

Inter-American Center of Tax Administrations – CIAT

45th CIAT GENERAL ASSEMBLY



**“TAX MORALE AS DETERMINING FACTOR IN IMPROVING THE
EFFECTIVENESS OF THE TAX ADMINISTRATION”**

Subtopic 3.3:

**GENERATING TAXPAYER TRUST: ACCOUNTABILITY AND
INTERNAL CONTROL SYSTEMS**

**Directorate of Taxes and National Customs
Colombia**

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Executive Summary

The design of the tax system is the cornerstone on which the trust of citizens is built, when contributing at all levels through taxes. In this regard the Government of Colombia is promoting in the Congress of the Republic a comprehensive reform in substantive and procedural matters, which will result in a more just and equitable system, progressive in nature, which will rescue the design of taxation as an engine of economic prosperity.

It is a proposal for competitiveness, employment, formality and banking. This is a simple user-friendly system for anyone wishing to be entrepreneurial or starting a productive project, or for those who were not blessed with sufficient conditions to tackle large or complex projects.

This means that we are going to simplify the tax status for the simple and make it more solid for the complexes. The purpose is to always propose a simpler language and form when drafting the current standards. On the side of Customs national security and competitiveness of the national production apparatus are highlighted as priorities over collection objectives.

The combination of the precedence of these priorities without neglecting the control of value statements is one of the challenges we face.

Therefore the tax and customs administration is in charge of realizing this purpose – making it happen -, by providing modern tools to facilitate the compliance of obligations by citizens who voluntarily come to it, through agile, simplified and understandable processes, by having a technically modern organization, with competent officials who evidence vocation of service and commitment.

On the other hand the society calls for a strong Tax Administration capable of: complying with and enforcing tax law through the effective control of tax fraud and non-compliance - evasion, avoidance, smuggling, foreign exchange violations - and unfair practices, - inefficiency and corruption - and on the other hand the firm recognition of complying citizens.

The tax administration's management must then have tools that facilitate efficiency and organizational efficiency, in such sense it is not enough to design and implement an internal control system, but it is necessary to assign a specific weight to it in the work of the organization, in the operation and continuous improvement of the organization. The same must be characterized by the ability of anticipation that this must provide to management, to address institutional risks at all levels and demonstrate the response capacity of the administration to feedback its processes.

In this regard we adopt best practices from successful learning experiences around the world, to improve the administrative and managerial procedural aspects from a technical perspective, drawing on the advantages and the added value that others have already experienced and tested.

For example:

One of the substantial discussions is how to reach legal stability to shield taxpayers from unexpected changes in the rules of the game, as well as strengthening both internal and external investment. This is accompanied by an institutional design capable of protecting the administration at the same time in which reliability and stability is given to the economic interpretation of the rules to the taxpayer. In this vein greater insight of the tax administration and public finance around the interests, the checks and balances of these two institutions may be virtuous.

In other words, the creation of a high rank office, remuneration and level within the Ministry of Finance and Public Credit to ensure stability and relevance in the application and interpretation of standards; the professional and transparent relationship between the tax administration and the taxpayer; as well as the research and documentation of complaints by putting due process and the defense of the public above any short term fiscal objective can be better than the institutional designs in which the tax administration can end in the natural conflicts of being judge and jury.

Finally, we evidence the need to strengthen accountability through which the administration returns to the citizen the testimony that it gave in the social contract established in the Constitution and the laws.

In the conclusion the role that must be complied with to achieve a transparent tax administration with all actors involved in the same is evident.

“Trust means that the citizen ‘has faith’ in its tax administration”

The Tax System and the Generation of Trust

The design of the tax system is the cornerstone on which the trust of citizens is built, when contributing at all levels through taxes. In this regard the Government of Colombia is promoting in the Congress of the Republic a comprehensive reform in substantive and procedural matters, which will result in a more just and equitable system, progressive in nature, which will rescue the structure and the management of tax affairs as an engine of economic prosperity.

It is a proposal for competitiveness, employment, formality and banking. This means that we are going to simplify the tax status and make simpler current rules; it is not intended to increase rates.

