

Inter-American Center of Tax Administrations – CIAT

44th CIAT GENERAL ASSEMBLY



“THE ROLE OF THE TAX ADMINISTRATIONS IN THE GLOBAL CRISIS”

Topic 1.3

**THE PROMOTION OF ETHICS IN THE TAX ADMINISTRATIONS: STRATEGIES
AND PROGRAMS FOR THE PROMOTION OF ETHICS**

**Inter-American Center of Tax Administrations
CIAT**

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INTRODUCTION

In 2003 CIAT, with the joint sponsorship of the Canada Revenue Agency and the participation of a group of expert officials of its member countries' Tax Administrations began the design and development of a set of tools designed to support the promotion of ethics in tax organizations as a means to prevent and anticipate actions that may affect the effectiveness thereof.

The works of the Group were not the first actions carried out by CIAT oriented towards complying with such purpose, because, previously, in the mid-1990s, the organization had incorporated this issue as a priority in its most important international meetings.

The case study will present the background and will mention the works that the **Center** has produced, and which have served as a reference for the development of the pilot carried out at the end of 2009 in Uruguay, with the support of EUROsociAL Taxation and mainly the authorities and officials of the General Tax Directorate of Uruguay.

This experience will be used in this document as one of the important backgrounds that will give place to future tasks that the organization is going to deal with, not only as support, but as a starting point for similar pilots that are already on the agenda of some Member States and which have the technical support and collaboration of CIAT.

Finally, it should be clarified that a program for the Promotion of Ethics must be complemented by the required and fundamental actions from across the entire organization, such as disciplinary systems which must act effectively when irregular behaviors are detected.

1. WHY AND WHAT IS THE REASON WHY THE TAX ADMINISTRATION MUST IMPLEMENT A STRATEGY TO PROMOTE ETHICS

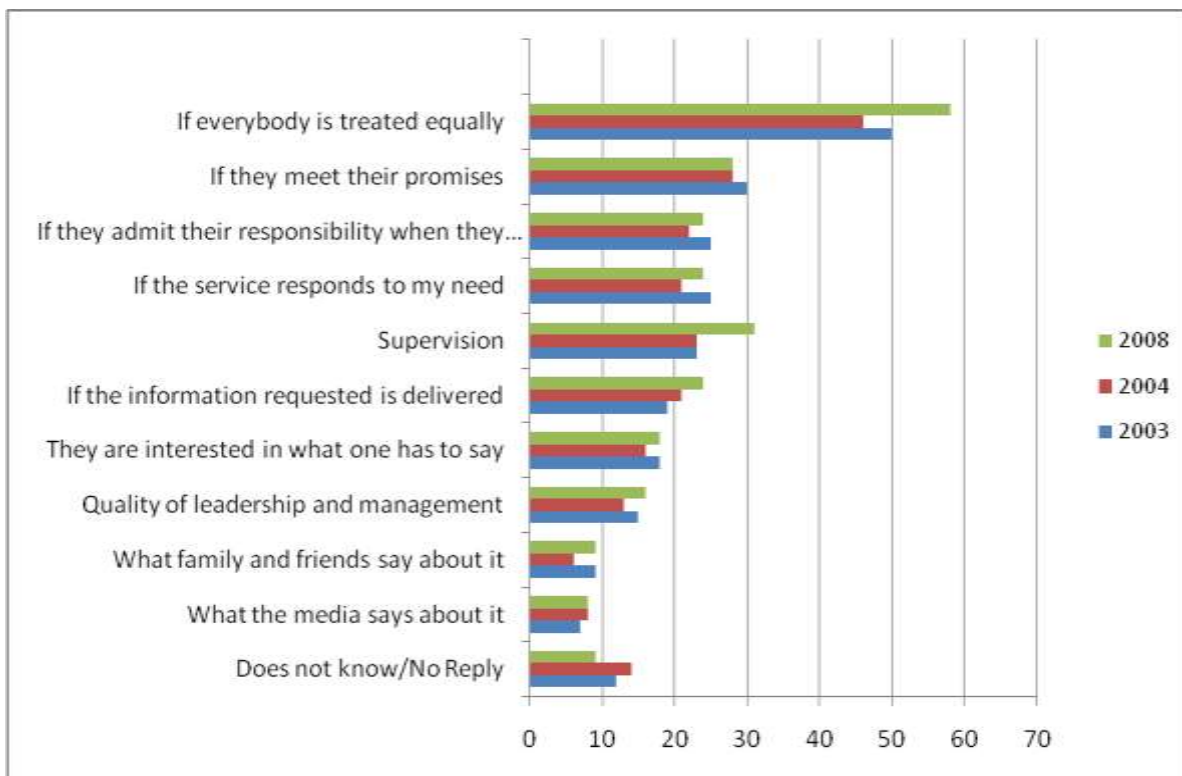
The Loss of Trust

By reference in Latin America the level of confidence in State organizations, and in Governments in general, has traditionally been low. While this may have increased from 2003 to 2008, as indicated in the Latin barometer-2008 report, it is evident that much work must be done to make credibility grow in public institutions and place itself at a satisfactory degree.

