %	48.9	52.8	50.6
Total		Count	47	36	83
		Row %	56.6	43.4	100.0
		Column %	100.0	100.0	100.0
		$X^2 = .120$	df = 1	Sig. = .729	

Source: Primary Data

Of all respondents, 49.4% were male, the rest (50.6%) being female; these were further distributed among “taxpayer” & “URA Staff” categories with 56.6% being taxpayers and the remaining 43.4% representing staff of URA. Of all male respondents 58.5% were taxpayers

and 41.5% were URA staff; on the other hand, of the total female respondents 54.8% comprised of taxpayers with the remaining 45.2% being URA staff.

On the whole, there was a split between the male and female respondents; though the respondents from the ‘Taxpayer’ category exceeded those from the ‘URA staff’ category by 13.2 percentage points.

The chi-square distribution, χ^2 , ($\chi^2 = .120$, $df = 1$, $Sig. = .729$) revealed that there is no association between gender and respondent category.

4.2.3 Age and Respondent Category

The study examined the respondents’ age-group distribution across their categories. Table 4.2 presents the cross tabulated results:

Table 4.2: Age and Respondent Category

			Respondent Category		Total
			Tax Payers	URA Staff	
Age	20-30 yrs	Count	22	13	35
		Row %	62.9	37.1	100.0
		Column %	47.8	36.1	42.7
	31-40 yrs	Count	19	15	34
		Row %	55.9	44.1	100.0
		Column %	41.3	41.7	41.5
	41-50 yrs	Count	5	7	12
		Row %	41.7	58.3	100.0
		Column %	10.9	19.4	14.6
	Over 50 yrs	Count		1	1
		Row %		100.0	100.0
		Column %		2.8	1.2
Total	Count	46	36	82	
	Row %	56.1	43.9	100.0	
	Column %	100.0	100.0	100.0	
			$X^2 = 2.942$	$df = 3$	$Sig. = .401$

Source: Primary Data

An analysis of the data collected on the respondents' age revealed that of the total respondents, 42.7% were from the 20-30 yr age-group, 41.5% comprised respondents from the 31-40 yr age-group, the balance of 15.8% being 41 years and above.

Among respondents from the 20-30 yr age-group, 62.9% were Taxpayers and the rest (37.1%) represented URA Staff. Of the total respondents from the 31-40 yr age-group, 55.9% were Taxpayers, with the remaining 44.1% being URA Staff; whereas the amongst respondents from the 41-50 yr age-group 41.7% represented Taxpayers and the rest (58.3%) were URA Staff. Generally, 84.2% of all respondents were from ages 20-40 years, with only 15.8% being over 40 years of age. A further analysis by the χ^2 distribution yielded the values of $\chi^2 = 2.942$, $df = 3$ and $Sig. = .401$; depicting that there is no association between Age and Respondent Category.

4.2.4 Education and Respondent Category

The study examined the Education background in relation to Respondent Category, Table 4.3 presents the results.

Table 4.3: Education and Respondent Category

			Respondent Category		Total
			Tax Payers	URA Staff	
Education	O& A level	Count	6		6
		Row %	100.0		100.0
		Column %	14.3		8.1
	Diploma	Count	7	4	11
		Row %	63.6	36.4	100.0
		Column %	16.7	12.5	14.9
	Degree	Count	19	10	29
		Row %	65.5	34.5	100.0
		Column %	45.2	31.3	39.2
	Post Graduate	Count	9	18	27
		Row %	33.3	66.7	100.0
		Column %	21.4	56.3	36.5

			Respondent Category		Total
			Tax Payers	URA Staff	
	Others	Count	1		1
		Row %	100.0		100.0
		Column %	2.4		1.4
Total		Count	42	32	74
		Row %	56.8	43.2	100.0
		Column %	100.0	100.0	100.0
			X ² = 12.488	df = 4	Sig. = .014

Source: Primary Data

The findings in Table 4.3 show that 23% of all respondents had attained at least secondary school and Diploma education; while the majority (77%) had attained degree, a postgraduate or above. It was also observed that all respondents with secondary school education were from the Taxpayer category, there were none from the URA Staff category.

The chi square tests, ($\chi^2 = 12.488$, $df = 4$, $Sig. = .014$), reveal that there is a degree of association between Education and Respondent category. The level of education has a bearing in determining who a URA Staff is, for example, all respondents from the URA Staff category had attained an education above secondary school Level. On the other hand, all respondents had attained some level of education, pointing to the fact that the nature of the study suggested or implied the need for an understanding of the matters obtaining.

The aforementioned, explain why there is close association between ‘Education’ and ‘Respondent Category’.

4.2.5 Education by Business Sector Distribution among Taxpayers

The facts as portrayed in Table 4.4 below reflect Taxpayers’ educational characteristics across the business sectors.

Table 4.4: Education by Business Sector Distribution among Taxpayers

			Business Sector				Total
			Service	Agriculture	Government	Others	
Education	O& A level	Count	1	1	3	1	6
		Row %	16.7	16.7	50.	16.7	100.0
		Column %	5.0	33.3	17.6	14.3	12.8
	Diploma	Count	3		3	1	7
		Row %	42.9		42.9	14.3	100.0
		Column %	15.0		17.6	14.3	14.9
	Degree	Count	12	1	7	4	24
		Row %	50.0	4.2	29.2	16.7	100.0
		Column %	60.0	33.3	41.2	57.1	51.1
	Post Graduate	Count	3	1	4	1	9
		Row %	33.3	11.1	44.4	11.1	100.0
		Column %	15.0	33.3	23.5	14.3	19.1
	Others	Count	1				1
		Row %	100.0				100.0
		Column %	5.0				2.1
Total		Count	20	3	17	7	47
		Row %	42.6	6.4	36.2	14.9	100.0
		Column %	100.0	100.0	100.0	100.0	100.0
				$X^2 = 5.779$	df =12	Sig. = .927	

Source: Primary Data

Amongst all respondents from the taxpayer category with secondary school education, 50% were in Government, with the rest of the sectors, (Service; Agriculture; other), splitting the balance each accounting for 16.7%. Of all respondents from the taxpayer category who attained an education of Degree or above, 42% were in the Service Sector, 8% were engaged in Agriculture, 37% were in Government, and 13% were from “other”. It was recognized that of respondents from the Taxpayer Category, 42.6% were in the Service Sector, Agriculture contributed 6.4%, 36.2% were in Government, and 14.9% were engaged in

‘Other’. The Chi-Square test values, [$\chi^2 = 5.779$, $df = 12$, $Sig. = .927$], have revealed no significant association between Education and Business Sector amongst the respondents from the Taxpayer Category.

