

Penyampai : TAN SRI DATO SERI AHMAD SARJI BIN ABDUL HAMID  
Tajuk : MAJLIS PERASMIAN KURSUS ANTARABANGSA THE GENERAL TAX  
ADMINISTRATION COURSE  
Lokasi : AKADEMI PERCUKAIAN NEGARA BANGI, SELANGOR.  
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1. I am greatly honoured to be invited to officiate the opening ceremony of the General Tax Administration Course organised by the Inland Revenue Department under the Malaysian Technical Cooperation Programme. To the international participants, I extend a warm welcome to Malaysia, and to the local participants I call upon you to play host to our foreign guests in the true spirit of Malaysian hospitality - warm, caring and sincere.

2. The MTCP is testimony that Malaysia is committed to this cause of international cooperation among developing countries. We are committed to sharing our development experience by providing technical cooperation and assistance, albeit on a modest scale, within our own limited resources and capabilities. Malaysia's assistance under the MTCP banner is essentially in the form of training. Apart from this General Tax Administration course, other specialised courses encompassing such diverse areas as public administration and development, radio and TV broadcasting, valuation and property service, health education, veterinary science, maritime studies, public relations, leadership and organisational management are provided under the MTCP. As the development of a country depends on the quality of its human resources, the emphasis of MTCP is on human resources development. The MTCP, now in its fifteenth year of operation had drawn the participation of officials from 90 developing countries mainly for its training courses but also for other areas of cooperation such as attachment programmes, study tours and socio-economic projects. Five universities and more than 20 public agencies and training institutions have been involved in providing long term degree courses and short term specialised training. I believe that the benefits far outweigh the costs of this programme. We cannot place a value on the intangible benefits of goodwill and bonds of friendship among beneficiary nations such as our neighbours in ASEAN, the frontline states of Africa, the countries of the Organisation of Islamic Conference, the South Asia countries of the Indian sub-continent, the islands of the Pacific and the new nations of east and central Europe.

3. I would like to draw your attention to a concept that is of growing concern of those who are governing and those who are being governed, namely, the issue of accountability. In the Public Service, accountability means being answerable to the public, to your clientele and to higher governmental authorities. The early theories of accountability were based on the regulatory dimensions, focussing on compliance to legal and procedural requirements. The early views of accountability ignores the managerial dimension of effectiveness, namely, one must also be accountable for the results of tasks and responsibilities assigned. Public sector management cannot divorce itself from the dictates of accountability, where those who are occupying public office have an obligation to carry out assigned activities in a responsible and responsive manner and being held answerable for its success or failure. Accountability should take into consideration more than just compliance to rules and procedures. Accountability exacts a responsibility for achieving the goals of individual tasks and subsequently the objectives and raison d'etre of the organisation.

4. An important element of effective tax administration is the internalisation of the concept of accountability. Tax administration is built around a very simple principle, namely to collect tax for the nation in a manner that is effective, fair and equitable. As such effective tax administration demands that those given the mandate to do so are accountable for collecting the correct amount of revenue due to the nation. The performance of an Inland Revenue Department will be determined by its ability to collect the direct taxes due to the government, which for most countries form the bulk of its revenue. For example, in Malaysia the amount of direct taxes collected in 1994 amounted to RM18.5 billion, approximately 40.6% of the country's revenue. Failure to do so will deny the nation of much needed funds to maintain economic growth. There are numerous facets of accountability in terms of collecting revenue for the nation. Firstly, you are accountable for ensuring that the correct amount of revenue as provided for under the law is collected. Secondly, you are accountable for timeliness in the collection of revenue. Thirdly, you are also answerable for the arrears of revenue due that are not collected.

5. Shortfall in revenue collection, I am sure, is an universal phenomenon. In Malaysia, the Auditor General's Office has identified various reasons for the shortfall in revenue collection by government agencies. These include weaknesses in supervision and control especially in the maintenance of accounts and records, the lack of skills and inefficiency of officers, shortage of personnel and the failure of management to give due attention and focus to maintaining an effective system of financial management. The Civil Service of Malaysia has launched a major effort to clear up backlog of work in all agencies. This is particularly relevant for revenue collecting agencies such as the Inland Revenue Department as there is a positive correlation between timely and accurate collection of revenue and the amount of backlog in assessments of taxes payable. Given the commitment, I believe that backlog of work could be cleared up even without any increase in manpower. An agency could look into the deployment of staff to critical areas, review work processes, streamline procedures and introduce new technology, but most importantly there must be a willingness to sacrifice one's time and effort to innovate.

6. Steps have been taken by the Government to ensure that limited resources are managed prudently and efficiently. The Government has instituted numerous measures to strengthen the financial management of the Public Service and to ensure that there is greater accountability. Among the measures being introduced are: (i) increasing the role and responsibilities of senior officers, namely the controlling officer of an agency in financial management. In this manner, it is hoped that there will be full accountability of financial resources provided to the agency by Parliament. In addition, a task force or special committee might be required to be established in each agency to spearhead improvement in financial management; and (ii) improving the skills and knowledge of public officials in financial management and tax administration. The lack of skills and knowledge especially pertaining to the legal and procedural requirements of public accounting, finance and assets managements have been identified as a critical cause of poor financial management in many agencies. Manpower skilled in these areas are vital. Strategies to increase the number of skilled manpower include greater specialisation of public officials in financial management and giving greater focus to training to hone in their skills and knowledge.