FACTORS DETERMINING TRUST IN PUBLIC INSTITUTIONS

LATIN AMERICA 2003 – 2008

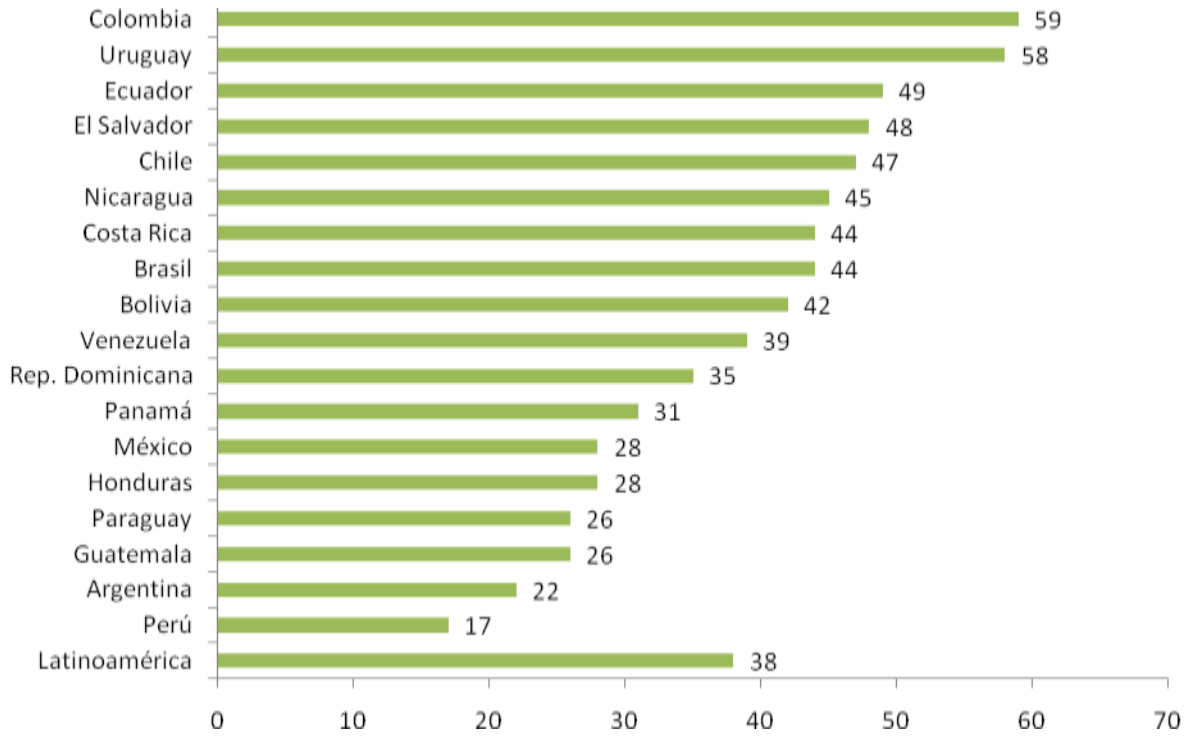
Q. Which of the following factors on the card, do you consider are the most important to determine how much trust you have in public institutions? Mention up to three. Multiple choice answers: the total add over 100%



Source: Latin barometer 2001 – 2008

**ADVANCES IN REDUCING CORRUPTION
LATIN AMERICA 2004 – 2008 / TOTAL BY COUNTRY 2008**

Q. How much advance do you think has been made in the past 2 years in reducing corruption in State institutions? A lot, Some, Little, Nothing. "Here only "Much" and "Some."