4.2.6 Gender and Tenure Distribution among staff

An examination of the distribution of the respondents by gender and category was made.

Table 4.5 presents a cross-tabulation of the results:

Table 4.5: Gender by Tenure Distribution Among staff

			Length of Service			Total
			Below 2 yrs	2-5 yrs	Over 5 yrs	
Gender	Male	Count		8	9	17
		Row %		47.1	52.9	100.0
		Column %		44.4	52.9	47.2
	Female	Count	1	10	8	19
		Row %	5.3	52.6	42.1	100.0
		Column %	100.0	55.6	47.1	52.8
Total	Count	1	18	17	36	
	Row %	2.8	50.0	47.2	100.0	
	Column %	100.0	100.0	100.0	100.0	
			$X^2 = 1.174$		$df = 2$	$Sig. = .556$

Source: Primary Data

An analysis of the data collected on the respondents’ Length of Service among the URA Staff revealed that 2.8% had served for at most 2 years, 50.0% had been with URA for between 2-5 yrs, and 47.2% had served for over 5 years. It was revealed by the Chi-square distribution results, ($\chi^2 = 1.174$, $df = 2$, $Sig. = .556$), that was no significant association between Gender and Length of Service amongst respondents from the URA Staff Category.

4.3 The Nature and Level of Risk Exposure in Tax Administration

To establish the nature and level of risk exposure facing tax administration, the mean of the responses obtained in this regard was calculated based on a 5 point likert scale. The statistical mean was utilized because it allows for determination of the centre about which the majority of the responses tend to converge, i.e. one can establish which way most responses are leaning. Cognizant of the fact that the mean as a measure of central tendency is affected / biased by extreme values, the standard deviation (from the mean) was computed to ascertain the extent to which the resulting mean values were affected by extreme values. On the whole, the smaller the standard deviation, the more reliable is the utility of the resulting mean value. Results depicted a small standard deviation of close to 1 implying that the mean values obtaining were not adversely influenced by the extreme values and were therefore statistically reliable. The results were generated from a scale based on a 5 point likert anchor such that 1 represents Strongly Disagree, 2 Disagree, 3 Uncertain, 4 Agree and 5 strongly Agree. A mean close to 1 or 2 represents disagreement with the issue at hand while a mean close to 3 represents Uncertainty and a mean close to 4 or 5 reflects Agreement with the issue at hand.

4.3.1 Technological and Operational Risk Exposure

The study set out to ascertain the nature and level of Technological and Operational Risk Exposure in tax administration; the findings are presented in table 4.6a hereunder.

Table 4.6a: **Technological and Operational Risk Exposure**

Risk Type	Min	Max	Mean	Std. Deviation
Technological Risk				
New ways of doing business have always made it easy for me to pay my taxes	1.00	5.00	3.30	1.30
New business applications used to process transactions affect my tax compliance	1.00	5.00	3.27	1.03

Risk Type	Min	Max	Mean	Std. Deviation
level				
Lack of new approaches & applications to tax administrations negatively affect business operations	1.00	5.00	3.46	1.15
Operational Risk				
I have the required competencies to apply new computerized applications in work accomplishments	2.00	5.00	3.70	0.96
URA's processes and procedures are convenient and easy to follow	1.00	5.00	3.02	1.22
I understand the processes and procedures I follow in dealing with URA	1.00	5.00	3.47	0.93
URA adequately communicates processes and procedures, as well as any other information I require	1.00	5.00	3.22	1.13
I readily access URA services	1.00	5.00	3.29	1.20

Source: Primary Data

Results on Technological Risk showed that New ways of doing business have not always made it easy for taxpayers (clients) to pay their taxes (Mean = 3.30), New business applications used to process transactions do not necessarily affect client tax compliance level (Mean = 3.27). Lack of new approaches & applications to tax administrations negatively affect business operations as evidenced by a mean value of 3.46. The findings give an interpretation that most taxpayers have not taken advantage of the ease and utility that technology offers. These results also seem to suggest that technology does not always match the business needs of tax administration and by extension, taxpayers' processes.

Findings on Operational Risk revealed that taxpayers (clients) have the required competencies to apply new computerized applications in work accomplishments as reflected by the mean value of 3.70, taxpayers seemed uncertain as to whether URA's processes and procedures are convenient and easy for them to follow (mean = 3.02), a mean result of 3.47 also shows that taxpayers do not understand the processes and procedures they follow in dealing with URA sometimes. About whether URA adequately communicates processes and procedures, as well as any other information required, and whether URA services are readily

accessible – taxpayers again seemed uncertain as portrayed by the mean values of 3.22 & 3.29, respectively.

4.3.2 Regulatory and Fraud Risk Exposure

Table 4.6b presents findings on the nature and level of Regulatory and Fraud Risk Exposure in tax administration.