This is about creating simple rules, for simple companies and complex for complex companies. Furthermore, tax reforms should have very clear standards, which are written in simple language and are permanent in time.

In this regard the existing tax benefits should be revised, to avoid unnecessary tax privileges which erode collections by way of refunds and compensation in the same manner the benefits given to tax compliant employers must be reviewed. "There are some who are very compliant, but what happens when they sustain losses? We must discuss whether they are entitled or not to exemptions when they have a credit balance because of a loss."

Similarly the purpose of to reduce the tax procedure to make it more flexible and consistent with the times tending towards effectiveness in tax control.

The citizen must receive a simple and fair tax system mediated by a clear and easy to understand regulation which is refereed by an effective tax administration, objective, compassionate and able to guarantee the rights of citizens. Notwithstanding the above the taxpayer must understand how onerous is the failure to comply with its obligations and the social repudiation generated by the non-compliance with these obligations.

In sum, citizen trust in the tax administration starts with the design and implementation of a fair and equitable tax system that involves clear and understandable rules of game on which the social contract is made to achieve healthy state funding by way of taxes within the framework of the Social State based on the rule of the Law.

This abstract challenge must be framed in the story of an institutional framework and a tax organization, which does not start from perfect rules unanimously accepted. The challenge is to conquer the natural areas of tax administration surrounded by legitimacy and respect. Even if the starting point are rules and organizations with defects and multiple opportunities for improvement. The prevailing is continuous work to improve the administrative and regulatory processes to make them fairer, transparent, stable, so that they are instruments on the way to the legality and formalization of the production system and not an obstacle.

The tax and customs administration must ensure the principle of neutrality; therefore, it should strive to collect at the lowest transaction cost for citizens, through a facilitation service for the fulfillment of obligations.

Trust consists of approaching the citizenship to the administration - locate a meeting place - this exercise must be two-way facilitating social and fiscal control from the citizen relieving its rights and enhancing its duties from the effective collaboration with the administration either through the fulfillment of all obligations, provision of information and strengthening the payment culture.

In such a way that each person can feel part of the Government and its policies through mechanisms among others to provide inputs for the formulation of policies and the generation of the plans and programs of the entity through citizen participation. Public expenditure, its effectiveness and relevance are determinants of the credibility of a tax system and the levels of voluntary compliance; corruption and administrative expense, its greatest enemies.

To realize these objectives, the strategy of the DIAN is the provision of services to the taxpaying citizen, through multiple technological means and attention centers, to facilitate compliance with its obligations at the lowest possible cost.

On the subject of evasion and smuggling control, fiscal intelligence is being strengthened, that is the great challenge. In the future, MUISCA will be enhanced with statisticians, engineers, and people able to infer from the data the reality of the sectors.

The financial difficulties of the country highlighted by the end of the century international payments crisis made cash flow a priority in public policies and multilateral entities. Therefore, DIAN's emphasis in the past 13 years has been on collection. To have the cash to facilitate the payments to be made by the State in spite of living with major liquidity restrictions.

Consequently the pressure of getting cash is contrary to in depth examination and subsequent litigation and favors the search for the voluntary correction of taxpayers of increasing their payable tax or reducing their refunds requests. The institution is accordingly weakened in its ability to perform research at depth where it has a total diagnose of the possible evasions and avoidances of the different economic sectors.

More favorable economic conditions give us "The advantage of being able to see in the long-term, planning collection over time, pursuit evasion in depth. People will understand that when you go in depth, if there is evasion they will have to shoulder very high loads for breaching their tax obligations." The risk of evading should be internalized by the population at large.

"This will generate a consciousness in Colombia of what they call subjective risk, which is that people will know that to evade or being opportunistic will be exemplary sanctioned. When

you are aware of this risk, you adjust your behavior, many believe that they will never be found, therefore, they must have very clear that we will penalize them."

Accordingly, from the strength displayed by the tax and customs administration to facilitate an agile and safe public service, and the effectiveness of the systematic and transparent exercise of control, a strong educational message is sent to present society and future generations: to be honest is to pay and opportunism is punishable and rejected. This should lead to greater trust towards the tax administration and the State in general provided that the quality of public expenditure is planned.