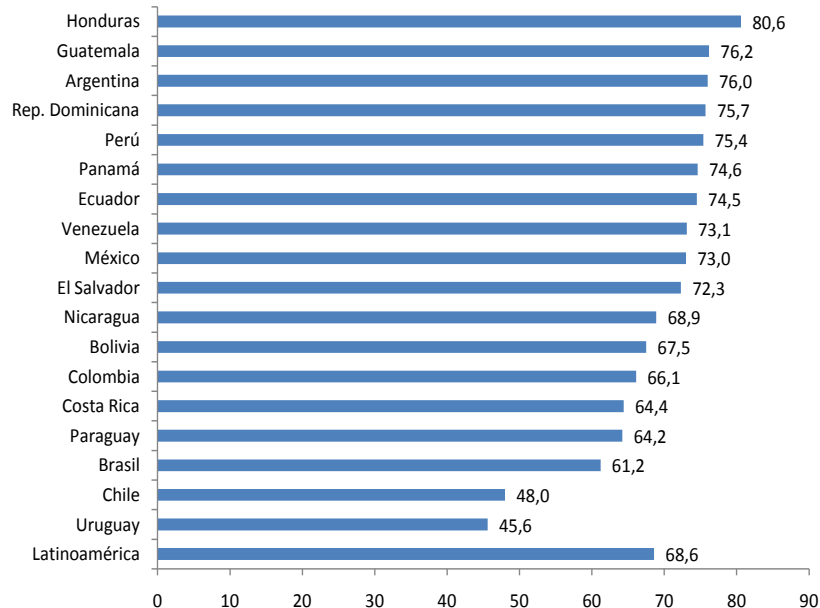


Source: Latin barometer 2001 – 2008

HOW MANY PUBLIC OFFICIALS ARE CORRUPT?

LATIN AMERICA 2001 – 2008 / TOTALS 2001 – 2008

Q. Imagine that the total public officials in the (country) are 100 and you had to say how many of those 100 you think are corrupt. How many would you say are corrupt? “Here just the “Average.”



Similarly the same happens in relation to progress in the reduction of corruption and the perception of the integrity of public officials, or by the direct or indirect knowledge of citizens that must interact with them.

However, we must be clear that in the corruption of organizations and public officials there are two facets: the one who offers and the one who accepts. This is where society must be an active part in the fight against corruption. On the other hand, it is not less true that the ineffectiveness and inefficiency of public administration facilitate, and in many cases pressure, the use of not so appropriate means to obtain a service or to comply with an obligation.

In adverse circumstances, the starting point is the creation of an atmosphere of trust which has been undermined or lost; the tax administrations are particularly sensitive because of the mission they comply with: ensure the correct collection of taxes through the efficient and effective management of the tax system adopted by the country.

The comments and ire of citizens are many when they often blame, their tax directorates, for embezzlement of income taxes when they, in turn, are under pressure to meet the tax duties and are heavily penalized when they do not.

While it may be true that there is a technical explanation on which are the skills, limitations and State organizations' powers, the conclusion it is that we cannot overload taxpayers in the fulfillment of their obligations and must recognize their rights and guarantee them. That is, we have to be effective in every sense and there are multiple budgets that must be met in order to recover or plant a climate of confidence in citizenship, although not involving the happy and pleasurable payment of taxes, but rather to do so with ease and justice.

The challenge of the organizations is to retrieve that credibility, and above all, keep it sound. Therefore, the strategy developed by CIAT and adopted in some cases by the Tax Administrations will be analyzed.

2. CIAT'S STRATEGY FOR THE PROMOTION OF ETHICS

Considering the reality stated in the previous section, the Promotion of Ethics has been and is a priority for the Inter-American Center of Tax Administrations as evidenced by its incorporation in the current 2007-2010 Strategic Plan as the draft plan to be approved during the General Assembly of Montevideo, Uruguay, that will govern for the 2010-2013 period.

In Directive No. 5, the current plan establishes the following strategy: **Promote the development of key aspects for the strengthening of the tax administrations**, and in the same Strategic Initiative No. 5 C: **the Promotion of ethics and integrity of the officials of the tax, administration** as an important and concrete action for the implementation of the Strategy.

Also in the draft plan, Directive A: **Develop and disseminate information, studies, research and development of innovative and good practices to improve policy and tax administration**, and its initiative No. 5: **Implement tools for the promotion of ethics and integrity in the tax administrations**, gather the relevance that the issue represents for CIAT and place it in an operational perspective to put into operation and test the tools developed, recognizing that now the work of the Center should aim at the realization and practice of the instruments that are available, including updating and adjustment based on experiences lived.

For the development of this strategy CIAT has developed documents, models and tools that enable the deployment and implementation of the promotion of integrity

in the Tax Administrations of its Member countries and which can be adopted by any organization with the necessary adjustments.

3. THE WORK OF CIAT IN THE PROMOTION OF ETHICS IN THE TAX ADMINISTRATIONS

There are a number of important **milestones** that mark the most significant advances attained by CIAT in the promotion of ethics in the Tax Administrations, including discussion of issues relating to the main international meetings of the Center: the General Assembly and the Technical Conference, up to the products designed by the working groups and the promotion of the Permanent Committee for the Promotion of Ethics as stated herein:

- **29th General Assembly, Lima (Peru) 1995, “Problems in the Struggle Against Corruption in the Tax Administration”**
- **30th General Assembly, Santo Domingo (Dominican Republic) 1996, “Impact of Modernization in the Tax Administration”**, where the **“CHARTER DOCUMENT ON THE MINIMUM NECESSARY ATTRIBUTES FOR A SOUND AND EFFICIENT TAX ADMINISTRATION,”** which involves:
 - To guarantee the **integrity and impartiality of a tax administration**, which requires:
 - a rigorous **Code of Conduct**
 - the absolute incompatibility of managerial and technical personnel
 - the existence of an Administrative Career Path.
 - **remuneration** in agreement to the market for similar technical qualification, duties and responsibilities
 - the **independence** of the tax administration to define policies and strategies in order to monitor compliance with fiscal obligations,
 - the Government must protect the **privacy and confidentiality** of the information provided by taxpayers
 - Guarantee **the continuity** of an appropriate tax administration, through:
 - technical and professional **meritocracy**
 - **labor stability** without anarchy or complicity
 - Strategic and operational **plans**
 - **availability** of human, financial and technological resources
 - **participation** of the tax administration in the drafting of the standards

- **capacity and knowledge** to adapt programs, services and organizational structures
 - **development** of training plans
 - **authority** of officials but with accountability
- Guarantee the **trust** of the los taxpayers, through:
 - **The fair, reliable and transparent enforcement** of tax policies and laws, access, reliable service and taxpayers' inquiries
 - **Fast processing** of taxpayers' requests
 - **The creation of a taxpayer conscious** – Fiscal Education
 - **Respect of taxpayers' rights**
- ➔ **37th General Assembly, Riviera Maya, Cancun (Mexico) 2003, "Strategies and Instruments for Increasing the Effectiveness and Efficiency of the Tax Administration"**
- ➔ **WORKING GROUP ON THE PROMOTION OF ETHICS IN THE TAX ADMINISTRATION**, which worked during **2003-2006**, and as sponsored by Canada and had the participation of Argentina, Brazil, Canada, Spain, Trinidad & Tobago, and CIAT's Executive Secretariat.

The main **products-tools** that the Working Group developed were:

- Compilation of **best practices**:
 - ★ **Revelation of interests**, statement of situations that effectively or potentially may cause conflicts of interests
 - ★ Emphases on the **communication, orientation and training** aspects, because in the case of ethical deviations it is not objective to transgress behavior standards due to ignorance or lack of preparation in its application in real situations
- The **Model Code of Conduct**, having clear and simple rules on the expected behavior

The **MODEL OF CODE OF CONDUCT OF THE CIAT** is an orientation and comparison paper for the development, review and/or improvement of the Code of Conduct of a Tax Administration.

CIAT's Code establishes a set of obligations and promotes "good" compliance. However, practical rules may require greater scope and detail pursuant to the characteristics of the organization and its environment.

The **overall objective** of CIAT's Code is to **provide a reference framework** to officials regarding expected behavior and **promote the importance of integrity** in a sound and effective tax administration.

The **principles** that it considers are:

1. Compliance with the law
2. Personal commitment
3. Relations with stakeholders
4. Relations with the public
5. Bribery
6. Gifts and hospitality
7. Conflict of interest
8. Public statements
9. Confidentiality and use of official information
10. Use of organizational resources
11. Government owned purchases by personnel
12. Working environment.
13. Behavior outside work

- **The DECLARATION ON THE PROMOTION OF ETHICS IN THE TAX ADMINISTRATION,”** enacted by the **39th General Assembly, Buenos Aires (Argentina) 2005, “The Role of The Tax Administration in the Society.”** That includes the guarantees stipulated in the Charter of Minimum Attributes and establishes eight key aspects to be considered by the Tax Administrations in the promotion of ethics. These eight points are:

1. Leadership and Commitment

The primary responsibility in safeguarding and promoting integrity in the tax administration falls on the highest authority of the tax administration and senior management. They must adopt an important leadership role demonstrating a clear and unequivocal position on integrity and recognize that fighting corruption should be permanent throughout time.

2. Legal Framework

The laws, regulations, procedures and administrative guidelines must be clear, precise, public and easily accessible.

3. Equality

The tax regime must be fair and equitable. The laws, regulations and policies must be managed in a transparent manner.

The taxpayers are entitled to a high degree of certainty and consistency in their transactions with the tax administration. They are entitled the presumption of good faith; the fair enforcement of the law, to appeal decisions and to information protection and confidentiality.

Information given to taxpayers must be clear, precise, and easily accessible.

4. Information Technologies

The computerization of tax functions in addition to contributing to the efficiency and effectiveness of tax administration increases the ability to identify access and the illegal use of the tax information.

Information systems must strictly consider security rules to prevent the unauthorized manipulation of information.

5. Institutional Autonomy

Independence to define policies and strategies to control compliance with tax obligations by a strict application of the law without concessions, favors or interference from higher authorities or other members of the political power is required to ensure the integrity and impartiality of the tax administration.