Table 4.6b: **Regulatory and Fraud Risk Exposure**

Risk Type	Min	Max	Mean	Std. Deviation
Regulatory Risk				
Changes in the tax laws always affect my business activities	1.00	5.00	3.87	0.97
Tax laws & other regulations are fairly stable over time	1.00	5.00	3.13	1.16
I can easily access Tax laws and other relevant regulations	1.00	5.00	2.80	1.19
There are some provisions in the tax laws that particularly ease my tax burden	1.00	5.00	3.18	1.13
Fraud Risk				
I always lodge correct declarations and returns to URA	1.00	5.00	3.77	1.04
There are occasional encounters with some form of fraudulent tendencies in URA	2.00	5.00	3.40	0.84
There have been situations where intentional distortion of the truth has occurred.	2.00	5.00	3.40	0.75
I have never encountered falsification of records during my interactions with URA	1.00	5.00	3.15	1.18

Source: Primary Data

In regard to regulatory risk, a mean result of 3.87 depicted that changes in the tax laws always affect taxpayers’ business activities, yet taxpayers were unsure as to whether Tax laws & other regulations are fairly stable over time, mean = 3.13. It has been recognized that most taxpayers are uncertain as to how they can access Tax laws and other relevant regulations (mean = 2.80), similarly, with a mean of 3.18 taxpayers were unsure if there are some provisions in the tax laws that particularly ease their tax burden.

Results about Fraud Risk revealed that; taxpayers agreed they regularly lodge correct declarations and returns to URA as evidenced by a mean of 3.77. Taxpayers were not certain on whether there are occasional encounters with some form of fraudulent tendencies in URA

or if there have been situations of intentional distortion of the truth as confirmed by a mean result of 3.40.

A closely related find (of a mean value of 3.15) shows that taxpayers are unsure if they have never encountered falsification of records during their interactions with URA. This succinctly indicates that there is a likelihood of fraud risk in the administration of taxes – between taxpayers and the tax authority (URA).

4.3.3 Reputation and Employee Risk Exposure

The findings as portrayed in Table 4.6c below reflect the nature and level of Reputation and Employee Risk Exposure in tax administration.

Table 4.6c: **Reputation and Employee Risk Exposure**

Risk Type	Min	Max	Mean	Std. Deviation
Reputation Risk				
I consider URA as a credible partner in doing business	1.00	5.00	3.65	1.04
Staff always happy to serve all clients	1.00	5.00	3.13	1.05
URA is engaged with a growing number of partnerships with other entities in carrying on its tax administration mandate	1.00	5.00	3.52	0.94
URA often enjoys favorable reviews in the media and informal public settings	1.00	5.00	3.41	1.09
Employee Risk				
I have never noticed any unintentional errors committed by URA staff in my interaction with the tax body	1.00	5.00	2.98	1.20
I have encountered instances of negligence or careless attitude toward work by URA staff	1.00	5.00	2.98	1.12
Most URA employees have the professional and technical capability to accomplish assignments	1.00	5.00	3.33	0.97

Source: Primary Data

Responses on reputation risk were collated showing that, taxpayers consider URA as a credible partner in doing business as shown by a mean result of 3.65; a mean value of 3.13 depicted a curious find that taxpayers were not sure whether URA staff is always happy to serve clients. Taxpayers generally recognized that URA is engaged with a growing number

of partnerships with other entities in carrying on its tax administration mandate (mean = 3.52); whereas a mean of 3.41 revealed that taxpayers are somewhat unsure whether URA often enjoys favorable reviews in the media and informal public settings. A considered interpretation of these mixed results reveals that much as URA’s reputation was found to be good in some aspects, the organization is still exposed to a shade of reputation risk.

Information collected about employee risk revealed the following; asked whether they have never noticed any unintentional errors committed by URA staff in their interaction with the tax body, taxpayers were unsure with a mean value of 2.98; similarly, taxpayers were uncertain as to whether they have encountered instances of negligence or careless attitude toward work by URA staff. Again taxpayers could not make up their mind as to whether employees of URA have the professional and technical capability to accomplish assignments, returning a mean value of 3.33.

A careful review of these results shows that there is no definite position that URA employees carry on their work flawlessly; taxpayers tend to politely imply that they have observed lapses in delivery of service by employees of URA, which exposes the organization to some level of employee risk.

4.3.4 Information and Financial Risk Exposure

The study set out to ascertain the nature and level of Information and Financial Risk Exposure in tax administration; the findings are presented in table 4.6d hereunder.

Table 4.6d: **Information and Financial Risk Exposure**

Risk Type	Min	Max	Mean	Std. Deviation
Information Risk				
I always have sufficient information about all aspects of taxation	1.00	5.00	3.11	1.11
Access to tax related information is always easy	1.00	5.00	3.17	1.07

Risk Type	Min	Max	Mean	Std. Deviation
I often encounter relatively new processes in my interactions with URA about which there is no ready information	2.00	5.00	3.16	0.90
I have sometimes been availed with wrong or incorrect information from URA	1.00	5.00	2.89	1.09
Most of the information on tax matters is up-to-date, accurate and gives sufficient details about various aspects of tax administration	1.00	5.00	3.30	1.05
Financial Risk				
The budgetary allocation in my area of work is always sufficient to accomplish our tasks	1.00	5.00	2.78	1.11
There are capabilities that have not been implemented in my work area due to lack of funding	1.00	5.00	3.71	1.01
There are always enough funds to facilitate my work	1.00	5.00	2.52	1.21

Source: Primary Data

In relation to information risk; it was established that taxpayers were unsure if they always have sufficient information about all aspects of taxation or that they have easy access to tax related information – as depicted by a mean value of 3.14.

On whether there are frequent encounters with relatively new processes in their interactions with URA about which there is no ready information, taxpayers were irresolute with a mean of 3.16. Taxpayers were again noncommittal when probed whether they have sometimes been availed with wrong or incorrect information from URA (mean = 2.89); they were yet again reserved when asked whether most of the information on tax matters is up-to-date, accurate and gives sufficient detail about various aspects of tax administration, (mean = 3.30).

Data collected on information risk reveals that taxpayers could not definitely state that they readily access key tax-related information or whether it is reliable and up-to-date. This indecisiveness shows that there is a significant likelihood of information risk in matters of tax administration in Uganda (URA).

