AUDIT MANAGEMENT AND PRACTICES IN RWANDA REVENUE AUTHORITY

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RWANDA REVENUE AUTHORITY
TAXES FOR GROWTH AND DEVELOPMENT

Audit Management and Practices in RRA

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Abstract

This study evaluates the effectiveness of the audit function in the Rwanda Revenue Authority (RRA) by utilizing a mixed-methods approach that comprises a qualitative desk review and an auditor survey. The desk review provides an overview of RRA's current audit process and plans for improvement, as well as successful international practices. The survey, administered from December 2024 to January 2025 to 123 auditors in RRA, offers insights into the main challenges faced by auditors and potential strategies for improvement. Key findings highlight several strengths, including the use of best practices such as risk-based audit case selection, the strategic prioritization of audit process improvements, and positive team dynamics. However, significant challenges remain, such as limited understanding of long-term audit impacts, insufficient resources, and frequent difficulties in engaging non-compliant or uninformed taxpayers. The study concludes with practical recommendations to address these gaps, including expanding auditor training and development, enhancing data quality and technology integration, strengthening taxpayer education throughout the audit process, enhancing cross-team collaboration and staff incentives, optimizing resource allocation and target-setting, and improving evaluation of the audit function. These strategies aim to improve audit efficacy and enable RRA to further its role in generating revenue, boosting compliance, and creating a more efficient tax system in Rwanda.

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Acronyms

CIT: Corporate Income Tax
(C)RMDA: (Compliance) Risk Management and Data Analytics
EBM: Electronic Billing Machine
FY: Fiscal Year
IT: Information Technology
KPI: Key Performance Indicator
NOM: New Operating Model
RRA: Rwanda Revenue Authority
SAF-T: Standard Audit File-Tax
SME: Small and Medium-Sized Enterprises
TADAT: Tax Administration Diagnostic Assessment Tool
TARC: Tax Administration Research Centre
VAT: Value-Added Tax

1. Introduction

Tax audits are a key function of tax administration. The direct role of tax audits is to provide an enforcement mechanism which detects and deters noncompliance. However, secondary impacts of an effective tax audit function are to generate tax revenue through the recovery of losses, to support voluntary compliance by increasing taxpayer trust and perceptions of fairness in the tax system, and to support operational efficiency by identifying issues in the tax system (OECD, 2017).

In the Rwandan context, the efficiency of all functions within the Rwanda Revenue Authority (RRA) is crucial to furthering its mission of increasing revenue collection to fund national economic growth and development. More specifically, RRA's audit function was chosen as a priority area for study following the results of an impact evaluation of audits in RRA (Kotsogiannis et al., 2024). This study found mixed evidence of sustained compliance impacts of Corporate Income Tax (CIT) audits, and recommended further research to investigate audit efficiency more generally. This study is part of a series of operational research briefs to improve the efficiency of priority RRA functions.[4]

This study employs a mixed-methods methodological approach consisting of a qualitative desk review and a survey component. The analysis aims to evaluate the audit function within RRA by identifying strengths in the audit process, highlighting common challenges and risks, and exploring potential strategies and initiatives to enhance the efficacy of tax audits in Rwanda, with a strong emphasis on incorporating auditors' perspectives. Key findings reveal that while the audit function has notable strengths and RRA has focused on ongoing improvements, critical challenges, such as resource limitations and taxpayer non-compliance, must be addressed. The study concludes with actionable recommendations, including expanding training for auditors, enhancing data quality and technology integration, strengthening taxpayer education, and optimizing the time and resource allocation to enable auditors to conduct thorough and accurate audits.

This study is split into several sections. A qualitative desk review summarizes the evidence base to date, including RRA documents and international literature. An auditor survey provides primary evidence on challenges and potential solutions that would be most effective in RRA. The study concludes with practical recommendations for the improvement of RRA's audit function.

2. Qualitative Desk Review

RRA has made strong progress in improving its audit function, though issues around data quality and evaluation persist. Modern tax audit functions are increasingly evaluated for their ability to improve voluntary compliance, and the quality of the audits are crucial to this. The potential of technological improvements is dependent on the complementary skills and technology of both

[4] Other priority areas identified for study include the VAT refund process, the arrears collection function, and the customs clearance function.

RRA and of taxpayers. There is potential to adopt successful initiatives from other tax administrations to improve audit efficiency and taxpayer compliance. However, some initiatives can increase the compliance burden for taxpayers, and this should be taken into account before they are introduced in Rwanda. The below sub-sections provide more detail on the strengths and areas for improvement of RRA's audit function, the existing international literature on audit efficacy, and promising global initiatives that could be considered in Rwanda.

2.1 Rwandan Context

RRA has been conducting increasingly more audits over the past several years. The number of audit cases has increased more than four-fold between 2021/22 and 2023/24 (Figure 1; RRA, 2024c). This growth is largely attributable to an increase in the number of desk audits, which made up more than 99% of RRA's domestic and customs audit cases in 2023/24 (Figure 2; RRA, 2024c). Overall, RRA conducted over 87,000 audits in 2023/24 (excluding refund audits and transfer pricing audits).

