

SAS[®] in Government Finances

Capitalizing on Efficiency



The business of government is expensive. Politicians demand money for policies, taxpayers demand value for money, and financial markets and industry demand stability. Sitting at the heart of government, finance ministries and treasuries face many challenges in balancing these sometimes competing demands while managing the performance of large complex organizations.

Raising revenue to meet the needs of government requires efficient tax collection. At the same time, tax and revenue collection agencies have been at the forefront of a shift in the relationship between government and taxpayer. Despite frameworks of complex legal regulations they must follow, agencies are streamlining their tax systems and processes, making them easier, cheaper and more personalized while striving to eliminate fraud, waste and abuse.

The Philippines Bureau of Internal Revenue reaps 400 percent ROI

The Bureau of Internal Revenue (BIR) of the Republic of the Philippines efficiently collects taxes for the government, provides quality service to taxpayers and ensures impartial and uniform enforcement of tax laws. It is responsible for 70 percent of all government revenues. But from 1996 onwards, following the Asian financial crisis, tax collection was in freefall, resulting in large budget deficits. In 2000, BIR deployed SAS to turn the situation around.

Back from the brink

“We became less and less successful in collecting taxes, as evidenced by the continuous decline of our Tax Effort Ratio (TER), which is total revenue collections over Gross Domestic Product (GDP),” says Estelita Aguirre, Deputy Commissioner and Head of Large Taxpayer Operations Group.

“Using SAS has pulled us back from the brink,” continues Aguirre. “We had been accused of ineffectiveness in implementing the value-added tax (VAT) system. But after we started the ‘Reconciliation of Listings for Enforcement’ (RELIEF) project using SAS, the VAT audit trail became very easy to track and the trend was reversed. In fact, during the initial implementation of the RELIEF project we experienced an amazing turnaround.”

SAS provides quantifiable benefits

“In just the first year, we uncovered approximately PHP 70 billion (US 1.4 billion) in under-declarations, and the PHP 6 billion (US 114 million) that we collected in that year amounted to a 400 percent return on investment! It was so easy to convince our commissioner of the advantage of using SAS software because the benefits can be quantified quite clearly.”

“Taxpayers now understand that we run an effective system, and that means we have to spend less time contacting them directly.”

Lilia Guillermo
CIO and Deputy Commissioner
of the Information Systems Group
The Philippines Bureau
of Internal Revenue

Belgian Federal Public Service Finance in control with management dashboard

The Belgian Federal Public Service (FPS) Finance has about 30,000 employees in different departments, spread over the country. To steer this huge, complex organization, the FPS established a “Performance Measurement” cell in charge of developing operational dashboards. This cell turned into the department of “Performance Management” that is responsible for the implementation of a management dashboard – a comprehensive overview of management indicators to support decision making.



THE
POWER
TO KNOW.

The FPS chose SAS technology to implement this dashboard.

The performance measurement cell made a thorough inventory of current measurement initiatives in the fiscal departments' field organizations. "The findings showed that several initiatives had already been taken, a lot of information had been gathered and statistics had been made available," says Claude Schoenaers, head of the Performance Management Department. "Despite this stockpile of

information, the question of how these statistics could be used in decision-making processes remained." The cell analyzed work processes and identified information it deemed useful to measure the performance of the services. Based on this analysis, the FPS defined performance indicators. All this work ultimately resulted in strategic and management objectives per department. With the groundwork completed, implementation of the dashboard began.

One technology fits all

"With SAS, we can use one technology for the entire project", says Michel Martin, Information and Communications Technology (ICT) Project Leader at the FPS Finance, who was in charge of the project's ICT aspects. "It precludes the need to insert other software packages. If we need new functions, we simply add another SAS module. That also contributes to cost efficiency, since we only have to master one technology."

Internationally more than 3,400 public sector sites use SAS, including all major US federal departments, 85 percent of US federal independent agencies and commissions, all 50 US state governments and the following national finance ministries, treasuries, and tax and revenue collection agencies:

Europe, Middle East and Africa

- Belgian Federal Public Service Finance
- Cypriot Ministry of Finance
- Danish Ministry of Finance
- Finnish Customs
- French Ministry for the Economy and Finance
- German Federal Ministry of Finance
- Ireland, Office of the Revenue Commissioners
- Israeli Ministry of Finance
- Italian Ministry of Finance
- Kazakhstan Ministry of Finance
- Lithuanian Customs Department
- Polish Ministry of Finance
- Portuguese Ministry of Finance
- South African Revenue Service
- South African National Treasury
- Spanish Ministry of Economy and Finances
- Swedish Ministry of Finance
- United Kingdom, Her Majesty's Revenue & Customs

Asia Pacific

- Australian Treasury
- New South Wales Office of State Revenue
- Inland Revenue Department of Hong Kong
- Customs & Excise Department of Hong Kong
- Internal Revenue Bureau of Malaysia
- New Zealand Treasury
- New Zealand Department of Inland Revenue
- Philippines Bureau of Internal Revenue
- Thai Custom Dept., Ministry Of Finance

Americas

- Bank of Brazil
- Colombian Tax Ministry
- Internal Revenue of Mexico
- Peruvian Tax Office
- United States of America Department of the Treasury



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