In so far as financial risk goes; URA staff were undecided when prodded on whether budgetary allocation in their area of work is always sufficient to accomplish their responsibilities (mean = 2.78); the same ambivalent opinion was returned on whether there are always enough funds to facilitate their work (mean = 2.52). URA staff agreed that there are capabilities that have not been implemented in their area of work due to lack of funding (mean = 3.71). These findings suggest that tax administration is exposed to manifestations of financial risk that are of consequence in regard to work accomplishment and performance.

4.4 To Examine the Risk Management Framework as an Avenue of Risk Mitigation

The research sought to find out whether there is a risk management framework which tax administration has deployed to mitigate the adverse consequences of risk, and how effective this framework is; the findings are set out in table 4.7 below.

The results were generated from a scale based on a 5 point likert anchor such that 1 represents Strongly Disagree, 2 Disagree, 3 Uncertain, 4 Agree and 5 strongly Agree. A mean close to 1 or 2 represents disagreement with the issue at hand while a mean close to 3 represents Uncertainty and a mean close to 4 or 5 reflects Agreement with the issue at hand.

Table 4.7: **Risk Management**

Risk Type	Min	Max	Mean	Std. Deviation
Risk Management				
Risks are adequately managed	2.00	5.00	3.33	0.93
There is a clear risk policy for the tax body	1.00	5.00	3.17	0.92
Work priorities, processes and procedures appropriately focus on the key risks facing the institution	2.00	5.00	3.36	0.76
There is an ongoing risk assessment process to identify and measure the impact and likelihood of risks	2.00	5.00	3.56	0.70
There are mechanisms to provide the tax body with an early warning of unwelcome surprises	2.00	4.00	3.06	0.75
The information age and globalization have had an impact on the operations of URA	3.00	5.00	4.35	0.69

Risk Type	Min	Max	Mean	Std. Deviation
Risk Management				
Economic integration has an impact on revenue collections	4.00	5.00	4.45	0.51
Risk management has improved taxpayer compliance	1.00	5.00	3.71	0.87

Source: Primary Data

URA staff was apprehensive when asked whether risks are adequately managed, if there is a clear risk policy for the tax body, and on whether work priorities, processes and procedures appropriately focus on the key risks facing the institution, as depicted by a mean value of 3.29.

On whether there is an ongoing risk assessment process to identify and measure the impact and likelihood of risks, staff of URA returned a considered affirmative response as shown by a mean value of 3.56; on the other hand, when asked whether there are mechanisms to provide the tax body with an early warning of unwelcome surprises, employees of URA were unsure (mean = 3.06). Employees of URA supposed that the information age and globalization have had an impact on the operations of URA, that economic integration has an impact on revenue collections, and that risk management has improved taxpayer compliance – as evidenced by a mean value of 4.17. A careful interpretation of the aforementioned results shows that much as there is a risk management framework; URA staff was unsure if it could effectively help tax administration control risk, and/or if it is executed in such a manner that can allow the organization mitigate risk.

4.5 To Examine the Revenue Performance Effort of Tax Administration

To examine the revenue performance effort of tax administration, the mean of the responses obtained in this regard was calculated based on a 5 point likert scale. As aforementioned since the mean is affected / biased by extreme values, the standard deviation (from the mean) was computed to ascertain the extent to which the resulting mean values were affected by

extreme values. Taxpayers were probed to evaluate the tax (collection) effort and table 4.8 below gives the results.

Table 4.8: **Revenue Performance**

Risk Type	Min	Max	Mean	Std. Deviation
Revenue Performance				
I furnish URA with accurate and complete information	1.00	5.00	3.81	1.10
I file returns	2.00	5.00	3.93	0.89
I receive correct and timely assessments from URA	1.00	5.00	2.96	0.98
I ordinarily notify the tax body of any changes in my business and personal particulars	1.00	5.00	3.50	0.94
I always pay my fair share of tax by the due date	1.00	5.00	3.98	0.95
I routinely file / make correct tax returns and declarations	1.00	5.00	3.76	1.07
I access adequate descriptive information about processes, procedures, forms, tax laws & regulations from URA	1.00	5.00	3.34	1.08
I sometimes file of returns and declarations after the due date	1.00	5.00	3.04	1.15

Source: Primary Data

Results in table 4.8 above show that taxpayers were convinced that they furnish URA with accurate and complete information (mean = 3.81), and that they file tax returns (mean = 3.93); conversely, tax payers were uncertain on whether they receive correct and timely assessments from URA (mean = 2.96). Taxpayers were reservedly sanguine on whether they ordinarily notify the tax body of any changes in their business and personal particulars as portrayed by a mean value of 3.50.

Asked whether they always pay their fair share of tax by the due date and on whether they routinely file / make correct tax returns and declarations, taxpayers' response was a cautious affirmative – as evidenced by mean values of 3.98 and 3.76 respectively. Remarkably, taxpayers were unsure if they access adequate descriptive information about processes, procedures, forms, tax laws & regulations from URA (mean = 3.34). Again taxpayers were

undecided when asked whether they sometimes file of returns and declarations after the due date (mean = 3.04). These results are papered with a shade of caginess suggesting that there is room further refinements and doggedness in tax administration’s effort to improve revenue performance.