Figure 1: RRA Domestic and Customs Audit Cases, 2018/19 - 2023/24

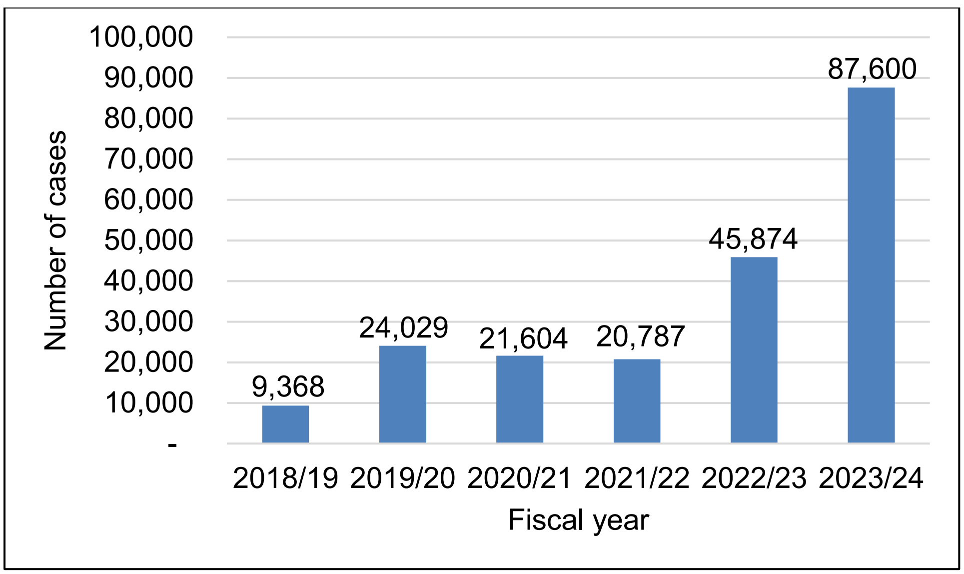
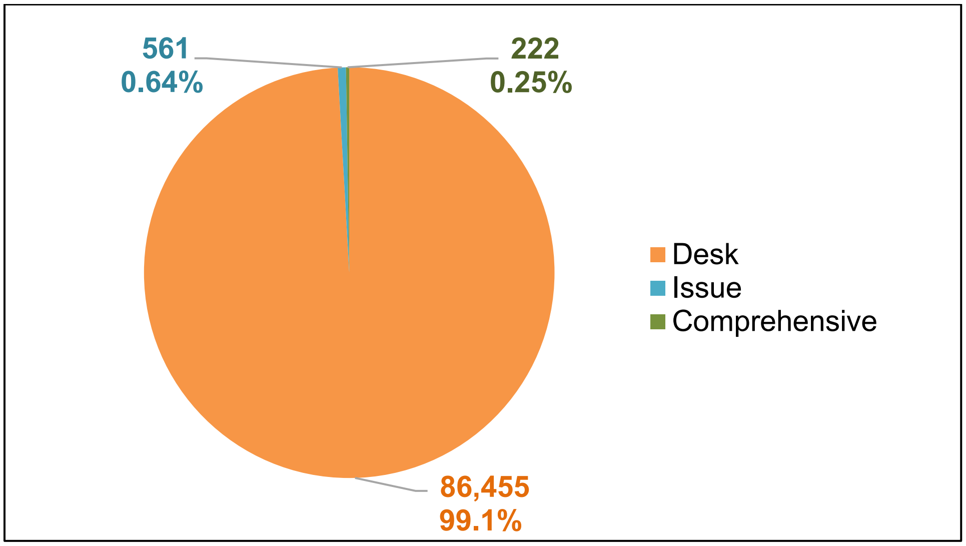
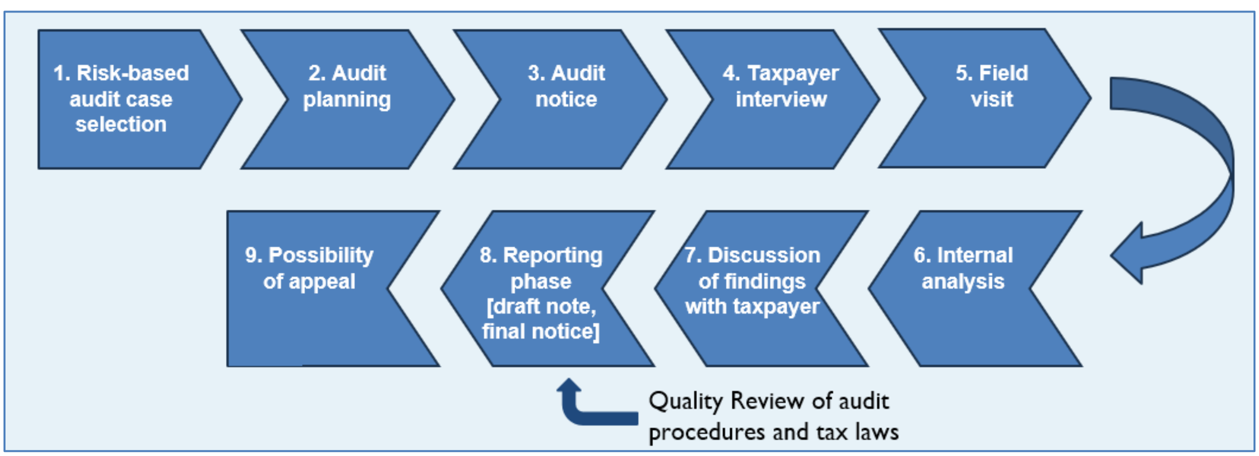


Figure 2: RRA Audit Cases by Audit Type, 2023/24



The audit function in RRA displays many notable strengths. Risk-based selection of audits is supported by strong intelligence-gathering and ensures audit resources are well-targeted (Murasi et al., 2022). RRA has also incorporated other best practices into the audit process, including soliciting taxpayer feedback during audits and conducting quality reviews of large-scale audits to ensure accuracy and effectiveness (Figure 3). These efforts have contributed to high taxpayer satisfaction towards auditors, with 71.4% satisfied with their professionalism, 72.1% with their competence, and 71.2% with their commitment. This is nearly as high as overall taxpayer satisfaction of 75% (RRA, 2021).

Figure 3: Steps of the RRA tax audit process



RRA's audit function has received generally positive scores in terms of its adherence to international best practices. An internal Tax Administration Diagnostic Assessment Tool (TADAT) assessment conducted in December 2022 indicated that RRA's audit program is effective in covering all core taxes and focusing on key taxpayer segments, yet the impact of audits on taxpayer compliance is not routinely evaluated (Murasi et al., 2022). The assessment noted that audit case selection is done in a centralized manner using a risk regime, resulting in strategic targeting of high-risk economic sectors. Moreover, RRA developed its Tax Audit Manual in 2021, providing detailed guidance and templates for auditors to follow throughout the audit process; the manual also includes Sector Notes for key economic sectors. In addition, the quality review function has recently been designated to an independent team, contributing to streamlined audit quality monitoring for continuous operational improvements. However, the TADAT assessment noted key areas in which RRA could still improve to meet international standards for best audit practices, several of which have already been implemented since the completion of the assessment. Areas for improvement include routinely evaluating audit effectiveness and publishing performance reports with detailed Key Performance Indicators (KPIs), updating the Tax Audit Manual and systematically prioritizing sectors covered by Sector Notes, measuring the performance of the quality review function, and strengthening efforts to gather routine and systematic taxpayer feedback on auditors' professionalism and competence. When setting up detailed KPIs, it is recommended to set sector-specific audit targets based on expected compliance outcomes, and to broaden KPIs to capture audit assessments and collections – not just tax revenue and case numbers. Detailed KPIs can also include the percentage of total audit time spent on examining tax returns (i.e., direct audit time), the total audit cycle time, and the average tax assessed per audit – disaggregated by audit type and tax type. Moreover, RRA has already taken steps to strengthen the evaluation of audit effectiveness, including through this study, a supporting quantitative analysis on compliance impacts, and a planned taxpayer survey on audit perceptions. It is worth noting that while RRA already captures general taxpayer perceptions of auditors' professionalism through its Customer Satisfaction Survey, most surveyed taxpayers have never been audited. Building on this, the upcoming taxpayer survey on audit perceptions will focus specifically on those who have been audited, allowing for a more in-depth understanding of their views on auditors and the audit process. Lastly, the quality review process has undergone significant restructuring to improve standardization and efficiency, and the Tax Audit Manual has been updated and now includes additional Sector Notes. Still, continued progress depends on RRA embedding routine audit evaluations and procedural reviews into its operations, and enhancing its KPI framework for audit.

Looking ahead, RRA already has plans underway that are expected to lead to significant advancements. Enhancing the efficiency of the tax audit function has been identified as a priority for RRA's 2024/25 Action Plan, with targets for improvement continuing over the course of the 5-year Strategic Plan (RRA, 2024a; RRA, 2024b). Specific activities identified for the period 2024-2029 are the modernization of eight audit tools (three in FY 2024/25), and the increase in the audit coverage ratio, defined as the ratio of taxpayers audited to taxpayers identified for audit by the Risk Management function, from 90% to 96%. Plans are also in place to enhance risk management rules and develop predictive models for measuring taxpayer compliance, while a faceless audit system is due to be implemented in the 2024/25 fiscal year.

Despite anticipated progress, potential for further improvements remains. In line with the 2022 internal TADAT assessment, which noted that RRA does not routinely evaluate the impact of audits on future compliance, a recent study also found that RRA's target-driven governance approach results in less focus on the potential long-term effects of audits on boosting future compliance, while more resources are directed towards meeting numeric audit case targets (Chemouni, 2020). A one-off evaluation of CIT audits found only comprehensive audits to have any positive compliance impact and it was short-lived. Desk and issue audits were found to negatively impact compliance (Kotsogiannis et al., 2024). Since this evaluation, the number of desk and issue audits has rapidly increased. In addition, data constraints prevented any more granular insights on the drivers of the compliance impacts despite significant staff time dedicated to the project. These findings underscore the need for increased evaluations and stronger assessment tools to enhance audit effectiveness.