Herein are some of the instruments available to the tax and customs administration to strengthen internal control, risk management and accountability.

Strategic Context

The National Tax and Customs Directorate of Colombia in the development of the organization's strategy are working systematically to:

Achieve international quality standards to enable the tax and customs administration to become more competitive in its purpose of contributing to the sustainability of public finances.

Adopt best practices from successful learning experiences around the world, to improve the administrative and managerial procedural aspects from a technical perspective, drawing on the advantages and the added value that others have already experienced and tested. Discussions as the opportunity to force the payment of the VAT depending on what was incurred or accrued versus paid or perceived are substantial.

Strengthen the fiscal Intelligence for real evasion and smuggling control as a guarantee of the principle of neutrality, from the intensive use of the information available and the use of relevant tools for data analysis, strengthening organizational capacity to anticipate as a basis for institutional risk management.

Joint work is being carried out on the drafting of legislative proposals that would enable an adjustment of the substantial and procedural aspects of the tax law. A simple system for emerging enterprises or enterprises with constraints to their development and growth; with the purpose of not encouraging fiscal dwarfism but rather stimulate the accumulation and growth of the productive apparatus. Give priority to formalization particularly in terms of social security and making individual's tax returns an ownership participation mechanism through tax credits. Adjust sanctions, so that while sobering they are not to the point of being incredible as the current sanctions.

Increase tax and customs collections by three percentage points as a proportion of the Gross Domestic Product, by fighting evasion and smuggling.

The provision of a flexible and relevant public service to facilitate foreign trade operations and compliance by citizens and taxpayers, customs and foreign exchanges.

In this regard the vision, mission and strategic objectives were restated.¹

Strategic Objectives

- To increase voluntary compliance with tax, customs and foreign exchange obligations
- Support the sustainability of the public finances of the country
- Foster the competitiveness of the national production apparatus.

MUISCA Management Model

DIAN has been over the last few years building a management model that fits the reality of the tax and customs administration. This model seeks to respond to the complexity of its purpose and to integrate the elements necessary to achieve organizational effectiveness. In MUISCA strategic skills and elements of the mission and vision were merged on the basis of the Quality Management and Internal Control System.

¹ Vision

“By 2010, the National Tax and Customs Directorate of Colombia will accomplish a high level of voluntary compliance of tax, customs and foreign exchange duties, will support the country's financial sustainability and will foster the competitiveness in the national economy, managing quality and applying the best international practices in its institutional actions.”

Mission

“At the National Tax and Customs Directorate we are responsible for managing the compliance with tax, customs and foreign exchange duties with quality, through service, auditing and control; facilitating foreign trade operations and providing reliable and timely information with a view to assuring the Colombian State's fiscal sustainability”:



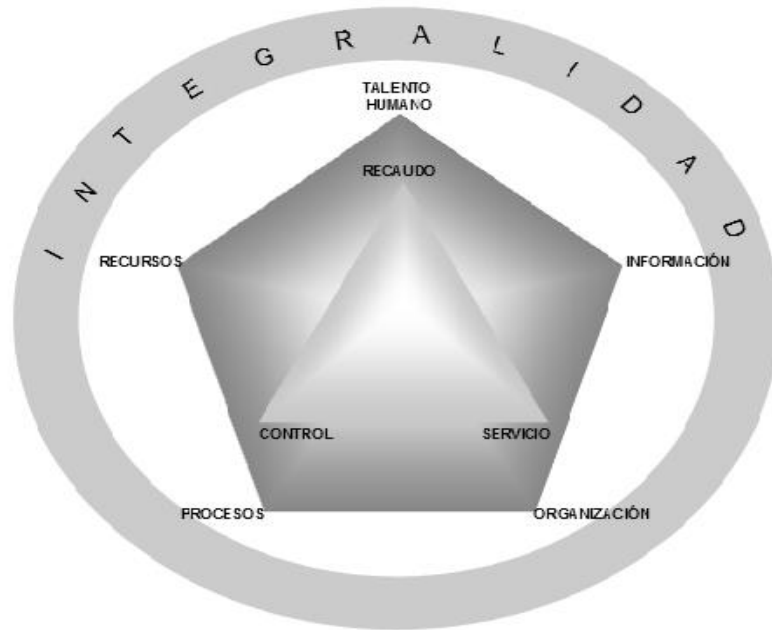
2.2 Elements of the Model

The model adopted by the entity adds mission and vision elements and is framed on the principle of comprehensiveness, which involves coordinated and balanced management of the administrative, organizational and human aspects of the entity which facilitates citizen participation and social control.