4.6 Relationship between Risk Exposure & Revenue Performance

To establish the relationship between Risk Exposure & Revenue Performance, the study adopted a statistical technique that can measure the degree of relationship between variables. Correlation analysis, which measures the direction and degree of relationship between one or more independent (explanatory) variables and a dependent (explained) variable, was found suitable for the purpose. Pearson’s correlation coefficient was used to establish the nature of relationship between Risk Exposure Revenue Performance. The results are presented in table 4.9a below:

Table 4.9a: **Pearson’s correlation**

		1	2	3	4	5	6	7	8	9
1	Technological Risk	1.000								
2	Operational Risk	-.084	1.000							
3	Regulatory risk	.100	.305	1.000						
4	Fraud Risk	.186	.285	.374*	1.000					
5	Reputation Risk	-.189	.141	.108	.131	1.000				
6	Employee Risk	.172	-.355*	-.409*	-.185	-.113	1.000			
7	Information Risk	.191	.023	.284	.216	-.243	-.348*	1.000		
8	Risk Exposure	.663**	-.064	.199	.363*	-.155	-.057	.362*	1.000	
9	Revenue Performance	-.386*	.252	.040	-.468**	.212	.044	-.354*	-.743**	1.000
** Correlation is significant at the 0.01 level (2-tailed).										
* Correlation is significant at the 0.05 level (2-tailed).										

Source: Primary Data

Pearson (r) Correlations revealed a negative relationship between Risk Exposure and Revenue Performance ($r = -.743^{**}$, $p < .01$). This implies that the greater the levels of risk

that an entity is exposed to, the lower the performance level that the organization is likely to exhibit over a specified period of time. In this study, the greater the risk exposure, the lower is the revenue performance of tax administration.

4.7 Regression Analysis

Regression analysis was used to study the reasons for the tax gap, i.e. tax administration's inability to collect all potentially collectible revenue. The technique was found appropriate because it not only allows for making predictions of revenue performance based on some independent variable(s), but also allows for the flexibility of influencing the future.

The results in Table 4.9b below were generated to examine the extent to which the predictor i.e. Risk Exposure, can explain the dependent Variable (Revenue Performance)

Table 4.9b: **Regression Model**

Model	Un-standardized Coefficients		Standardized Coefficients	t	Sig.	Dependent Variable: Revenue Performance	
	B	Std. Error	Beta			R Square	Adjusted R Square
(Constant)	2.596	1.590		1.632	.118	R Square	.552
Technological Risk	-.101	.290	-.068	-.347	.732	Adjusted R Square	.381
Operational Risk	.551	.206	.549	2.680	.014	F Change	3.236
Regulatory risk	.169	.213	.175	.793	.437	Sig. F Change	.015
Fraud Risk	-.829	.238	-.652	-3.482	.002		
Reputation Risk	.290	.189	.252	1.532	.141		
Employee Risk	.192	.171	.257	1.122	.275		
Information Risk	-.229	.149	-.279	-1.538	.139		

Source: Primary Data

The results in the table above showed that elements of the Risk Exposure can explain up to 38.1% of the variance in Revenue Performance (Adjusted R Square = .381). The regression model was found to be significant (Sig. = .015). Conversely, 61.9% of the variation in Revenue Performance is explained by other factors (out of the scope of this study) other than Risk Exposure.

The t -statistic was determined by dividing the estimated regression coefficient B by its standard error Std. Error. The t -statistic measures how many standard errors the coefficient is away from zero. Generally, any t -value greater than +2 or less than - 2 is acceptable. The higher the t -value, the greater the confidence we have in the coefficient as a predictor. Low t -values are indications of low reliability of the predictive power of that coefficient. The obtaining t -values ranged from 2.680 for Operational Risk to -3.482 for Fraud Risk elements, with the cumulative t -value of 2.390 indicating a high reliability of the predictive power of the regression coefficient.

The R square R^2 is a measure of how much of the variability in the outcome (Revenue Performance) is accounted for by the predictor (Risk Exposure). The value obtaining is .552, which means that Risk exposure accounts for 55.2% of the variation in Revenue Performance. R^2 can be arrived at by squaring the correlation coefficient, r as given in the foregoing table 4.9a.

The adjusted R^2 gives some idea of how well the regression model generalizes; ideally its value should be the same or very close to the value of R^2 . In the model, the difference between these two values is $.552 - .381 = 0.171$ or 17.1%. This shrinkage means that if the model were derived from a population rather than a sample, it would account for approximately 17.1% or less variance in the outcome (Revenue Performance).

The F-statistics of 3.236 with probability of .015 indicates that the overall model is highly significant implying that the regression equation actually explains the relationship between Risk Exposure and Revenue Performance.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter is a discussion of the results presented in the foregoing chapter four, followed by conclusion and recommendations. The chapter is structured in line with the study objectives, which include; establishing the nature and level of Risk Exposure in regard to tax administration; to examine the Risk Management framework as an avenue of risk mitigation; to examine the revenue performance effort of tax administration; and to explain the inability to collect all collectible revenue from the registered taxpayers (i.e. reasons for the Tax Gap).

5.2 The Nature and Level of Risk Exposure in Tax Administration

The results of the study revealed a significant level of risk exposure that has affected tax administration in Uganda. Results on technological risk suggest that technology does not always match the business needs of tax administration and by extension, taxpayers' processes. This was in agreement with Olson, (2005) who argued that Risk exposures have increased steadily over the past decade due, in part, to an increased need to tap value that accrues from information age technologies. Findings on operational risk revealed that URA's processes and procedures are not completely convenient and easy for taxpayers to follow. This find is in concert with Kien and Siong, (1998) position that Business Process Reengineering should focus on simplifying, shortening and automation of processes and procedures; making them customer centered.

Regulatory Risk; the study has established that changes in the tax laws always affect taxpayers' business activities, that taxpayers are unaware of any provisions in the tax laws that particularly ease their tax burden. Gerrard (2003) explains that legal & regulatory risk

management should be at the forefront of the risk management agenda of every organization, from a corporate and personal standpoint. Gerrard further advises that organizations need to be involved at every stage of the regulatory cycle – from monitoring future policy developments, through to influencing new regulations, to drawing up and influencing compliance programs, and by calling on the corporate legal team and turning to crisis management plans drawn up by experts in the event of a regulatory intervention.