6. Effective Control Mechanisms

The existence of strong allocation of responsibilities and accountability mechanisms, as well as internal and external control bodies are key elements for the good governance that contribute to the safeguarding of integrity in the tax administrations.

7. Codes of Conduct

A key element of any effective integrity program is the development, issuance and acceptance of a Code of Conduct that sets in clear and practical terms the behavior expected from tax officials.

A code of conduct can be an excellent tool for safeguarding and promoting integrity in the tax administration.

8. Management Practices in the Management of Human Resources

The implementation of effective policies and procedures for human resources management is a very important role in the promotion of ethics in the tax administration. The management of human resources that have proved useful in such practices includes the following:

- Fair, just and transparency selection and promotion procedures;
 - Competitive remuneration levels;
 - The existence of an administrative career path;
 - Regulations that guarantee tax officials the exercise of their rights;
 - Timely correction mechanisms in the event of inadmissible or inappropriate behaviors;
 - Appointment, turnover and transfer practices of tax officials whenever appropriate;
 - Adequate training and professional improvement programs;
 - Performance evaluation system; and
 - Labor environment free of discrimination and harassment.
- The **SELF-ASSESSMENT GUIDE** which is useful to diagnose strengths and weaknesses in the Ethical infrastructure of a Tax Administration and which **objectives** are:
- **identify** the key elements of a strategy of integrity in the Tax Administrations;
 - **diagnose** the organization's positioning;
 - **install** improvement processes since by knowing the initial situation and assess progress through permanent reviews;
 - **provide** practical methodology to help the directors of the Tax Administrations to evaluate the strategies and identify areas susceptible of improvement ;
 - **describes** practical and useful measures to develop a general integrity strategy.

The **phases** of the application of the Guide are:

- **self-assessment** being adjusted to the particularities of each organization;
- **identification** of strong points and improvement areas;
- **selection** of critical areas of improvement;
- **definition** of an execution plan and timetable;
- periodical **review** of the level of progress and convenience of the established Plan.

Throughout this process CIAT plays an **important role** because it provides useful support to the Tax Administrations in the diagnosis and implementation of their ethics programs through:

- the availability of **specialists** with skills in Management, Communications and Ethics Programs;

- the **orientation** of the facilitators of the Tax Administrations and program directors;
 - the appointment of a **liaison official** at CIAT for constant communication and assess the program's preliminary implementation plan;
 - helping to locate specialists for the **external assistance** plan.
- **Organizational structure for the Management of a Program of Ethics**, description and examples of bodies for the management, control and leadership for the management of a Program on Ethics
 - **Communication and Training Strategy for the management of an Ethics Program**, promote among CIAT member countries the importance of ethics in the Tax Administration, the use of the tools and provide quality training and technical assistance to member countries
- ➡ **The Permanent Committee on Ethics and Tax Administration**, formed in **2008**, is coordinated by Canada and has the initial participation of Argentina, Brazil, Chile, Spain, Netherlands, Panama, Dominican Republic, Trinidad & Tobago, and the Executive Secretariat of CIAT. Later Ecuador, Guatemala, Paraguay and the Bolivarian Republic of Venezuela, Sweden and South Africa joined the group.

The Committee is formed by representatives of the areas of Human Resources, Internal Audit and Management of the institutions of the participating countries and the objectives are:

- Implement the CIAT **Action Plan** for the strengthening of Ethics in the Tax Administrations,
- develop **strategies**, prepare **instruments** and provide **technical assistance** in the design and application of integrity programs.

The **mandates** of the Committee are:

- establish mechanisms to **exchange knowledge and experiences** among countries relating to the promotion of ethics in the tax administration
- compile, classify, systematize **innovative practices** applied in the promotion of ethics and complement the same with the development of new proposals
- perform **research and analysis** tasks to develop a conceptual framework

List of **projects of forums**:

- **Forum of Innovative Practices**, which by means of a template the delegates of the countries of the Committee may send effectively implemented practices in their tax administrations. Two documents that are the outcome of the activities are available at CIAT's website: **Compendium of Innovative Practices and Compendium of web sites on Ethics**
- **Discussion Forum of Examples**, where you can discuss the examples provided or request additional information about them
- **Forum of Conflict of Interests**, which aims to gather information on the treatment of conflict of interest situations in the tax administrations.
- **Forum of Inquiries and Recommendations** on the use of tools and on matters relating to the activities of the Committee

4. TURNING STATEMENTS INTO ACTION: IMPLEMENTING A PROGRAM FOR THE PROMOTION OF ETHICS.

Using the set of tools created in the Working Groups for the Promotion of Ethics as described in the preceding paragraph, CIAT began the application thereof through a pilot project with the collaboration of EUROsociAL, and the decisive and committed involvement of the authorities of the DGI of Uruguay and the support of the members of the Permanent Committee on Ethics.