A recent survey of all tax officials adds an important internal lens to the discussion, revealing both strengths and challenges in the audit team's perceptions of RRA compared to those of the rest of RRA's divisions.[5] In some cases, this is positive. For example, the audit team is much more optimistic about the impact of technology on transparency, corruption and enforcement. They are also more confident in their staff members and those of other divisions, and are more likely to agree that innovation and new ideas are encouraged. However, some challenges are greater in the audit division than elsewhere in RRA. They were less likely to agree that they are trusted to carry out their job effectively, that the work environment support their daily activities, or that their supervisor demonstrates sufficient people management skills to effectively lead the unit. Concerningly, the audit division was far more likely to say employees received cash, favors or gifts from taxpayers in exchange for influencing procedures or services, with over 35% of the audit team responding that this happens either sometimes, quite often or very often compared to 7.5% of all RRA employees. Lastly, other areas of difference in response are of interest without being 'good' or 'bad'. For example, the audit team were more likely to agree that the RRA enforcement strategy is too heavy in punishing taxpayers (31.3% compared to 19.4%) and were less likely to think tax officials' behavior influences taxpayer compliance or evasion of taxes. They also responded differently to a question about the main reasons for non-compliance behavior in taxpayers. The audit team included relatively more responses related to poor quality public services and lack of timely support from RRA and relatively fewer responses related to confusion or high taxes and fees.

2.2 International Literature

Numerous taxpayer-focused interventions have been identified for their potential to improve audit efficiency. These include proactive engagement of taxpayers for transparency and cooperative compliance initiatives, the standardization of data requirements from firms, and streamlining of

[5] The summarized responses are shown in Table A1 in the Appendix.

tax reporting mechanisms including taxpayer guidance. The potential for the audit function to engage in one-to-many initiatives marks a direct change from previous perceptions of the role of audit (OECD, 2017). This is in line with the findings that "the most cost-effective systems are those that convince the vast majority of taxpayers to meet their tax obligations voluntarily" (UNECA, 2019). Complementarities between taxpayer-focused interventions should also be considered. Embedding taxpayer education initiatives within the tax audit process, when taxpayers are more likely to engage with the education, was found to increase the compliance impact of tax audits in Ghana (Oduro et al., 2024).

Other interventions which improve audit efficiency should consider any negative impacts on taxpayers. For example, the faceless audit system introduced in India was praised for its ability to improve overall audit efficiency, reduce bias, and increase auditor access to expert support units. However, this can be at the expense of taxpayers who may face more duplicate requests for information and are limited in their abilities to give context verbally, resulting in more burdensome written explanations of data (Foley et al., 2021). Auditors were also positive about the compliance impact of mandatory audits of small and medium-sized enterprises (SMEs) in Egypt. However, SME management pointed out the increased compliance burden for them (Mohamed & Gan, 2024).

The role of technology and new data sources has significant potential to improve audit efficiency. Third party data sources allow for income verification without going into the field, whilst advanced analytics are continuously improving the audit selection process (OECD, 2017). However, this also increases the importance of high-quality datasets and skills within the tax administrations. Sigle et al. (2024) finds that experienced auditors are only superior to less experienced auditors if they were willing and skilled enough to take advantage of the new technologies and digitized data. They emphasize the role of skills and training in ensuring high quality audits.

2.3 Initiatives of Interest

As identified above, the drive to improve audit efficacy is common across all governments. The following initiatives were introduced to improve the impact of audits on tax compliance around the world, and may potentially provide ideas for RRA in the future.

1. **Consolidated dashboard of information (e.g., iCase Singapore):**
   Singapore introduced a custom dashboard for use by its auditors to increase their productivity by including all the information in one place. The dashboard presents information on the profile of the company, income, expenditure, ownership of real property, and provides industry benchmarks. It includes a compliance scoring method and automatic flagging of risk areas (OECD, 2017).
2. **Tax education as part of tax audit process (e.g., Ghana Revenue Authority):**
   Research by the Ghana Revenue Authority found that regular tax education during tax audits increased tax compliance following the audits and recommended education to be

included within the audit process (Oduro et al., 2024). This can be in the form of management letters offered by auditors which provide clear recommendations for how taxpayers can improve internal controls, financial statement procedures, and overall tax compliance. To facilitate deeper understanding, auditors give thorough justifications for any issues found during the audit, outlining the potential effects of the issues on the taxpayer's ability to comply with tax laws and produce accurate financial records. Finally, the management letter requires swift follow-up action by taxpayers in order to gauge the direct impact of tax audit on taxpayer education.

3. **Bottom-up risk rule development (e.g., Switzerland bottom-up strategy):**
   Switzerland introduced a bottom-up risk rule approach to identifying which types of taxpayers may be risky and therefore should be audited more frequently. In this scheme, tax experts (including auditors or other staff) develop their own ideas of which businesses or behaviors may be risky and submit these ideas along with supporting documentation to the audit risk planning team. The idea is then tested in a sample of field audits, and if it is more successful in predicting non-compliance than existing risk rules, the idea is integrated as a new risk indicator (OECD, 2017).
4. **Mandatory data submission standards (e.g., Polish SAF-T):**
   Poland has implemented Standard Audit File-Tax (SAF-T), which obliges all taxpayers to submit monthly Value-Added Tax (VAT) data online, as well as on request to auditors. SAF-T has shortened the average time needed to conduct an audit, made audits less invasive for taxpayers, and improved case selection of taxpayers to be audited (OECD, 2017).
5. **Compulsory tax audits for SMEs (e.g., Mandatory audits for Egyptian SMEs):**
   Mandatory tax audits were introduced for SMEs in Egypt, where small firms often operate in the informal economy and are significantly less likely to be tax compliant. Research findings show that there was a significant positive effect of mandatory audits of SMEs on their income tax compliance levels (Mohamed & Gan, 2024). Mandatory audits can also yield positive effects on financial record accuracy, internal control quality, and tax awareness; however, they can be costly and time-consuming for SMEs and tax administrations.
6. **Enriched audit data records:**
   Based on research recommendations from a joint paper by RRA and the Tax Administration Research Centre (TARC), audit data should be enriched to include more descriptive and detailed information on factors such as the type/source of non-compliance identified (e.g., overinflated losses, undeclared income), the intensity of the audit process (e.g., auditors' characteristics, time spent on audit), and taxpayer sector (2-3-4 digits) (Kotsogiannis et al., 2024).
7. **Review of numerical targets for auditors:**
   The literature findings emphasize the importance of quality of audits where poor-quality audits are counterproductive (Kotsogiannis et al., 2024). RRA's KPIs for the number of

audits focus on the number of audits conducted and may incentivize staff to rush audits or overlook complex issues where no quality variable is monitored.

3. Survey

A survey was conducted among all RRA auditors to gauge the challenges of the audit function and to identify potential strategies for improvement.[6] More specifically, the survey questions are designed to gain deeper insights into some of the strengths and challenges already identified through the qualitative desk review in Section 2. The survey allows auditors to offer their own recommendations for improving audits, including through implementing global initiatives outlined in Section 2.3 in Rwanda.

3.1 Survey Design

The auditor survey was administered via an online questionnaire from December 2024 to January 2025. Among a total of 173 domestic taxes and customs audit staff who were contacted to participate in the survey, 123 auditors submitted responses. Based on Cochran's (1977) formula to calculate an appropriate representative sample size within a finite population, assuming a 95% confidence level and a 5% margin of error, there would need to be a minimum of 120 respondents to achieve a representative sample size. Note that the sample of 123 respondents exceeds this threshold.