Findings subtly indicate that there is a likelihood of fraud risk in the administration of taxes – between taxpayers and the tax authority (URA). Rae and Subramaniam, (2008) reiterate that reducing the incidence of employee fraud has been of interest to auditors, business owners, shareholders and academics alike because employee fraud has had, and continues to have, significant economic and social consequences; further suggesting that the incidence of fraud appears to be higher when both internal control procedures (ICP) quality and employee perceptions of organizational justice are poor. Then again; results showed that much as URA's reputation was found to be good in some aspects, the organization is still exposed to a shade of reputation risk. Neef, (2003) insists that reputation risk is inextricably intertwined with information or knowledge risk. Neef explains that most reputation-damaging incidents that occur today are often less a question of a lapse in ethical policy than they are a colossal failure on the part of decision makers, corporate officers, and board members, to manage corporate knowledge and risk. Clarifying that, after all, most corporate disasters – (such as a product safety violation, failure to follow right procedure, or illegal disposal of wastes) – are not the sort of thing that company executives or board members would normally endorse. The reason most often cited when these disastrous incidents occur is that senior company

leaders had no knowledge of what was taking place. With better management of knowledge and information, the problems of reputational damage would almost certainly melt away.

A careful review of the results shows that there are lapses in delivery of service by employees of URA, which exposes the organization to some level of employee risk. Calandro Jr and Lane, (2006) suggest that having the right people with the right skills in the right place at the right time is critical to the successful execution of strategy. Further explaining that excessive employee turnover, particularly in critical positions; can leave an enterprise unable to successfully execute its business strategy. Employee (human resource) risk could be measured by tracking employee turnover, employee morale, employee satisfaction or the number (or percentage) of key personnel that leave an enterprise during a given time frame.

Data collected reveals that there is no ready access key tax-related information or whether it is reliable and up-to-date; pointing to a significant likelihood of information risk in matters of tax administration in Uganda. Neef, (2005) showed that knowledge is much less effective if left to filter through the management structure in a haphazard way, intimating that knowledge needs to be actively managed and encouraged, so that employees see concern for operational, ethical or legal violations or lapses as part of their everyday responsibility.

Findings suggest that tax administration is exposed to manifestations of financial risk that are of consequence in regard to work accomplishment and performance. Calandro *et al*, (2006) noted that Debt financing could generate solvency concerns or the risk that a firm will not be able to satisfy its fiscal obligations. Financial risk can be estimated through measures such as the debt-to-equity ratio, the cost of debt and Value-at-Risk (VaR). Tax administration, being an entity primarily financed by government, the measures of

ascertaining financial risk would take on a less conventional methodology. This risk, in this case, is magnified, in part, by failure to provide adequate funding by the treasury and also by failure of tax administration to effectively and efficiently apply the allocated funds.

5.3 The Risk Management Framework as an Avenue of Risk Mitigation

Results show that much as there is a risk management framework; it was not clear if it could effectively help tax administration control risk, and/or if it is executed in such a manner that can allow the organization mitigate risk. CTPA, (2001) noted that with a systematic risk management process in place there is a real danger of creating an illusion of certainty and accuracy that simply does not exist. Relentless effort and time must be invested in making sure that there is a risk management framework in place and that it works and remains relevant to the changing environment within which revenue administration operates.

5.4 The Revenue Performance Effort of Tax Administration

The results suggest that there is room further refinements and doggedness in tax administration's effort to improve revenue performance. Though tax policy and the attendant tax laws create potential for raising tax revenue, actual tax collections, to a large extent, depend on the effectiveness and efficiency of tax (revenue) administration. Gill, (2000) holds that without a matching increase in the professional and technological capacity of tax administration, its chances of monitoring and containing tax evasion and other form of noncompliance are seriously reduced.

5.5 The Relationship between Risk Exposure and Revenue Performance

The study revealed a negative relationship between Risk Exposure and Revenue Performance, implying that the greater the risk exposure, the lower is the revenue performance of tax administration. Syed and Kalirajan, (2000) contend that empirical works

on examining taxpayer compliance and judiciously targeting risky taxpayers from a large collection of taxpayers is hitherto scarce, explaining that tax compliance evaluation in a population of taxpayers requires sophisticated benchmarking of taxpayer performance (revenue performance). Gill, (2000) reveals that with increasing risk exposure occasioned by sophistication of business activity & tax evasion schemes, globalization, production by taxable entities in multiple countries...; opportunities for manipulating transactions to reduce tax burden are awash. Gill further explains that the existence of tax havens, ecommerce pose major challenges in enforcing tax laws; and would most certainly have an adverse impact on revenue performance. Tax administration must pay fervent attention to the aforementioned realities if it is to contain risk so as to attain sustainable improvements in revenue performance.

5.6 An explanation of the inability to collect all Collectible Revenue

The results showed that the Risk Exposure accounts for some of the variance in Revenue Performance, suggesting that part of the variation in Revenue Performance is explained by other factors, (out of the scope of this study) other than Risk Exposure. Brooks, (2001) further explains that maximizing revenue collections and ascertaining exactly how much ought to be collected by tax administration is an enormous challenge, especially since it would require that accurate data, particularly relating to proper assessments of all taxpayers' liabilities is available. Gill, (2003) clarifies that with availability of reliable data, it may be possible to estimate all potentially collectible revenue under a given tax policy and compare this with revenue actually collected; the difference will indicate tax revenue lost due to noncompliance and tax evasion, which is an indication as to the overall effectiveness & efficiency of revenue administration. Gill further contends that without viable systems to

track all non-filers and stop-filers properly and issue reminders as well as institute other means of follow-up, the task of ascertaining the tax gap is made grander.

5.7 Conclusion

The findings showed that there are several forms of risk facing tax administration in Uganda, and that risk exposure has a palpable negative impact on revenue performance. A dynamic and sometimes volatile economic environment means there is need to consistently monitor and evaluate processes and procedures to ensure that they are in concert with the changing client needs i.e. process reengineering should be outward looking rather than inward looking; otherwise they will become dysfunctional. There should be a proactive, systematic analysis of possible risky events and responses to them rather than a mere reaction mechanism to those limited events that are detected.