This set of tools has as main reference the Self-Assessment Guide which, based on the eight fundamental aspects adopted in the Declaration for the Promotion of Ethics of CIAT, develops one by one in a series of questions, for the items established in the same. This guide is an excellent reference especially for those tax administrations that have not made similar processes and represents a good starting point for the implementation of tools that are more complex to apply when the highest level of organizational maturity is required.

The guide is a self-reflection examination to detect both strengths and sensitive aspects that must be the purpose of a review, improvement and adjustment of the design, implementation and monitoring of an improvement plan in the short, medium and long-term.

Based on CIAT's strategy, the experience of Uruguay and the feedback that emerged from this experience and others that are at a preliminary stage, we will be highlighting the most important aspects for the implementation of a program for the promotion of ethics, based on products developed by the Center.

Finally, with regard to the experience of the DGI of Uruguay it should be noted that the Self-Diagnostic Guide was previously adapted by the members of the

Permanent Committee on Ethics using the EVAM¹ model but following eight strategic points contained in the Self-Diagnostic Guide. In this manner the survey was simplified to facilitate its implementation and the pilot's assessment. The most significant change was to gather in 4 fundamental axes 8 key points around of which these were lined up, as shown in the following table.

SELF-ASSESSMENT GUIDE	CIAT SELF-ASSESSMENT GUIDE
LEADERSHIP, ORIENTATION AND COMMITMENT AXIS	<ul style="list-style-type: none"> ▪ LEADERSHIP AND COMMITMENT. ▪ LEGAL FRAMEWORK. ▪ EQUALITY. ▪ INSTITUTIONAL AUTONOMY. ▪ CODES OF CONDUCT.
MANAGEMENT AND PROCESSES AXIS	<ul style="list-style-type: none"> ▪ LEGAL FRAMEWORK. ▪ EQUALITY. ▪ COMPUTERIZATION. ▪ HUMAN RESOURCES MANAGEMENT PROCESSES.
PERSONS AND ALLIANCES MANAGEMENT AXIS	<ul style="list-style-type: none"> ▪ HUMAN RESOURCES MANAGEMENT PROCESSES. ▪ INSTITUTIONAL AUTONOMY. ▪ CODES OF CONDUCT. ▪ LEADERSHIP AND COMMITMENT.
SECURITY AND CONTROL AXIS	<ul style="list-style-type: none"> ▪ COMPUTERIZATION ▪ INSTITUTIONAL AUTONOMY. ▪ EFFECTIVE CONTROL MECHANISMS. ▪ RISK MANAGEMENT.

4.1. Key factors in the implementation of a project for the promotion of ethics:

4.1.1. The Political Decision of the authorities - the want to and be ready to do so:

Starting this self assessment process requires the commitment and decision at the highest level of the tax administration, without this, any intention to apply the tools designed is completely unproductive, if not impossible.

To make the decision to self-diagnose and accept the results with sufficient maturity as an organization to objectively construe these results, communicate them and determine the actions to follow is an important condition to be able to start, develop, and complete the same.

This was the first condition that was fulfilled thoroughly by the DGI of Uruguay, whose authorities **accepted it and committed themselves** to the development, even without being affected by the vicissitudes of changes of authority due to

¹ EVAM: model used in the General Administration of the State in Spain, EVAM is the acronym for "Evaluation, Learning and Improvement."

Government changes. This decision was made by **thinking about the Organization** and the place where it was, seeing it as an **opportunity** and not a threat.

Similarly, once the decision was made, **constant, transparent, objective and permanent communication** with officials about the process (as done in the DGI), allows understanding from the beginning what is the relevance involved and the need for the cooperation of all stakeholders. This allows counteracting the negative and harmful information which may give rise to misinterpretation of the process, turning it into an element of discord, resistance and pessimism, instead of the added value that the process brings.

4.1.2. The Facilitators

To form the Group of people who will be responsible for the implementation of the guide is one of the crucial points. The choice about who, what levels, areas and how many, is one of the first issues to deal with. Understanding that CIAT tools are designed for the process to be done by the tax administration for the tax administration, group selection must follow some important parameters to be taken into account and will necessarily depend on features and conditions of the administration itself.

Some items to consider when carrying out this selection are:

- **The number** depends on the sample size, i.e. on how many officials will be surveyed, since the guide is extensive and most questions are not designed to have a simple answer

In the case of the DGI the original thought was on a group of five people from different areas and who did not have top-level management functions. However, later we saw the need to strengthen the group with two executive level staff members for better implementation of the methodology using group interviews and, in some cases, individual interviews to supplement evidence gathering.