7. The foundation of accountability lies in the internalisation of an ethos of accountability. Let me just highlight two of these timeless values. The first is honesty. Honesty does not only mean being honest with oneself or honest in carrying out financial transactions. Putting aside self-interest in the cause of public interest, not being influenced by corrupt practices, not exerting influence and public position for achieving self gain are some of the values of an honest manager.

Bending rules to achieve self interest or to reap benefit for oneself or for others are actions that are dishonest. The second value is commitment. We must dedicate ourselves to our profession with full devotion and administer selflessly. Our conduct must do justice to the esteem and confidence which our profession requires. Commitment will ensure a drive to conscientiously perform in accordance with one's position, a desire to master the skills and knowledge required of one's job and an assurance of acting impartially.

8. We have to recognise the fact that we are operating in an era where the customer is paramount.

In tax administration this concept of customer orientation is especially important as your customers are customers not of choice but of compulsion. This makes them very vocal customers, ever ready to pounce on the slightest slip-up and critical of shoddy treatment. As such it is imperative for you to work towards galvanising your organisations to institutionalise a distinct customer-orientation in the delivery of services.

The provision of customer-focussed services in tax administration will at least provide a degree of "satisfaction" during the "moment of truth" when they have to part with their hard earned income to the tax collector!!

9. It gives me much pride to note that the Inland Revenue Department of Malaysia has been in the forefront of translating this concept of customer- oriented services into strategies and finally into specific action plans. To increase compliance to tax requirements, the Inlands Revenue Department has a major programme of taxpayer's information and education. Tax requirements is disseminated through the

publication of books, pamphlets and documentary films while programme hosted by the department through the radio and TV media answers queries from taxpayers.

10. Customer satisfaction is also solicited through improved counter services, the provision of drive-in counters and the payment of income tax through banks. One innovative idea was the introduction of the Taxpayers Service Week in 1991. Where previously taxpayers are expected to come to the Inland Revenue Department's offices to settle their tax problems, the introduction of the Taxpayers Service Week has seen the department going to their customers instead. Counters are opened at public places such as shopping complexes and market all over the country with extended working hours for the convenience of the customers. These counters provide numerous services such as tax enquiries, collection of tax declaration forms and providing general information on tax matters. The Taxpayers Services Week has received overwhelming response from the public and has become the model by which numerous other Government agencies have followed suit and introduced similar services. For their innovativeness, the Inland Revenue Department was awarded the Public Service Innovation Award in 1992.

11. Another area where the IRD has attempted to heighten customer satisfaction is through the use of technology. The department has introduced a massive computerisation programme known as PUSH. This comprehensive system will modernise the whole process of tax administration. This system will introduce new concepts of tax assessment and collection which will reduce departmental workload and at the same time facilitate payment by taxpayers. PUSH will also lead to greater automation of various aspects of administration and management which is in line with the move towards a paper-less civil service. To determine the value of a leader, we must look at his or her achievements, the changes and transformation that he or she has brought about. Clearly, Y.Bhg. Tan Sri Dato' Abu Bakar bin Mohd. Noor has proved to be an exemplary head of department, who has not only inspired his staff to have confidence in him, but has also inspired them to have confidence in themselves.

12. I understand that tax administrations in many parts of the world have either undertaken reforms or are in the midst of modernisation to improve efficiency and effectiveness with the focus towards customer service. Although people generally do not pay taxes voluntarily, they would be more willing taxpayers if they are given the proper service and information. In this respect, I have been informed of tax improvements such as the use of computers to replace manual and repetitive processes, the simplification of forms, the simplification of tax laws, the setting up of taxpayer service centres and one-stop payment counters, and many more, all towards providing quality service to taxpayers. In the final analysis, systems may be well constructed and efficient, but if the personnel responsible for executing the tasks are unmotivated, uncommitted and indifferent, the entire effort at quality improvement is nullified. Manpower development and training are therefore imperative in order to develop the professional knowledge and organisational management skills required of today's managers. Besides upgrading the technical skills in tax work, there's equally an emphasis on developing motivational and change management skills, customer relationships, computer skills, etc.

13. The setting up of the National Tax Academy is another milestone in the history of the IRD as this is the first ever institute on taxation that is established in the country. To host a course on an international level within its first year of birth is no doubt a momentous occasion for the IRD. To IRD and in particular to the staff of the National Tax Academy I offer my congratulations. The introduction of this course comes not a moment too soon as it follows the Government's current policy to see Malaysia developed as a centre of excellence in education and learning. I understand that with the establishment of the National Tax Academy, the IRD will intensify taxpayer education programmes towards the development of a tax knowledgeable-based society that will enhance compliance. This move will certainly assist Government's efforts towards achieving its vision of knowledge-based Malaysian society that will contribute effectively to the nation's progress. On this note, I now have the honour and privilege to officially declare open the General Tax Administration Course under the auspices of the Malaysian Technical Cooperation Programme and organised by the Inland Revenue Department of Malaysia.