The questionnaire contains a combination of multiple-choice and open-response questions. The survey comprises the following sections:

- Section A: Personal Characteristics
- Section B: Challenges in the Role
- Section C: Ability to Perform Audits
- Section D: Perception about Role of Audit
- Section E: Knowledge Exchange between Audit Division and Other Entities
- Section F: Challenges when Interacting with Taxpayers
- Section G: Recommendations to Improve Audit Efficacy

3.2 Results

This section presents the key findings from the auditor survey, with a focus on (1) perceptions of the audit function, (2) challenges and risks, (3) strengths and strategies for success, and (4) recommendations for future improvement. This section also includes a descriptive comparative analysis of results disaggregated by auditors' years of experience, division, and office location (headquarters or up-country).

[6] Summarized survey responses are included in Table A2 in the Appendix.

3.2.1 Perceptions of the audit function

Overall, auditors expressed positive perceptions of the audit function and the team dynamics within the Taxpayer Audit Division. Over 80% of auditors agree that they cooperate well with their colleagues, they feel comfortable telling their managers about problems, and audits in RRA are ultimately completed to a high standard (Figure 4). Auditors also have generally favorable perceptions of auditor staff capacity and resources, yet nearly 30% of respondents expressed some doubt that staff capacity and resources are sufficient for them to perform their function well. Also, nearly 40% of respondents expressed doubt about senior management's ability to understand the issues faced by auditors.

Auditors generally believe that they maintain strong collaboration and attentive listening among RRA departments, including with the Risk Management and Data Analytics Division (RMDA). However, over 40% of respondents expressed some doubt about whether staff in the Taxpayer Audit Division and the RMDA Division are mutually respected (Figure 5). Additionally, over 40% of auditors are doubtful that risk-based audit selection conducted by RMDA staff effectively targets non-compliant taxpayers. This may stem from the fact that one-third of auditors feel other RRA departments do not adequately listen to or address the tax system issues identified by the Audit Division, highlighting a lack of effective feedback channels between field auditors and divisions such as RMDA.

Figure 4: Auditors' perceptions of the RRA audit function

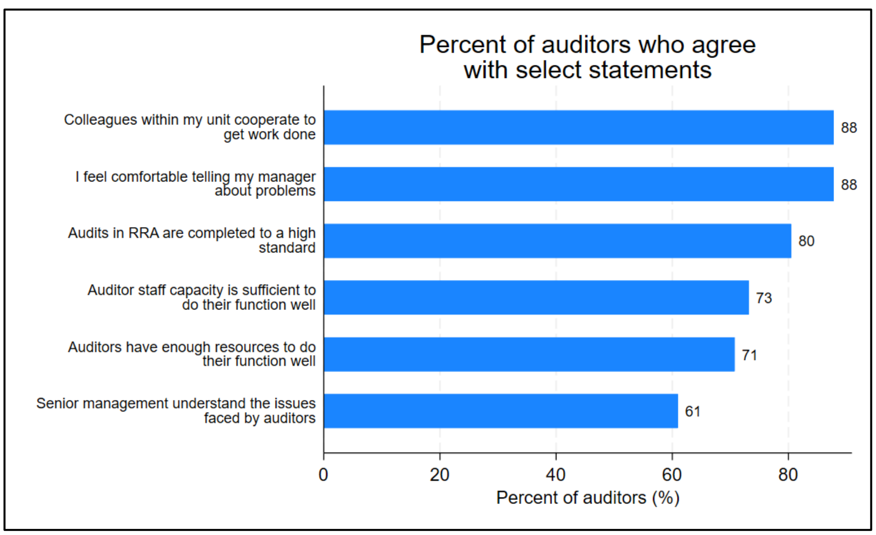
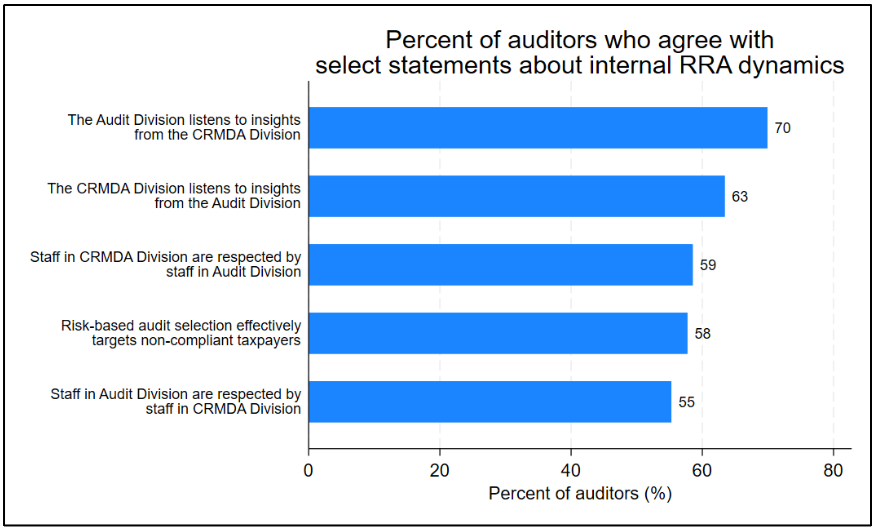


Figure 5: Auditors' perceptions of internal RRA dynamics



When asked to give an overall rating of audit quality in RRA, auditors gave an average rating of 7.5/10 (Very good) (Figure 6). In line with this rating, auditors have highly favorable views on the importance and effectiveness of RRA audits: 88% believe that audited taxpayers are more compliant in the future, while 86% believe audits ensure the tax system is fair and effective (Figure 7). However, a recent quantitative analysis of the impact of RRA audits on compliance shows that while taxpayer risk scores tend to decline in the years following an audit, actual tax declarations also decrease. This suggests that auditors' perceptions of improved compliance post-audit may be influenced by lower risk scores, which do not necessarily reflect genuine increases in compliance. In an open-response question, auditors identified a wide range of critical functions that tax audits serve in RRA, including improving taxpayer compliance, boosting revenue collection, combatting tax evasion, correcting taxpayer errors, educating taxpayers, and promoting fairness.

Figure 6: Auditors' ratings of audit quality

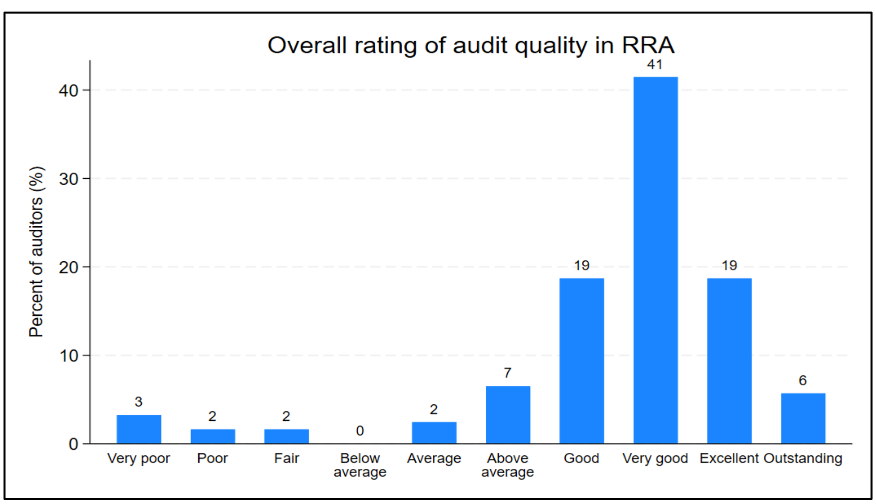
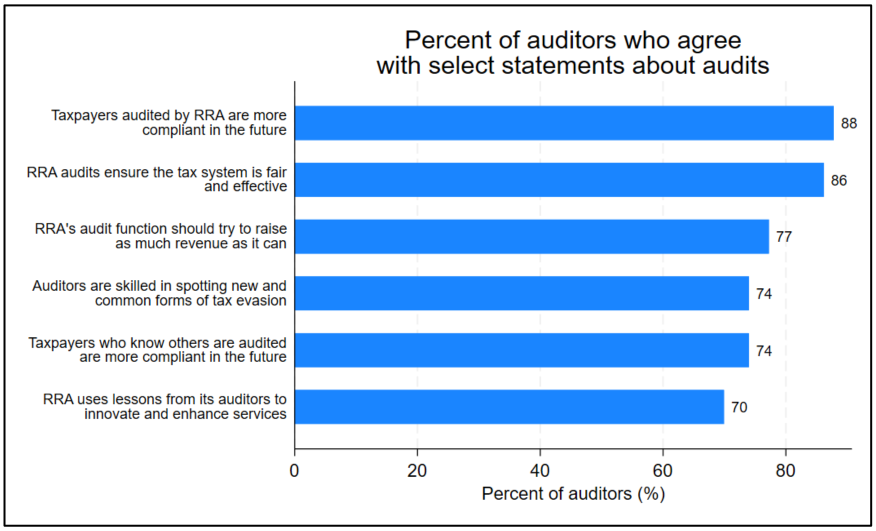


