

A Study on Improvement of Customs and Tax Organization by ICT

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Abstract: *Nowadays ICT has a significant job in policy implementation by setting out open doors to mechanize a great deal of manual tasks. Both internal and inter-institutional processes of cooperation in public administrations that promote access to services and service quality, facilitate administrative processes for citizens and businesses, and contribute to the accessibility of information are facilitated by ICT, which plays an important role in improving customer service. Every day, public authority faces a significant obstacle: lowering labor costs while simultaneously introducing new ideas. Public administrations face a serious challenge in achieving both of these goals: how to operate in a connected environment by involving stakeholders and how to solve problems by utilizing new working methods, tools, and management models at the same time. The efficiency and effectiveness of resource use is one of the strategic goals of tax and customs administrations; As a result, they are constantly looking for ways to automate internal work processes and significantly reduce manual workload, improve service quality and the business environment as a whole, and simplify administrative procedures. The purpose of this study is to identify the factors that have the greatest impact on increasing institutions' effectiveness by examining the structure of the efficiency indicators.*

Keywords: Administrations of taxes and customs, information and communication technology, productivity, efficiency, and manual labor

I. INTRODUCTION

One of the essential goals of duty and customs organizations is to increment asset use efficiency and effectiveness; As a result, they are constantly looking for ways to automate internal work processes and significantly reduce manual workload, improve service quality and the business environment as a whole, and simplify administrative procedures. The total revenue body expenditure as a percentage of GDP and the cost of collection ratio, which compares the aggregate tax administration cost per 100 units of net tax revenue collected, are two commonly used performance indicators for tax administrations in OECD and non-OECD nations (OECD, 2014). Because they are essential to the efficient operation of the public administration, administrative expenses, compensation costs, and information and communications technology (ICT) costs are typically taken into account when calculating the cost of one euro collected.

The existing work processes are being rethought from the point of view of innovation as a result of the development of cutting-edge technologies and cutting-edge working practices. As a result, work processes are becoming more efficient. As it enables more efficient use of the means of production, it is generally believed that such replacement is significant from a resource use perspective. While saving the old framework and adding new components and assignments, it will in any case be important to keep up with both the old assets for carrying out standard roles and ceaselessly adding new assets to guarantee that new exercises are executed. In this development, an absence of assets and the requirement for new representatives will continuously be felt. The authors concur with Pang et al. assessment that 'most of concentrates in the data frameworks (IS) discipline have centered around finding IT business esteem in for-profit associations, the presentation effects of IT in the public area have not been broadly examined neither in the IS nor the policy

implementation writing'. The authors argue that the increase in the role of information and communication technology and the decrease in manual labor in public administration both guarantee an increase in efficiency indicators. The purpose of this study is to identify the factors that have the greatest impact on increasing institutions' effectiveness by examining the structure of the performance indicators.

The current research focuses on the efficiency and efficacy of ICT that affect the performance indicator. The following objectives are pursued in order to accomplish the goal:

- (1) to identify the types of expenditures related to the SRS performance indicator;
- (2) to examine the current ICT expenditure, recovery costs, and labor force structure in the Latvian State Revenue Service (SRS); and
- (3) to suggest enhancements to the mechanism for calculating resource savings by replacing manual labor with ICTs.

The data arranged by SRS measurement, scientific distributions of unfamiliar and neighborhood analysts, and different materials have been utilized with the end goal of the review. The examination is predominantly founded on the monographic elucidating strategy as well as the techniques for investigation and blend.

II. PROBLEM STATEMENT

In today's world, information and communication technology (ICT) plays a significant role in public administration by providing opportunities to automate numerous manual processes. Both internal and inter-institutional processes of cooperation in public administrations that promote access to services and service quality, facilitate administrative processes for citizens and businesses, and contribute to the accessibility of information are facilitated by ICT, which plays an important role in improving customer service. Every day, public authority faces a significant obstacle: lowering labor costs while simultaneously introducing new ideas. Public administrations face a serious challenge in achieving both of these goals: how to operate in a connected environment by involving stakeholders and how to solve problems by utilizing new working methods, tools, and management models at the same time. "The public sector's capacity to address society's evolving challenges gradually exceeds their scale." Governments with limited budgets must find creative ways to transform and improve their operations and service delivery models in order to meet these challenges. Typically, transformation starts from the inside out (based on policy goals) and focuses on reorganization through ICTs.

III. TAX AND CUSTOMS

Tax and customs administrations, as well as any other public administrations whose operations are largely based on intellectual and manual labor, have the capacity to absorb a virtually unlimited number of employees, and the only limitation is the amount of funding that has. The human factor determines that work-related resources never meet demand. The institution's management must regularly assess the workload and determine the best allocation of human resources and ICT resources based on the existence of this factor.

IV. DATA ANALYSIS

Data analysis concur that "service performance in public sector entities should provide high quality information," "the way funds should be allocated should be transparent," "efficient resource use without raising questions about resource use," and "eliminate uncertainty in the quality of services." In this setting, the entire organization's performance should rise as a result of replacing manual labor with information and communication technology. The research will focus on the remuneration and ICT expenditures because the proportion of administrative expenditures compared to the other two types of expenditures is relatively small. This is because the performance indicator typically takes into account the three types of expenditures: administrative, remuneration, and ICT expenditures.