It contains principles and tools of different organizational theories especially in the approach to management processes for which it has defined a DIAN corporate standard technique.

DIAN as any modern organization develops in an environment of progress, social economic and industrial changes that impact the manner in which challenges are addressed, the future is faced and ensuring sustainable development.

The principle of unity of the model leads the DIAN to management focused on processes, clearly identified and interrelated, giving rise to management conditions based on technical criteria that are conducive to the efficiency and quality of its products and services.

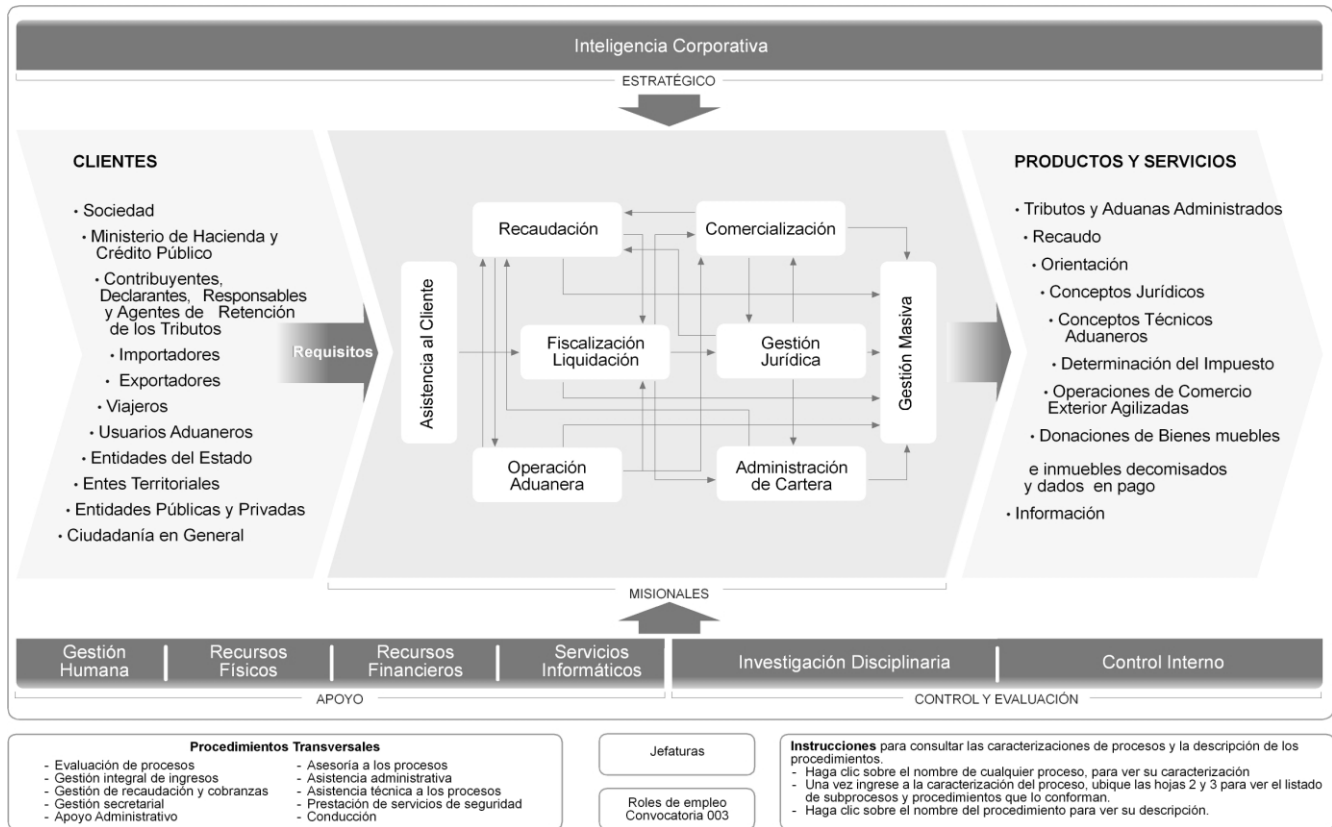


Vision Components

Processes

The basis of the organizational model is the processes map that defines the strategic, mission character, support and control thereof, as seen in the graph herein:

Mapa de Procesos
Versión 4- Resolución 02547 de Marzo 19 de 2010



Strategic processes are intended to provide guidance to the entity to enable it to fulfill its mission, vision, policy and objectives and meet the needs of stakeholders (organization, person or group) who have an interest in the entity.

The mission has to do with the *raison d'être* and responsibilities of the DIAN as an institution of the State, which includes helping ensure the fiscal security of the Colombian State and the protection of national economic public order through the administration and control due compliance with tax, customs and foreign exchange obligations, and the facilitation of foreign trade operations in conditions of equity, transparency and legality.

Support processes provide support to the mission, strategic and measurement, analysis and improvement processes.

Finally monitoring and evaluation processes enable measuring exercises, feedback and adjustment, so that the entity can achieve the proposed results. These also include measuring, monitoring and internal audit processes, corrective and preventive actions, and are a comprehensive part of strategic, support and the mission processes.

Organization

The primary purpose of the DIAN is the administration of taxes generated by national domestic economic activities and international business operations, these functions are framed within the State's purposes and the administrative role stipulated in articles 2 and 209 of the Constitution of Colombia.

The organizational structure of the entity, responds to a processes based approach which allows managing the requirements and needs of its clients and stakeholders, organized administratively into 3 levels: Central, Local, and Delegate.

The entity has an operational Claims, Complaints and Suggestions System in place.