Figure 7: Auditors' perceptions of audit quality



3.2.2 Challenges and risks

Auditors face numerous challenges in conducting tax audits. They are responsible for educating taxpayers and collecting information, conducting in-depth investigations and field visits, and upholding high ethical and professional standards, all while aiming to reach an increasingly higher audit case target each year. The most common challenges faced by over 70% of auditors sometimes, often, or daily are insufficient time to conduct thorough audits, insufficient training for specific audits, and difficulty obtaining all relevant data or documentation (Figure 8). Over 50% of auditors also struggle with securing transport for field visits on a regular basis. Moreover, respondents were most likely to cite lack of cooperation, insufficient taxpayer knowledge, and incomplete financial documents as their top challenges when interacting with taxpayers (Figure 9). Taxpayers' lack of willingness to cooperate can even result in pressure to engage in corrupt practices: 59% of respondents indicated that auditors face pressure from taxpayers to lower tax liabilities sometimes, often, or very often. Nevertheless, 80% of respondents acknowledged that auditors are held accountable for maintaining ethical standards during audit.

Figure 8: Most common challenges faced by auditors

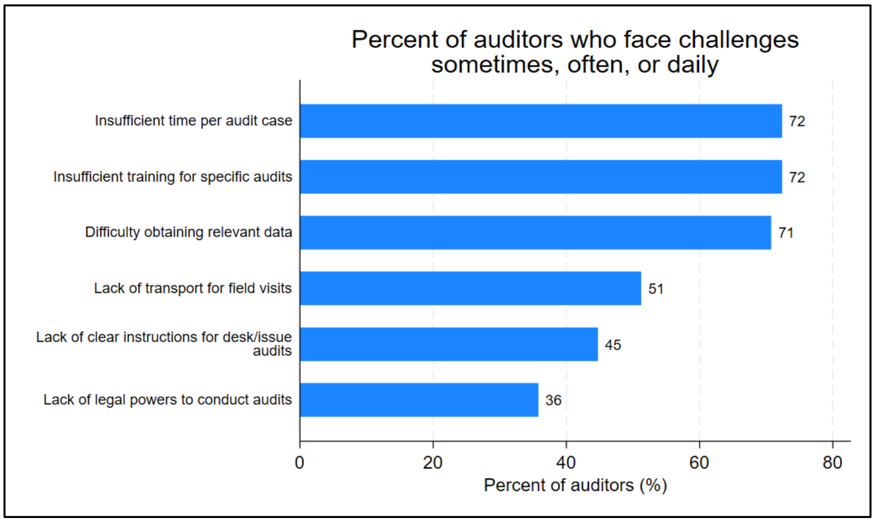
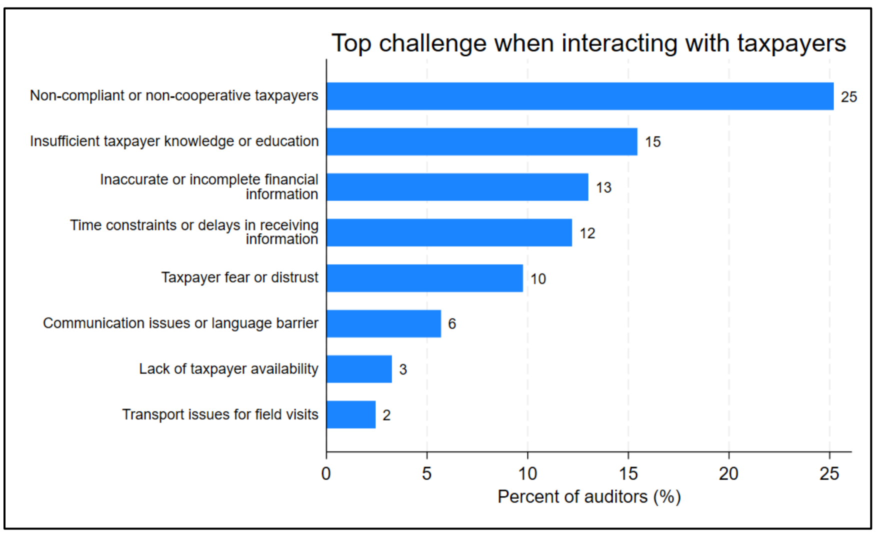
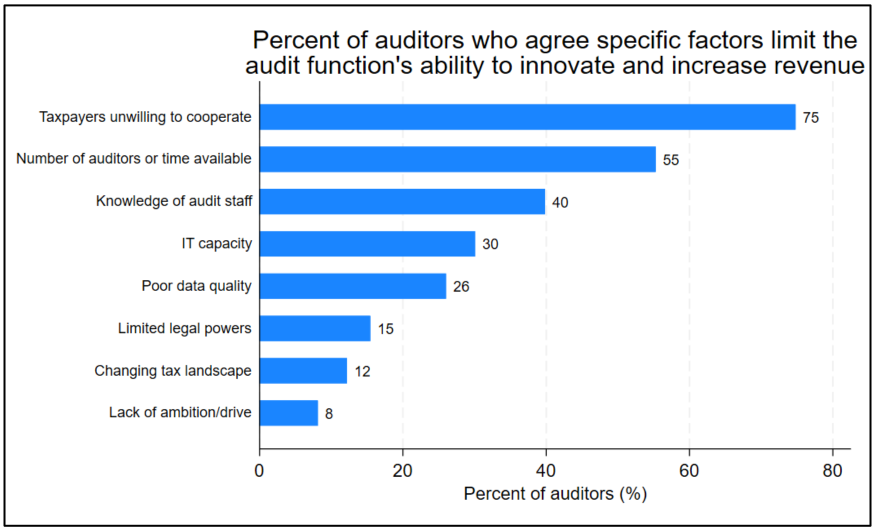


Figure 9: Top challenges faced by auditors when interacting with taxpayers



Specific factors can play a significant role in hindering the audit function's ability to innovate and increase revenue collection. In addition to non-cooperative taxpayers and limited staff capacity, up to 30% of respondents identified information technology (IT) capacity and poor data quality as potential barriers to audit performance within RRA (Figure 10). Additionally, respondents highlighted the critical importance of auditor knowledge, noting that only 53% had received training in audit methods, global auditing standards, or tax evasion detection.