V. RESULTS AND DISCUSSIONS

National governments implemented private principles and tools in the public sphere in accordance with the New Public Management (NPM) guidelines in order to enhance the efficiency, effectiveness, and financial stability of state enterprise (Calogero, 2010). This indicates that in order for public authorities to accomplish their strategic goals, they must evaluate two critically important aspects: ICT and human resources, as well as the interactions between them that

are necessary for achieving performance indicators and strategic goals. According to Gershon "Government policy-making emphasis worldwide is moving increasingly to how IT can be used to achieve efficiency savings." However, in order to calculate the efficiency that can be achieved by modernizing the work process, it is essential to have a precise understanding of the current work processes and the amount of time that is required to apply the previously established work methods.

Methods for estimating the workload are work process research and design techniques. Based on process management, the analytical work estimating method (ианов, 1998) has been chosen for implementation by the Latvian SRS (Ptersone&Ketners, 2016b). It would be necessary to conduct an analysis of all core activities in order to objectively evaluate the resource savings resulting from the replacement of manually performed work processes with ICT. The evaluation procedure's performance (such as identifying work processes, recording the necessary time for each task, and eliminating unnecessary activities) is demonstrated by international experience

Due to the electronic data provided by employers, banks, and other public authorities, this resource-intensive process has been completely automated in Estonia for several years. In this way, accommodation of yearly pay announcements doesn't require going with supporting archives. Due to varying national laws, residents of Estonia can only receive refunds for a smaller portion of their expenses. For instance, the exemptions do not apply to fees for dental and medical care. By connecting it to the process control systems and creating a SRS results matrix in which each indicator is attributed to a process or process step, the SRS has ensured the quality of performance measurements (Ptersone, Krasti, & Ketners, 2015).

However, in addition to the concept of identifying processes and functions, it would be necessary to begin developing work time tracking in order to obtain comprehensive information on the number of processes and tasks that use a lot of resources and take a lot of time. This would provide information and support for determining the resources that are required.

To execute work time following, it would be vital to:

- survey the undertakings, processes, execution pointers and human asset portion for each cycle as indicated by the skill of the institution
- give time following to each interaction, deciding the time spent and execution outcomes;
- gauge costs (both immediate and roundabout) for each cycle (Pētersone and Ketners, 2016a)
- evaluate the accessible information on the time consumed and cost of the cycles by deciding the ideal human asset utilization and lessening this utilization or supplanting it by process computerization.

'An interest in IT that just accomplishes an improvement of Dad inside eciency through expanded efficiency and a decrease underway costs will be partially through the accomplishment of its goal, as that interior eciency doesn't assist with expanding the citizen's fulfillment with the public help got' (Bigliardi and Dormio, 2009).

The Latvian SRS must evaluate strategic questions such as whether all SRS functions correspond to the Latvian SRS's goals; whether legislation is being enforced, which increases the cost of work processes; whether delegated tasks and processes will be duplicated with other public administrations; how many employees will be involved in support processes will increase; and whether there are no internal work estimating standards.

VI. CONCLUSION

1. The role of ICT in tax administration procedures is expanding in light of the increasing volume of data that must be gathered and processed by the administrations of customs and taxes. The majority of taxpayers and clients of the customs administration are now required to submit tax reports and other customs documents exclusively electronically through the use of the Electronic Declaration System (EDS) in communication with the SRS. Because of the bookkeeping quirks in the Latvian SRS, it is unimaginable to expect to acquire dependable information on the Latvian SRS reserve funds subsequent to presenting electronic archive accommodation process in light of the fact that the Latvian SRS doesn't accumulate such information. The use of electronic document submission has reduced manual labor. Without a thorough investigation of the processes, any mechanical reduction in personnel could pose a threat if the amount of work in various workplaces sharply increased or decreased.

2. When Latvian SRS costs for remuneration and ICT services are compared, it is found that ICT services costs rise in tandem with remuneration costs. The SRS's manual labor has decreased as a result of electronic document submission; be that as it may, the electronic accommodation of archives didn't really affect the quantity of workers. The SRS, whose work is primarily intellectual and manual, can accommodate virtually unlimited numbers of people. The only constraint is funding, which has increased steadily since the crisis in 2009 but has not reached 20084 levels. The analytical work estimating method, which is based on process management, has been selected for implementation by the Latvian SRS.

3. However, accurate knowledge of the existing work processes and appropriate accounting and estimating are essential for determining the extent to which ICT solutions can replace manual processes. The SRS must evaluate strategic questions such as whether all functions performed by the SRS correspond to the Latvian SRS's goals, the enforcement of legislation, which increases work process costs, the likelihood of duplication of delegated tasks and processes with other public administrations, the increase in the number of employees involved in support processes, and the absence of internal work estimating standards before beginning the process of replacing manual work with ICT solutions.

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