- **The Profile of the Facilitators:** officials with excellent knowledge of the organization, professional performance, good relationship and communication with others, without calling into question their integrity and conduct, are required. Individuals that can understand the process and apply it efficiently getting the best of the respondents and participating active and proactively in the responses evaluation processes.

The selection of the Group of facilitators was one of the biggest hits of the Uruguayan experience.

- **Availability**, by the magnitude of the process, those who act as facilitators should have all the time availability and dedication to the process

4.1.3. The Team Coordinator

Guides and supports the team of facilitators, acts as liaison with the authorities to clarify and report on the development of the experience, addresses important questions and feeds back to the facilitators and directors on an ongoing basis. An executive level official is suggested, with a profile similar to the facilitators but with the capacity and authority for decision making, but also to reconcile and prepare the ground and provide a good environment to facilitate the welcome of the facilitators.

In some cases we think of internal control managers or directors as the appropriate individuals to take on this task; however, this will depend on how the area and your manager is perceived within the organization. In many cases these officials are seen more like police officers than support and this makes it difficult and places barriers to accept the process not only from an external perspective but also from the same manner in which they conceive the work to be done.

4.1.4. The Training of the Facilitators

Their preparation to understand the Guide or the adjusted EVAM model, as in the case of the DGI is fundamental to the success of the process. With this the project implementation phase for the promotion of ethics begins. CIAT, supported by more experienced members of the Permanent Committee on the Promotion of Ethics and other experts, is responsible for preparing the facilitators selected to familiarize them with the entire process and with the Guide so they understand its scope, objectives, methodology and implementation and evaluation procedure.

During the training, facilitators analyze the survey and especially respond to the SWOT analysis on the internal and external conditioning factors that impact the Organization and are relevant for the promotion of ethics; identify strengths and weaknesses that should be included in the annual plans concerning part or those that, even when they are not in the scope of the tax administration, do affect it significantly and its advancement would require the involvement of other organizations or authorities.

In the case of the DGI one of the conclusions is that, while it is true that this training was very important and productive its duration must be extended from one to two weeks to ensure a higher level of content assimilation and to adjust the questions and process as emerging questions or suggestions due primarily to the

fact that the degree of prior knowledge of the material by the facilitators is usually limited.

4.1.5. The development of the process, its follow-up and feedback

The process of implementation of the tool consists of several stages, which can be divided as follows:

- **Prior Stage:** reporting the process, conditions and profiles that facilitators' must meet to the authorities and where a probable implementation schedule is established.

In the case of the DGI, a preliminary meeting with the Uruguayan tax administration authorities and members of the Permanent Committee was held in July 2009 at the headquarters of CIAT's Executive Secretariat to present the pilot. This stage was important to understand the process and to select the facilitators and the team coordinator.

- **Stage One:** which contains:
 - **The training** of facilitators selected by the tax administration. This training is done by experts selected by the CIAT.
 - The establishment of an **Advisory or Ethics Committee:** the highest authorities must be part of this Committee, as well as the coordinator of the team of facilitators and other officials that the Director-General or the highest authority of the organization considers important to incorporate. The Committee receives feedback information given by the team, sets guidelines, clarifies doubts and supports the work of the facilitators. It is important that the Committee meet at least once a week to track the process.

In the DGI the Ethics Committee was formed by the General Director of Revenue, the Director of Administration, the Director of IT and the General Internal Auditor.

- **The sample of respondents:** the Committee decides the group and the number of officials to survey and the methodology to carry out. In this case a recommendation is made to select a representative group of officials from each level and region to have an important number that brings the different points of view, according to responsibilities, areas of work and region, according to the structure of each administration.

In the case of the DGI, a decision was made to apply the survey to a group of middle management and operational level officials.

- The **adjustment of the survey and the process**: it is possible that as part of the training to the facilitators and resulting from the interaction and feedback that occurs with the Ethics Committee, there is a need to adjust some questions of the survey, the SWOT analysis and the process to apply the survey. This step is very important in order to harmonize questions, the SWOT analysis and establish the best way to proceed with later steps, according to the administration's capacity and objectives.

The DGI applied the guide adapted through the EVAM model, some questions were restated for the better understanding and the process was reformulated so that the first the strategic aspects stated in the SWOT matrix were analyzed and then the EVAM model was applied.

- The preparation of the **schedule of interviews**: once the sample is defined, the interviews plan indicating the days and hours for organizing the development thereof is prepared.

▪ **Phase two: Application of the Guide**

Once the aspects mentioned above are defined, the timetable for the application of the Guide is executed where it is important to introduce respondents to the objectives and procedures to follow in order to understand the importance and relevance of the experience. During this stage periodic meetings between the facilitators and the team coordinator are very important as well as the meeting with the Committee's Coordinator to report on the process and request support or information or additional feedback when required.