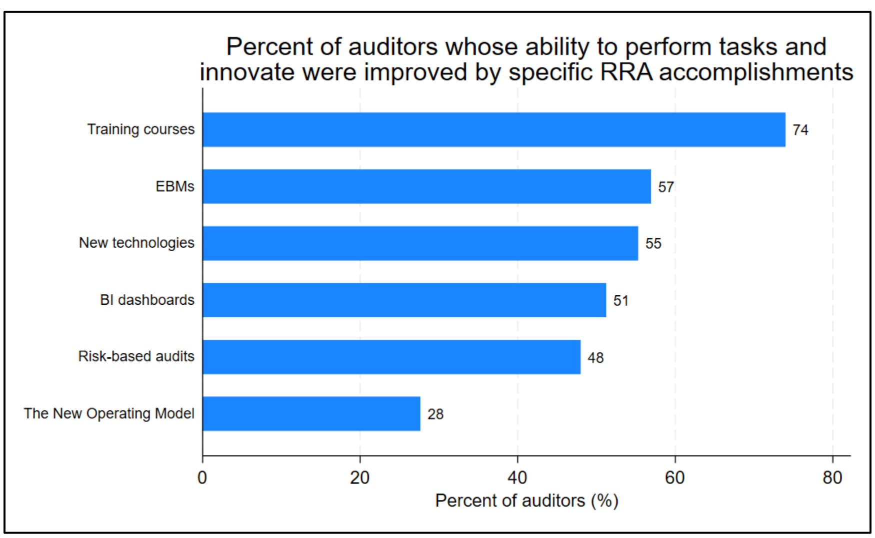
Figure 10: Top factors limiting audit function effectiveness



3.2.3 Strengths and strategies for success

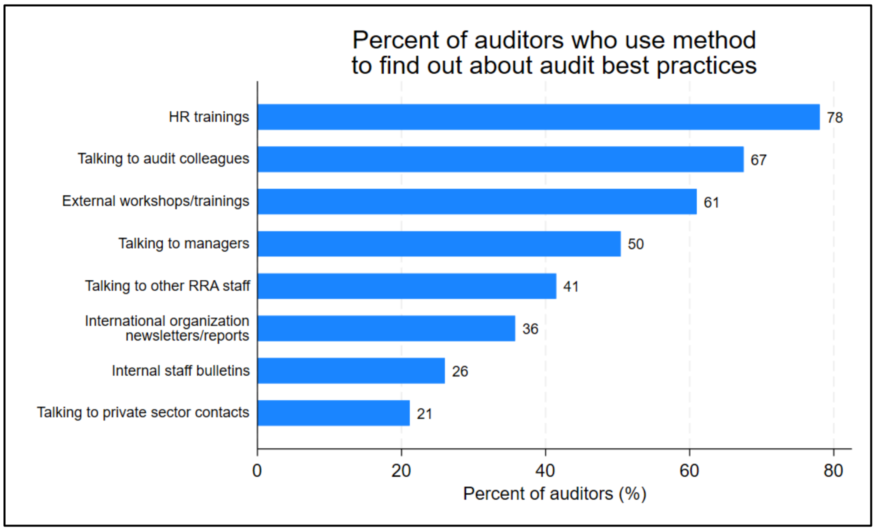
RRA's audit function has notable strengths, in part due to specific organizational accomplishments that have enhanced auditors' ability to perform their tasks and innovate on the job. Respondents identified training courses, the introduction of electronic billing machines (EBMs), and other new technologies as the top accomplishments that have contributed to increased productivity of auditors (Figure 11).

Figure 11: Top RRA accomplishments enhancing audit function effectiveness



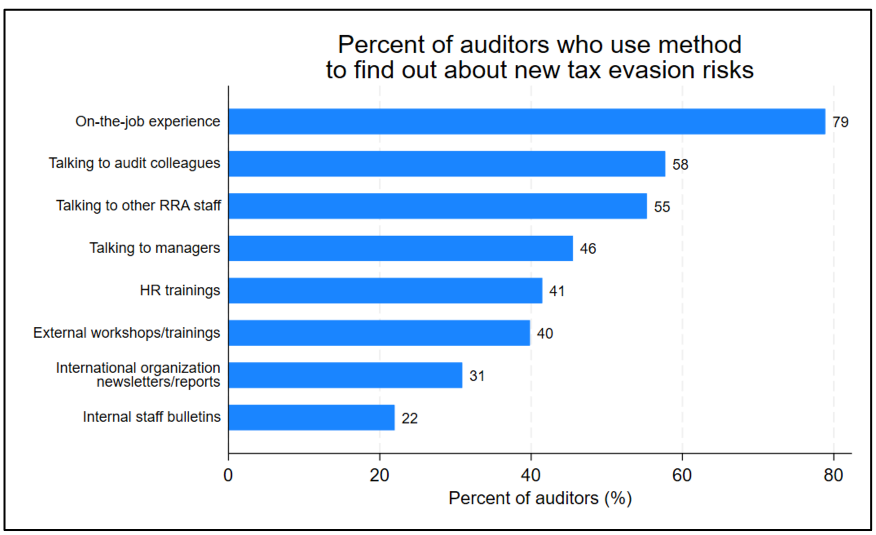
The success of RRA's audit function so far can also be attributed to the integration of best practices into auditors' operational procedures. The most common ways auditors find out about audit best practices are via internal and external workshops, as well as via discussions with audit colleagues and managers (Figure 12).

Figure 12: Auditors' strategies to discover audit best practices



When it comes to adopting best practices for identifying tax evasion risks in the economy, respondents are most likely to rely on on-the-job experience and discussions with RRA colleagues to recognize these risks (Figure 13). Notably, relatively few auditors report relying on formal training to identify tax evasion risks, which may be due to the fact that only about half have received training in tax evasion detection or related audit methods.

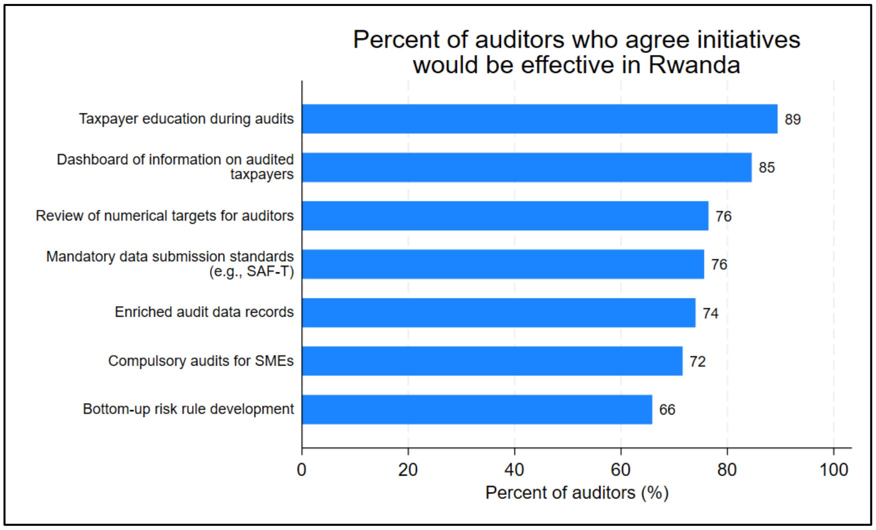
Figure 13: Auditors' strategies to discover new tax evasion risks



