

**MANAGEMENT FOR CORRECTION OF UNPROFESSIONAL BEHAVIOUR AND
CORRUPT PRACTICES IN TAX ADMINISTRATION / BY MS. GENEVIEVE SAIRRAS
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What is unprofessional behavior and corrupt practices?

That is a good question!

There are many ways to define unprofessional and corrupt behavior within the government, for example: When a government official accepts bribes, when he's illegal absent because he has an additional job that leads to conflict with his government duty or when he misuses government's properties.

Unprofessional behavior and corrupt practices are results of neglected duties. They are the opposite of integrity, which stands for honesty. In the continuation of this paper, they will be referred to as neglecting duties.

Government officials use the weakness of the government to perform above-mentioned activities. The weakness is identified in: weak legal institutions, poor enforcement mechanisms, and vague and complex laws. The purposes for neglecting their duties could be: financial progress, social accepted standards and values and given opportunities. The consequences are in general: economic and social decline, less development, which leads to less tax revenues, and less compliance.

When you have less tax revenues, it is obvious that you want to investigate that phenomena and find solutions to minimize and even prevent it. Prevention is needed, to strengthen the confidence of all stakeholders. For example, the taxpayers must be confident that the tax officials are professionals at the right time and most of all never corrupt. This will strengthen their confidence and make them fulfill their tax liabilities. On the other hand, the tax administration has to fulfill with great efficiency the principles of discipline, honesty, and moral integrity, which are required by society.

How can you combat the problem of neglecting duties?

There are several models of combating this problem; we will provide you with two ways of solving them.

1. The public servant's law has to be structural applied.
2. Introduce an integrity policy within the tax administration

To effectively implement these models, some conditions must be fulfilled.

First, the government's policy, and the political intention must focus on combating the neglected duties. This must reflect itself in good governance, transparency, and exemplary conduct. The tax administration's policy is traced from this policy.

In order to achieve this all, awareness of the neglected duties and their influence is a need. Everybody must realize that corruption and unprofessional behavior are bad acts. In other words: make integrity one of the social standards and values. This begins at home; the family is an example and it is continued at school and at work.

Now I'm going to present the two models to you:

The first one is to applicate the public servants law structural.

Most countries have a public servants law that is equipped with the duties of officials, procedures and sanctions enforced, when they break the law. In that same law, misconducts are also punishable. They are dealt with in the penal statute.

The tax administration can decide to structural apply this public servants law, when it discovers that its officials neglect their duties. That means that the administration sanctions those who break the law, no matter the distinction, age, sex or political background. Therefore, the administration must be objective and may not misuse its position when it sanctions those officials.

As you all followed, this model is very repressive and not our ideal model.

The second one is to introduce an integrity policy within the tax administration.

In this model the tax administration introduces an integrity policy. The mission of the tax administration, within this policy, must focus on the levy and collection of taxes, regarding the common values: integrity, professionalism, respect and cooperation. That means, that the philosophy of the tax administration is not only to collect revenues, but also to serve their customers. For the tax administration is a service provider that helps taxpayers to fulfill their obligations.

The tax administration can implement the policy, by:

- Taking an oath of its officials at their engagement and showing them their responsibilities and duties. Thereby introducing a code of conduct, they may not break. This code includes:

- A pledge of secrecy. For example: an auditor may never talk about a taxpayer during his lunch break in the coffee room. He may only talk to some one, his unit coordinator, who could help him do a better job.
- Service to each taxpayer. The tax official must serve each taxpayer whom he/she deals with, one at a time, and must also provide first quality service and treatment, that is prompt and professional.
- Systems for registration of income assets and liabilities of an official.
- No prohibition of alternate jobs for officials with conflicts to their current job.
- Guidelines whether or not to accept business gifts.
- Training officials to fulfill their missions and responsibilities.
- Creating management roles with clear responsibility.
- Introducing a confidant, who will help officials and investigators with moral issues, which influences their performance. This person may not brief the management about that matter, but he must guide the official to find a solution. He must be open and accessible for those who need help.
- Managing individual careers of officials. The tax administration must offer its officials perspectives for career evolution and possibilities for promotion. For example: salary progression every year, internal contest, depending on responsibilities, selecting the best officials. This justifies the demand for professional qualifications, responsibilities, irreproachable behavior and reactivity, which characterizes the tax administration. So that in compensation, it's worthwhile to offer attractive jobs and interesting career perspectives.
- Introducing independent control institutions; an independent inspection unit, that serves to promote economic, efficient and effective administration of tax laws and protect the tax administration against external attempts to corrupt or threaten its officials. However, team deliberation, where everybody is accountable for his/her actions is very important to strengthen this.
- Sanctioning the official, dependant on the seriousness of the committed or non-committed acts and other factors, such as: the age of the official, his/her personality, and the accountability to the official.

Who is responsible for implementing these models?

The Human Resources Department and the lawmaking unit of the tax administration. Why human resources? One of the supporting processes of the tax administration that is essential for proper execution of the main processes is human resources. It involves the organizational structure, the organization of the personnel structure and the coordination of personnel formation/employment and personnel policy. The human resources policies, procedures, and techniques must be in keeping with the needs, motivations, ambitions, and desire for recognition. The tax administration can't ignore the progress and changes in the world, if they want to fulfill with great efficiency the principles of discipline, honor and moral integrity, which are required by society.

In other words, the management of the human resources must be dynamic to achieve optimum functioning and adequate compliance of assigned missions, because the quality of the tax officials allows the tax administration to respond to the increasing complexity of tax rules and to increase the achievements of public authority. This means a greater valuation of human resources, in order to optimize the existing potential for achieving greater effectiveness.

Finally, as one of the most important representatives of the government, the tax administration needs to inspire trust, both socially and politically. But it's a matter of common knowledge, that neglecting duties don't contribute to that trust. This means that to combat the neglecting duties, the organizational structure and management of the tax administration must change.

As we all have seen, there are a lot of rules on hand. So the regulations must be maintained, not primarily or exclusively by repressive methods, but rather by a well balanced combination of prevention, correction and punishment, together with governments policy and the political intention.

Society and tax officials must know that the tax administration's policy and the embracing of this policy within its organization, must serve as the mirror by which taxpayers may see weather their interests are being served with fairness, efficiency and professionalism, or that the policy is responsive to changes in the external taxpayers environment.

This results in introducing an integrity policy within the tax administration, at which tax officials must behave by a code of conduct. If they misbehave the independent inspection enforces sanctions on them. An integrity confidant needs to prevent the officials from neglecting duties. Therefore, that person must be open and accessible. The management of individual careers of the tax officials must be effective in offering perspectives for career evolution.

However, as mr. Grapinet once stated: *“in every important public or private organization, creative and dynamic management of human resources is one of the key elements of optimal functioning and a determinant element for complying with the missions and objectives assigned”*.

So, the choices are there, but it is up to us. What are we gonna do?