Risk management should be about managing the future rather than administering past events. Decision makers need to mobilize employee knowledge and the vast amount of information available concerning potentially performance and reputation-threatening issues in a way that will allow staff to “sense and respond” quickly and correctly to developing risks – as part of their routine. Organizations must fully understand the context in which they operate and the full extent of all critical processes and activities that are carried on in the organization so much so that they are in a position to objectively and correctly anticipate the future and prepare for it today.

It has been established that risk exposure accounts for 38.1% of the variance in performance; however apt management of risk can have potentially useful pointers in clarifying other factors that account for the remaining 61.9% change in performance. With an effective methodology

for containing risk, the other factors that negatively affect revenue performance, such as noncompliance and tax evasion, largely fade away.

5.8 Recommendations

The study has shed light on the risk types the tax administration in Uganda is exposed to these have included regulatory risk, information risk, fraud risk, operational risk, employee risk and technological risk.

Practically, there are several factors, occasioned by risk exposures that complicate attainment of voluntary compliance; including, the diversity of taxpayers' compliance behavior, a lack of knowledge concerning the nature and incidence of non-compliance across the different taxpayer segments, and the complexity of many taxpayers' tax affairs. For these sorts of reasons, revenue bodies require a systematized approach for resolving major compliance risks. Going forward, the strategy should include verifying compliance on a risk management basis; and help taxpayers and the general clientele comply with their obligations, within the framework of the law.

In enforcing and applying the tax law to particular facts, whether in response to requests for advice or as part of the tax administration's active compliance activities; there is need to ensure consistency and fair and timely responses by developing (and continuously updating) a repository of knowledge on all aspects of tax administration such as a precedent database. Staff across the organization can access precedents electronically in order to undertake the often difficult task of applying them to the facts of given client needs; this facilitates timely responses that are accurate and consistent; and shall help achieve quantum gains in overall performance of tax administration.

The study established a negative relationship between risk exposure and revenue performance, it follows that revenue bodies should develop a systematized approach for resolving major compliance risks; with a robust and flexible risk management framework to cope with the volatile uncertainties that characterize today's business environment within which they operate. This shall help tax administration move to a place where all potentially collectible revenue is collected and would result into sustainable growth in revenue performance.

5.8.1 Recommended areas for further research

- Tax administration reform, process reengineering and revenue performance
- Challenges of Tax Administration and Compliance in Uganda
- The impact of bureaucracy, corruption and tax compliance: The Ugandan experience
- Challenges of Expansion of tax base, taxpayer registration, and revenue performance in Uganda
- Evaluation of the collection, assessment and performance of nontax revenue in Uganda

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**MAKERERE UNIVERSITY BUSINESS SCHOOL
GRADUATE & RESEARCH CENTRE**

Questionnaire on Risk Exposure and Revenue Performance

Dear Respondent,

This instrument is designed to facilitate collection of data on “Risk Exposure and Revenue Performance.” This is an academic study and all information collected shall be utilized purely for this purpose. As a client (Staff) of Uganda Revenue Authority, your responses will be invaluable and will be handled with utmost confidentiality. Thank you for taking time to record your insights on the subject of study. [Tick where appropriate]

Background Information

1. **Gender:**

Male	Female

2. **Age (in years)**

Below 20	20-30	31-40	41-50	Over 50

3. **Education**

O' / A' Level	Diploma	First Degree	Post Graduate	Other (Specify)

4. Length of Service
(in years)

Below 2	2-5	Over 5

Section A: Risk Exposure

	<i>Risk Exposure</i>	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
	• <i>Technological risk</i>					
1	There are occasional break downs of applications and systems					
2	New business applications used to process taxpayer transactions complicate tax audits & other forms of follow up					
3	Lack of new approaches & applications to tax administration negatively affect revenue collection					
4	Most staff have the required competencies to apply new computerized applications in work accomplishments					
	• <i>Operational risk</i>					
1	All processes and procedures are formally documented					
2	Written processes and procedures are followed in completion of daily work routines					
3	Written processes and procedures are reviewed and updated periodically					
4	There are workflows that are not supported by written processes and procedures					
5	There is good interdepartmental communication about processes and workflow linkages					
6	Written processes and procedures are properly & appropriately communicated to all staff					
7	A review and update of processes and procedures is done by staff who implement them routinely					

	<i>Risk Exposure</i>	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
	• <i>Regulatory risk</i>					
1	Changes in tax laws affect revenue collection					
2	Tax laws & other regulations are fairly stable over time					
3	Tax laws are easily accessible to URA clientele					
4	There are some loopholes in the tax laws that may adversely affect the revenue collection effort					
	• <i>Fraud risk</i>					
1	Clients sometimes lodge false declarations and returns					
2	There are occasional encounters with some form of fraudulent tendencies in URA					
3	Desk instructions are designed to help staff overcome inducements to fraud.					
4	There have been situations where intentional distortion of the truth has occurred.					
5	I have never encountered falsification of records during my work routine					
	• <i>Reputation risk</i>					
1	URA has a favorable reputation among taxpayers					
2	Staff is always happy to be identified with Uganda Revenue Authority					
3	URA is engaged with a growing number of partnerships with other entities in carrying on its tax administration mandate					
4	URA often enjoys favorable reviews in the media and informal public settings					
	• <i>Employee risk</i>					
1	There are few unintentional errors that occur in my area of					

	<i>Risk Exposure</i>	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
	work					
2	There are no instances of negligence or careless attitude toward work					
3	Most employees have the professional and technical capability to accomplish assignments					
4	Staff are reequipped with the necessary skills to handle new processes and procedures					
	• <i>Information risk</i>					
1	I always have sufficient information about all aspects of my work					
2	Access to work related information is always easy					
3	I often encounter relatively new situations about which there is no ready information					
4	I have sometimes been availed with wrong or incorrect information					
5	Most of the information in the organization is up-to-date, accurate and gives sufficient detail about various aspects of tax administration					
	• <i>Financial risk</i>					
1	The budgetary allocation in my area of work is always sufficient to allow for task accomplishment					
2	There are capabilities that have not been implemented in my work area due to lack of funding					
3	There are always enough funds to facilitate my work					