3.2.4 Recommendations for future improvement

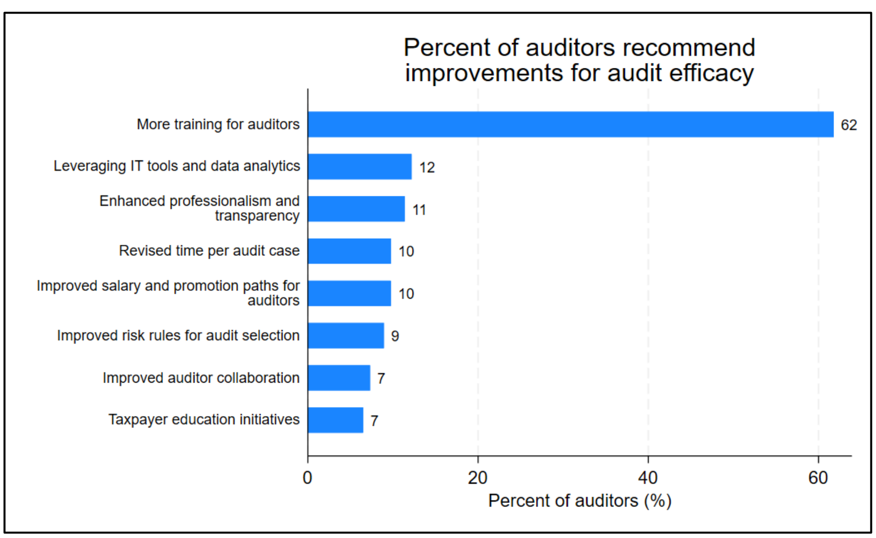
Auditors proposed numerous recommendations to target the key challenges identified throughout the survey. When presented with the examples of successful global initiatives detailed in Section 2.3, respondents were highly optimistic about the potential of implementing similar initiatives in Rwanda. As many as 89% of respondents agreed that embedding taxpayer education into the audit process would be effective in Rwanda, while 85% supported developing a consolidated dashboard of information on audited taxpayers during audit (Figure 14). Roughly 75% of auditors also supported measures to enhance audit data, including through mandatory data submission standards for audited taxpayers. 76% of respondents noted that a review of the annual numerical targets for auditors would be beneficial.

Figure 14: Auditors' perceptions of global initiatives to increase audit efficacy



When prompted to provide their own recommendations for improving audit efficacy within RRA, 62% of survey respondents highlighted the need for more training and capacity building for auditors (Figure 15). Other key recommendations included leveraging IT tools and data analytics in the audit process, strengthening professionalism and transparency, improving salary and promotion paths for auditors, and revising the time allocated per audit case.

Figure 15: Auditors' recommendations to improve audit efficacy



3.2.5 Comparative analysis

There are some notable differences in respondents' perceptions of the RRA audit function when disaggregated by key employment characteristics. Interestingly, respondents who work up-country are significantly more likely than those working at RRA headquarters to agree that auditor staff capacity and resources are adequate, as well as that senior management understands the issues faced by auditors (Figure 16). When asked about internal team dynamics, those who work up-country also have more favorable views on the level of mutual respect and listening between the Taxpayer Audit Division and the RMDA Division (Figure 17). Auditors with less tenure in their current roles also tend to view team dynamics more positively, as perceptions of mutual respect and active listening decline with increased experience (Figure 18). Furthermore, auditors with five or more years of experience express significantly more doubt on the effectiveness of risk-based audit selection in targeting non-compliant taxpayers. Despite their relative skepticism of internal dynamics within RRA, more experienced auditors are generally more optimistic about the role of audits in promoting fairness and boosting compliance (Figure 19). They are also significantly more confident in auditors' skillfulness in detecting tax evasion.

The most pronounced differences in survey responses emerged around challenges and risks. Respondents from the Customs Operations Support Division, as well as auditors with less than one year of experience, were most likely to cite insufficient time, difficulty obtaining data, and insufficient training as their most frequent challenges on the job (Figure 20, Figure 21). This may indicate a need to direct additional performance improvement measures toward groups of auditors who struggle to meet case targets or who perceive their training as inadequate – including those working in Customs or with less than one year of experience in their role. Meanwhile, respondents from the Provincial and Decentralized Revenue Division faced more difficulty than other auditors with securing transport for field visits, receiving clear instructions, and accessing the legal powers necessary to conduct audits. In general, as auditors gain more experience in their role, they face the common challenges of obtaining relevant data and lack of clear instructions less frequently. However, those with five or more years of experience struggle more than their colleagues with 2-4 years of experience when it comes to managing time constraints and securing transport for field visits. This implies that as auditors become more accustomed to their role, they may be expected to complete a higher number of audit cases within the same time frame, or otherwise face greater responsibility in terms of arranging logistics or conducting thorough audits; alternatively, they may simply become less productive at managing these aspects of their work.

Figure 16: Auditors' perceptions of the RRA audit function, by office location

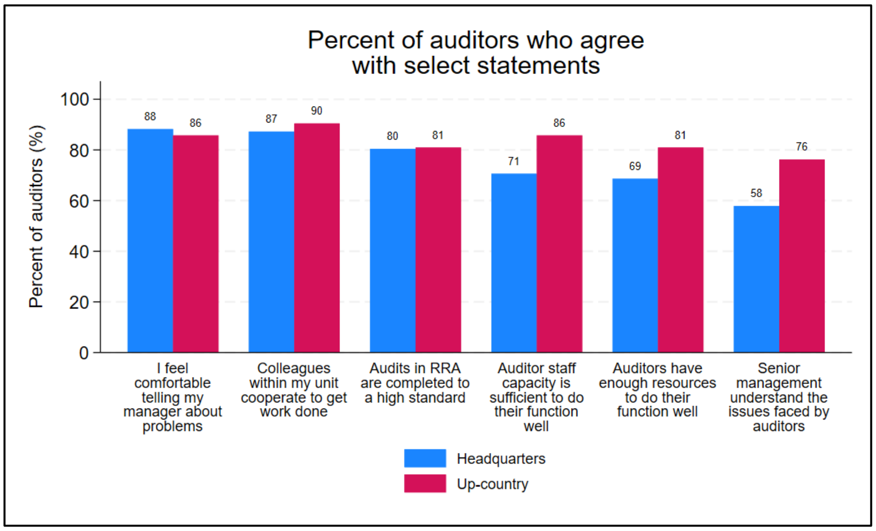


Figure 17: Auditors' perceptions of internal RRA dynamics, by office location

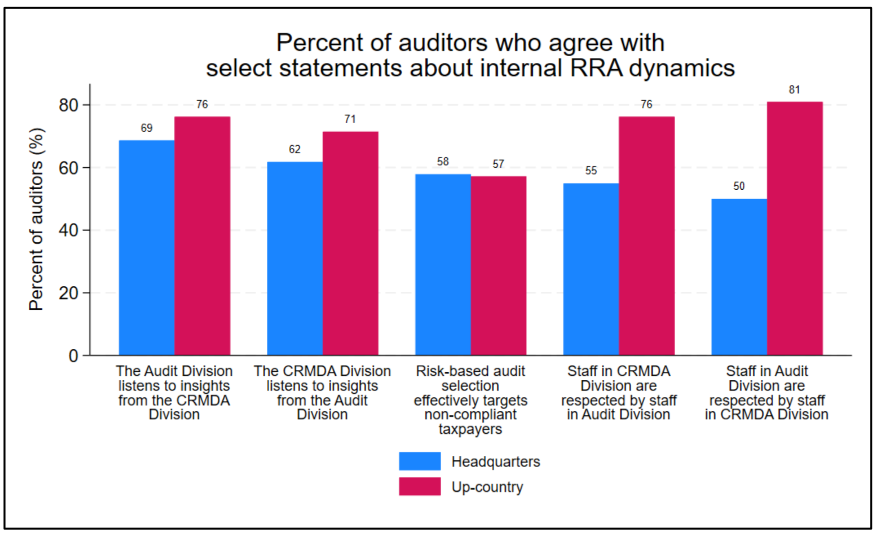


Figure 18: Auditors' perceptions of internal RRA dynamics, by years of experience