▪ **Phase Three: Evaluation**

Once the surveys were applied, they are evaluated by the Group of facilitators and the team coordinator, establishing common aspects that require a more detailed analysis, by complexity or doubts in responses, reaching an agreement on the results. This analysis is performed together with the evidence found by group facilitators, which allows contrasting and harmonizing answers. This phase ends with an evaluation report carried out by the facilitators, which identifies strengths and weaknesses in each of the axes and eight aspects and which is presented, discussed and agreed upon by the Coordinator and the Committee.

4.1.6. The development of the improvement plan and its incorporation into the Organization's Strategic and Operational Plan

Based on the evaluation report the points identified as weak as well as the strengths that are part of the activities that the organization must take in order to improve or strengthen their promotion of ethics, and increase levels of effectiveness and efficiency where the self-diagnostic has noted and giving sustainability and permanence to those who have shown to be functioning effectively are incorporated into the annual plan of the organization.

This would be the plan for the promotion of ethics of the tax administration and as with any plan it must include indicators that will make it possible to measure its compliance, as well as point out areas and people responsible for carrying it out successfully.

It is also possible that the report points out strategic aspects which should be restated or clarified in the strategic plan of the institution.

In the case of the DGI currently the development of the plan and the implementation timetable are underway.

4.1.7. Follow-up

Once the plan of ethics developed, the periodical assessment of compliance through indicators designed for its measurement is essential. Each responsible area must report advances or developments with respect thereto and propose adjustments to be carried out if accidental situations that may or will affect its development arise.

4.1.8. Review

The program for the promotion of ethics proposes that two years after the implementation of the self-assessment guide for the promotion of ethics a review of its evolution be performed through a similar process. In it you will see, within a reasonable period of time, the progress made with regard to the first diagnosis.

5. What follows

- The tools for the promotion of ethics: the Center will continue, through the Permanent Committee on the Promotion of Ethics and the corresponding areas of the Executive Secretariat, supporting its implementation in other tax administrations of the member countries which have already requested the same. At the same time and as part of the work of the Committee's tasks, they will be adjusted based on the experiences, strategies, mechanisms and

tools in order to update and refine them, thus facilitating their understanding and application. This task will be carried out by the Permanent Committee during its next meeting in June of this year.

- The course on ethics and fiscal citizenship: understanding that the issue of the promotion of ethics has a highly important component, which is society, CIAT is already developing a course on ethics and fiscal citizenship to complement the tools designed for the working groups and the Permanent Committee.

The Center it is important to work on **raising the awareness of the individuals of a country on its commitment to and responsibility in building a democratic and just society through the undertaking of its tax duties, clarity in the existence and exercise of their rights and their role as guarantor and overseer of the proper execution of social spending**². In a broad sense, without the involvement of society, both at the level of tax duties as watchdog for the fulfillment of the obligations of the State denouncing the irregularities, requiring effective accountability, and support efficiency and modernization of public institutions, it is very difficult to effectively promote of ethics and combat corruption.

It is important to raise the awareness of citizens and organizations on their commitment and responsibility for the effective implementation of the functions and objectives of public organizations and that the lack or failure to comply on their part can lead to or facilitate the lack of institutional transparency, affecting the credibility and confidence in these same organizations.

6. CONCLUSIONS

- The ineffectiveness of organizations promotes the lack of integrity in any organization whether public or private.
- Lack of integrity affects the credibility and confidence in organizations
- To promote institutional integrity and build trust the implementation of some conditions or key factors such as leadership, accountability, equity, the legal framework, the efficient management of human resources and partnerships with stakeholders as stated in the Declaration for the Promotion of Ethics of CIAT is important.
- Tools designed by CIAT for the promotion of ethics have proven to be important tools to improve the efficiency of the tax administrations as a way to promote ethics.

²“The building of tax citizenry as the basis for democratic governance,” Maria Raquel Ayala Doval, 4th Meeting of Networks, EUROsociAL, Salvador de Bahía, Brazil, June 2009.

- ➡ The application self-diagnostic elements require a decision by the tax authorities at the highest level with full awareness of the importance of the process, its implications, consequences, duration and permanence.
- ➡ Good communication is a key factor in the application of the tools of CIAT because not only are the tax administrations the means of dissemination, but it ensures consistency and transparency in the content of the information.
- ➡ The self-diagnostic guide is a critical piece in the detection of weak and strong points that a tax administration must work on to increase their levels of efficiency.
- ➡ The responsibility and commitment to undertake the process for the promotion of ethics using CIAT tools, are key factors for the success, an example of this is the DGI of Uruguay.
- ➡ The permanence and sustainability of the strategies for the promotion of ethics are the major challenges for the continuity of policies and strategies aimed at laying the foundations of faith in the institutions and Governments.