The Taxpayer and Customs User Advocate is a special body of the National Customs and Tax Directorate.

Resources

DIAN has an own assets, and receives inputs from the National Budget needed for the operation and investment of the entity, it also has own income.

Human Talent

To develop their processes DIAN has a team made up of public employees, approximately 8,500 staff which must abide by the profiles defined by institutional, managerial and technical competencies.

Similarly, it carries out the institutional PIC training Plan, as well as the Social Security and Labour Welfare Programme, aimed at ensuring compliance with the requirements set out in its products and services, in order to meet the needs of its customers.

Information

Information is the concentric axis of the actions of the DIAN, - effective collection is carried out through the banking network and is transferred directly to the Directorate General of the Treasury -. It becomes input process and result of the tax administration, there are primary sources which produce the same entity and the secondary information from the other actors of the Tax and Customs System such as Exogenous Information which supports the Examination process.

Mission Components

Service and control collection elements are responsible for the registration, assessment, discussion, charge, collection and foreign trade stages are the competence of DIAN.

Quality Management and Internal Control System

The Quality Management and Internal Control System of the DIAN is formed in the concentric axis of the organizational actions, and connect of the MUISCA Culture management model is based on that the DIAN is an entity organized by processes in pursuit of organizational effectiveness and the satisfaction of all parties concerned.

It relies on qualified technical work tools and methodologies under ISO Standards which are in harmony with higher-order public policies geared towards the development of a modern and competitive government system.

Its fundamental purpose is to provide security for the fulfillment of the goals and commitments that have been allocated to ensure organizational effectiveness, provide reliability to the institutional information within the framework of the laws, regulations and institutional policies.

The Quality Management and Internal Control System is the result of the institutional effort to harmonize higher-order public policies (Quality Management System of the Public Sector, Internal Control Standard Model, Rationalization of Procedures Policy, Government Online, and Single Procedures Information System – SUIT – in Spanish, among others) and the organizational elements of their organizational actions.