Please make additional comments (if any) on the aforementioned item of **Risk Exposure** that you feel would help give a concrete understanding of the response you have given above

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Section B: Risk Management

	<i>Risk Management</i>	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	Risks are adequately managed					
2	There is a clear risk policy for the tax body					
3	Work priorities, processes and procedures appropriately focus on the key risks facing the institution					
4	There is an ongoing risk assessment process to identify and measure the impact and likelihood of risks					
5	There are mechanisms to provide the tax body with an early warning of unwelcome surprises					
6	The information age and globalization has had an impact on the operations of URA					
7	Economic integration has an impact on revenue collections					
8	Risk management has improved taxpayer compliance					

Please make additional comments (if any) on the foregoing item of **Risk Management** that you feel would help give a concrete understanding of the response you have given above

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Section C: Revenue Performance

	<i>Revenue Performance</i>	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	Taxpayer particulars are accurately and completely captured					
2	The taxpayer register is regularly updated to reflect changes in taxpayer particulars					
3	All registered taxpayers file returns					
4	Tax assessments are raised in respect of all registered taxpayers					
5	Taxpayers ordinarily notify the tax body of any changes in their particulars					
6	Taxpayers always pay their fair share of tax by the due date					
7	Taxpayers routinely file / make correct tax returns and declarations					
8	Adequate descriptive information about processes, procedures, forms, tax laws & regulations is readily available to all URA's clients					
9	Some taxpayers file of returns and declarations after the due date					

Please make additional comments (if any) on the abovementioned item of **Revenue Performance** that you feel would help give a concrete understanding of the response you have given above

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**MAKERERE UNIVERSITY BUSINESS SCHOOL
GRADUATE & RESEARCH CENTRE**

Questionnaire on Risk Exposure and Revenue Performance

Dear Respondent,

This instrument is designed to facilitate collection of data on “Risk Exposure and Revenue Performance.” This is an academic study and all information collected shall be utilized purely for this purpose. As a client of Uganda Revenue Authority, your responses will be invaluable and will be handled with utmost confidentiality. Thank you for taking time to record your insights on the subject of study. [Tick where appropriate]

Background Information

1. **Gender:**

Male	Female
<input type="checkbox"/>	<input type="checkbox"/>

2. **Age (in years)**

Below 20	20-30	31-40	41-50	Over 50
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. **Education**

O' / A' Level	Diploma	First Degree	Post Graduate	Other (Specify)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. **Business Sector**

Manufacturing	Service	Agriculture	Government	Other (Specify)

Section A: Risk Exposure

	<i>Risk Exposure</i>	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
	• <i>Technological risk</i>					
1	New ways of doing business have always made it easy for me to pay my taxes					
2	New business applications used to process transactions affect my tax compliance level					
3	Lack of new approaches & applications to tax administration negatively affect by business operations					
4	I have the required competencies to apply new computerized applications in work accomplishments					
	• <i>Operational risk</i>					
1	URA's processes and procedures are convenient and easy to follow					
2	I understand the processes and procedures I follow in dealing with URA					
3	URA adequately communicates processes and procedures, as well as any other information I require					
4	I readily access URA services					
	• <i>Regulatory risk</i>					
1	Changes in the tax laws always affect my business activities					
2	Tax laws & other regulations are fairly stable over time					

	<i>Risk Exposure</i>	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
3	I can easily access Tax laws and other relevant regulations					
4	There are some provisions in the tax laws that particularly ease my tax burden					
	• <i>Fraud risk</i>					
1	I always lodge correct declarations and returns to URA					
2	There are occasional encounters with some form of fraudulent tendencies in URA					
3	There have been situations where intentional distortion of the truth has occurred.					
4	I have never encountered falsification of records during my interactions with URA					
	• <i>Reputation risk</i>					
1	I consider URA as a credible partner in doing business					
2	Staff is always happy to serve all clients					
3	URA is engaged with a growing number of partnerships with other entities in carrying on its tax administration mandate					
4	URA often enjoys favorable reviews in the media and informal public settings					
	• <i>Employee risk</i>					
1	I have never noticed any unintentional errors committed by URA staff in my interaction with the tax body					
2	I have encountered instances of negligence or careless attitude toward work by URA staff					
3	Most URA employees have the professional and technical capability to accomplish assignments					
	• <i>Information risk</i>					

	<i>Risk Exposure</i>	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	I always have sufficient information about all aspects of taxation					
2	Access to tax related information is always easy					
3	I often encounter relatively new processes in my interactions with URA about which there is no ready information					
4	I have sometimes been availed with wrong or incorrect information from URA					
5	Most information on tax matters is up-to-date, accurate and gives sufficient detail about various aspects of tax administration					
	• <i>Financial risk</i>					
1	We can easily source sufficient funding of our business					
2	There are capabilities that have not been implemented in my business due to lack of funding					
3	There are always enough funds to facilitate my business					

Please make additional comments (if any) on the aforementioned item of **Risk Exposure** that you feel would help give a concrete understanding of the response you have given above

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Section B: Revenue Performance

	<i>Revenue Performance</i>	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	I furnish URA with accurate and complete information					
2	I file returns					
3	I receive correct and timely assessments from URA					
4	I ordinarily notify the tax body of any changes in my business and personal particulars					
5	I always pay my fair share of tax by the due date					
6	I routinely file / make correct tax returns and declarations					
7	I access adequate descriptive information about processes, procedures, forms, tax laws & regulations from URA					
8	I sometimes file of returns and declarations after the due date					

Please make additional comments (if any) on the abovementioned item of **Revenue Performance** that you feel would help give a concrete understanding of the response you have given above

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