The SGCCI of DIAN relies on self-regulation principles, self-control and self-assessment where each manager is responsible for their actions and outcomes, the Office of Internal Control is responsible of evaluating the systems and for this purpose it uses the relevant audit, analysis and evaluation tools, from which the institutional improvement plans are derived from.

The system has different feedback mechanisms such as the petitions, Complaints, Claims and Suggestions System, assessment reports of fiscal control bodies, service perception surveys and Taxpayer and Customs Users Advocate reports, among others.

In the same manner the entity is increasingly incorporating in the procedures streamlining, simplification and automation policy that guides citizen and employer relationships for the exercise of their rights or compliance with the customs and foreign exchange tax obligations, within the procedures and services information and disclosure principles through the Single Procedures Information System - SUIT-. In turn is geared towards the strengthening of citizen attention improvement mechanisms as provided for in the National Program for Citizen Services – PNSC, in Spanish - through the use of the information technology and communications – ICT - under the regulation of the online Government strategy – GEL, in Spanish – of the Connectivity and Transparency Agenda Programme by Colombia that promotes the existence of a system of petitions, complaints, claims and suggestions – PQRS, in Spanish - ensuring service and information to citizens.

The Risk Management System and the promotion of self-assessment, independent evaluation and the implementation of improvement plans are also part of the Management and Results Planning and Control System of the entity.

This policy seeks to improve the quality in the supply of products and/or services with the sole objective of increasing confidence and credibility in citizens aligned within the institutional commitment of service, control and collection:

During the week from November 29 to December 3, 2010, Bureau Veritas Certification, conducted the audit verification of the status of compliance of the Integrated Management System of the entity for certification under the NTCGP 1000: 2009 and ISO 9001:2008 Standards on all the processes of the DIAN at the Central level and randomly in of the Customs Directorates of Barranquilla, Bogotá and Cali, Taxes and Customs of Ibagué, Tunja and Santa Marta and Taxes of Bogotá and Large Taxpayers.

The certification audit found an Integrated Management System that was documented and implemented, and one which complies with the majority of the requirements of the NTCGP 1000: 2009 and ISO 9001: 2008 Standards. Several strengths are evident in the commitment of all staff audited and focus on clients.

Fiscal Control

In Colombia the Fiscal control is exercised by the Office of the Comptroller General of the Republic an agency in charge of the external evaluation of the Internal Control System, which gives rise to the respective improvement plans.

Information and communication in the control system, and the provision of the service in the quality system guide the Anti-procedures policy with the support of information technologies to improve services and information offered to the citizens, to increase the efficiency and effectiveness of public management and substantially increase the transparency of the public sector and citizen participation.

Social Control

The Colombian constitutional regime identifies various citizen participation mechanisms that allow bringing the State closer to citizens as a means to protect constitutional rights, popular actions, and along these lines the national Government has regulated accountability and citizen participation in the social control of the State.

Online Government Strategy

In an international context, Colombia has undertaken regional and global commitments to include national strategies, the promotion of modern administrations, more efficient, effective and transparent, by offering online information to citizens, management control mechanisms, participation, services, procedures and procurement.

At this level the country is recognized as the E-Government leader in Latin America and the Caribbean according to the electronic Government world report of the United Nations (UN): moving up 21 seats in the last two years. (See table herein).

Table No. 2 – UN E-Government Statistics

| Country | E-Government 2010 | Rank 2010 | Rank 2008 | Change in Rank |
|-----------|-------------------|-----------|-----------|----------------|
| Colombia | 0.6125 | 31 | 52 | +21 |
| Chile | 0.6014 | 34 | 40 | +6 |
| Uruguay | 0.5848 | 36 | 48 | +12 |
| Argentina | 0.5467 | 48 | 39 | -9 |
| Brazil | 0.5006 | 61 | 45 | -16 |
| Peru | 0.4923 | 63 | 55 | -8 |
| Venezuela | 0.4774 | 70 | 62 | -8 |
| Ecuador | 0.4322 | 95 | 74 | -21 |
| Bolivia | 0.4280 | 98 | 72 | -26 |
| Paraguay | 0.4243 | 101 | 88 | -13 |

Source: United Nations E-Government Development Knowledge Base⁴

² Colombia’s position in E-Government

DIAN has been carrying out technological developments to manage an open and participatory online Government, which combines the following aspects:

- Government - Citizen,
- Government -Company and
- Government - Government:

Similarly, it participates in important procedures chains for the country’s competitiveness such as the One-Stop Window for Business, which in association with the Chambers of Commerce throughout the country:

Transacts the registration in the Tax Identification Number - TIN - is managed based on information from the Business Register, and the One-Stop Window for Foreign Trade – VUCE, in Spanish – managed by the Ministry of Commerce, Industry and Tourism, and through which all the entities responsible for issuing and authorizing approvals for imports or exports and carry out the corresponding procedures interact in providing online information on the TIN for the effects of authenticating applicants, such as the request for the confirmation of the approvals issued and made available as support documents on shipment authorization requests.

² Source: Conpes, Online Government 3650, 2010.

Similarly, there is online interaction with citizens through:

- The processing and virtual filing of tax, customs or foreign exchange returns,
- Consultation of inconsistencies,
- Process management
- The departure of goods or import cargo and
- Payment transactions through electronic channels;

The purpose is to make management more transparent and encourage citizen participation for voluntary compliance with tax obligations, customs and exchange, generating trust in taxpayers in their interaction with the administration.

Likewise, the DIAN generated in the Web page of the entity a "Forum", as a mechanism to ensure the participation of citizens; in turn it enabled the use of social networks **Facebook** and **Twitter** and currently has 1708 and 116 followers respectively generating online interaction and participation.

To promote citizen participation in DIAN's 2011-2020 Strategic Planning, in September there were 8 internal forums with 117 users and 389 comments, 2 forums with management personnel with 118 users and 535 comments an external forum with 54 expert users at national and international levels in tax, customs and exchange rate issues and 16 comments. In October the open forum "Citizenship Participation in DIAN's Strategic Planning," took place with 22 users, 33 comments and 11 opinions.

Accountability

Accountability is the ability that the Tax Administration has to deliver citizens a public response to the requirements made by the same, for the management of resources, decisions and the management carried out in exercise of the power that has been assigned thereto, the DIAN, following the guidelines set out in the law and in the same, economic and social policy documents and the Public Hearings Guide for accountability to the citizenship of the civil service, and making use of information and communication technologies, the information provided in the Web page of the entity, proceeded to carry out the following activities with a view to provide accountability of its management to citizens:

In this regard an Organizational Management Directorate group was created, to find and organize information on accountability minimums as well as information on requests, claims, complaints and suggestions received. During this stage the communication strategy was designed to ensure a two-way dialogue with citizens and also develop the plan of action with activities, resources and persons responsible for said process.

To improve the interaction with citizens an inventory of the complaints and claims submitted virtually and in person by citizens on the development of the management of the DIAN was carried out, and civil society, universities, unions and experts on specific topics through the Forum of the entity were consulted.

Also a virtual accountability public hearing was organized, where a call to the public was made, citizens' proposals were registered, the publication of a document explaining the accountability process and the realization of a virtual forum making use of the progress achieved through online Government with the Forum mechanism.

A final report of the public hearing to sum up the above, the comments and questions received from citizens was finally prepared. Verification implied compliance with the objectives of the process and the evaluation of the activities undertaken to achieve institutional transparency to facilitate communication and information with citizens.

Finally, feedback is carried out so that the actions to improve institutional management are adopted.

The entity by organizing the activities mentioned, met the democracy criteria of the online phase of the 2010 Government manual – a call for online participation by electronic means, online participation, qualification of spaces for participation by making use of social networks, publication of public participation results for the construction of policies, plans and comments to draft bills, call for online democracy and tracking e-democracy online.

The fifth version of the National Transparency Index (NTI, in Spanish), presented in July 2009, assessed 138 national public entities and 20 entities of special nature and regime, doing a review of the measuring of factors, indicators and variables relating to the Finance Sector during the year 2009 had an transparency index of 86.6% and in the DIAN sector occupied seventh place in the year 2009 with a of 81.2 rating.

3. Conclusions and Recommendations

In conclusion, we believe it necessary to move from formulation to action in terms of consolidating institutional development in function of achieving the goals on the subject of collection service and control, requires the country to move forward on the path of sustainable economic development. At the same time that Society strengthens trust in the tax and customs administration and improves the citizens' perception of the public service,

The tax system must be fair, equitable and progressive, inclusive, with temporary, manageable fiscal incentives measurable and relevant, which contribute to the generation of national wealth, jobs and development.

Similarly, a procedure for harmonizing legal time with administrative procedures to incorporate fair income in a short time and in this manner prevent individuals and bodies corporate from being disqualified from paying their debts to the tax administration.

In this regard a broad consensus for fiscal transparency is required from all the individuals that form part of the tax and customs administration.

In the development of the principle of neutrality which seeks to obtain the proposed targets at a lower cost transaction for citizens. The tax administration must then, generate a perception of strength in the citizenship with their exemplary, systematic and forceful actions especially in the sanction of evasion, which should generate subjective and objective risk from the intensive use of the information on the basis of fiscal intelligence understood as the capacity of the administration to be accurate and fast in detecting the omission, inaccuracy, failure and fraud, from the information available, using optimally the resources of the administration.

Whilst offering a modern technological and computer platform, accessible to all citizens to ensure their compliance with their obligations and the input of information on the economic activity of persons and companies, for the in-depth control that must be carried out by the administration.

The website must be enhanced to a maximum so that this is the environment where the citizen meets with the tax administration, so it should be complete, up-to-date and easy to understand to be more user friendly in order for citizens to comply with their obligations from any place in the national territory and the world.

The tax culture is reached when citizens perceive the strength of the tax administration and the proper use of public resources through public expenditure.

The usefulness and applicability of higher-order public policies issued by the national Government must be analyzed as well as the definition of institutional development policies public - quality, internal control, human development, performance evaluation, rationalization of procedures ... - and fight against corruption, therefore tax administrations must ask

themselves if they need a special regulatory treatment for them and for the strengthening of an administrative career and promote its own disciplinary regime.

The tax administration must then strengthen and provide sustainability to internal control systems, empowering management for the effective operation of a risk management system, and management sustainability, attention to complaints, claims to the suggestions and requests in the short medium and long term. And the Office of Internal Audit to perform structural and systemic evaluations that contribute to the institutional improvement and which would improve the effectiveness of tax administration.

Regarding the public servants of the tax administration more beyond their code of ethics, requires the strengthening of an administrative career of special nature for the tax administration to have a competent team, which merges qualifications, experience and ethics of civil servants and the generational replacement, which adds modern performance evaluation tools and results-based competitive strategic compensation.

Same as an agile disciplinary regime that allows the Administration to have qualified and transparent staff in real time and waive those which are not.

Taxpaying responsible citizens, and other taxpayers should meet their obligations, rights and duties with the tax administration, therefore they must among others comply with their registration in the Mater Taxpayer Registry, submit and pay their returns, issue invoices, denounce evasion, and in this sense the special body of the Taxpayer and Customs User Advocate is justified.

Unions, associations, cooperatives, users must strengthen their role in the generation of the contribution culture between its members and report to the tax administration, unfair practices that they see, also promote the formalization of employment, the use of banking services and other legally accepted practices.

Considering the intermediation of the citizens with the tax administration the role of accountants and fiscal reviewers and other professionals must be evaluated, by applying exemplary sanctions to those whose behavior is not pursuant to the law. Likewise requires breaking possible alliances with administration officials.

The sanction to accountants and fiscal reviewers as it is appropriate should be effective, it is necessary to separate the unfair practices of processes inherent to the tax administration

Tax control bodies must specify structural improvement measures to eradicate root constraints, which should not wear out entities audited or tax control bodies.

Police and judicial authorities should provide permanent collaboration to respond reactively in identifying misconduct by public officials and intermediaries and the prevention of the same so that they are not repeated.

In this manner the Tax Administration can reach the objectives that have been entrusted thereto and society can head towards tax morale by consensus.