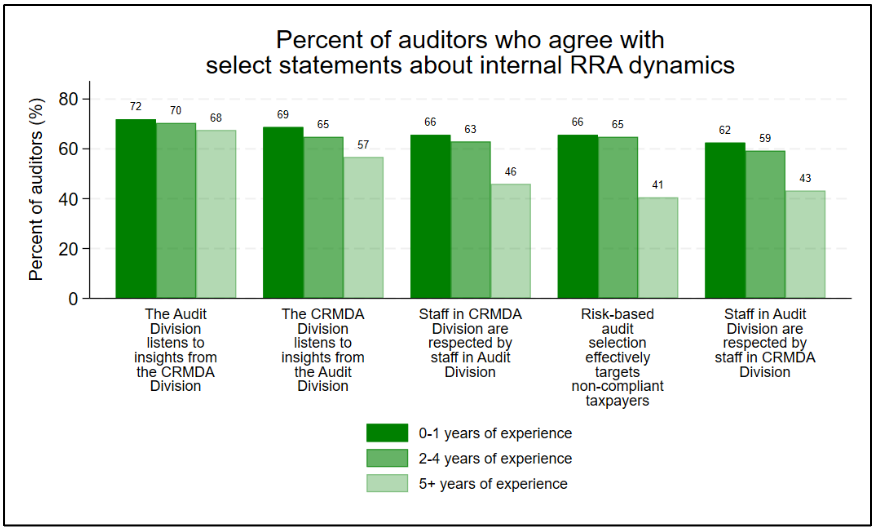


Figure 19: Auditors' perceptions of audit quality, by years of experience

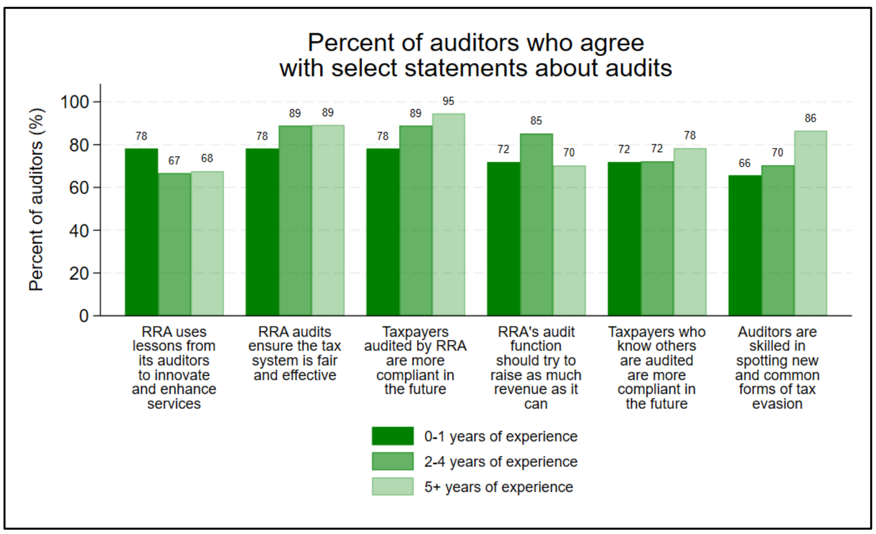


Figure 20: Most common challenges faced by auditors, by RRA division

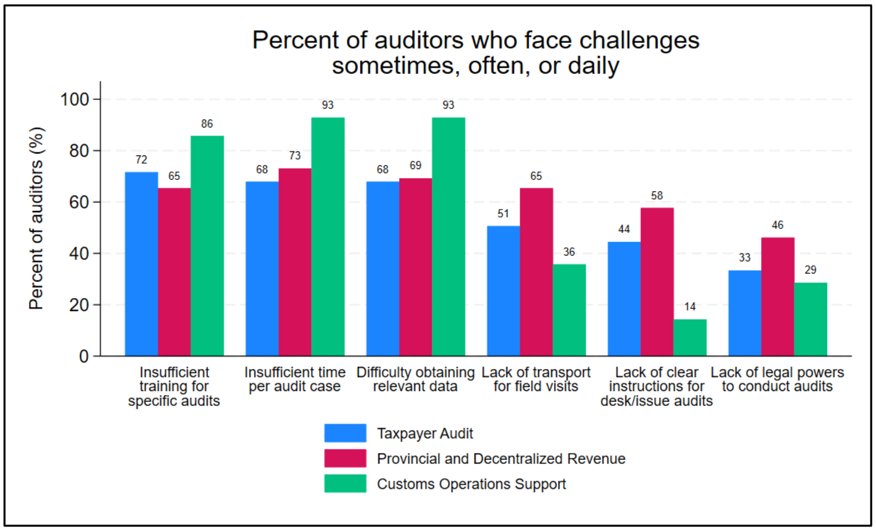
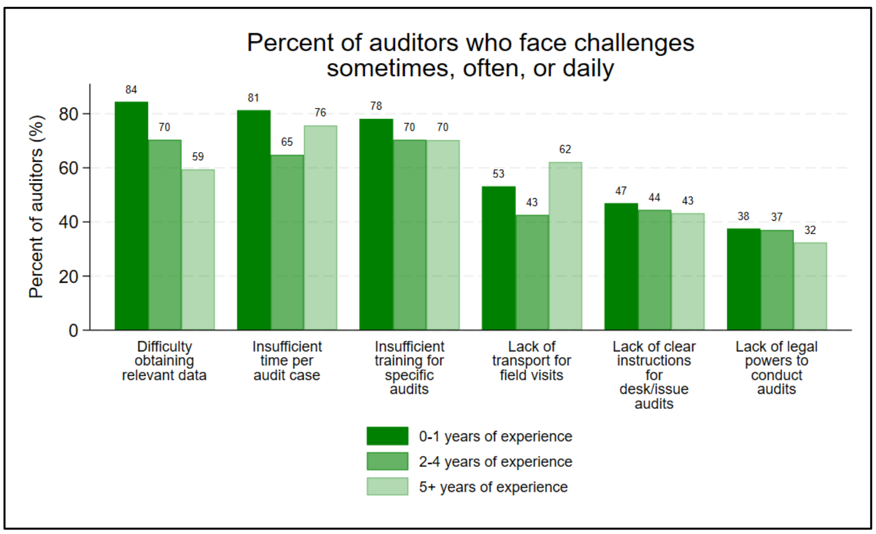


Figure 21: Most common challenges faced by auditors, by years of experience



When interacting with taxpayers, auditors in the Provincial and Decentralized Revenue Division are significantly less likely than other auditors to face issues with taxpayers behaving non-cooperatively or submitting incomplete financial information (Figure 22). Conversely, they are more likely to experience challenges related to language barriers or transport issues. Interestingly, auditors from the Customs Operations Support and Provincial and Decentralized Revenue Divisions are slightly more likely to encounter taxpayer fear and distrust than other auditors. There are also key differences in taxpayer engagement between auditors working at RRA headquarters versus up-country: headquarters auditors are more likely to struggle with non-cooperative taxpayers, insufficient taxpayer knowledge, and incomplete financial records, whereas up-country auditors more frequently encounter taxpayer distrust and language barriers (Figure 23). When asked how frequently auditors face pressure from taxpayers to lower tax liabilities, respondents working up-country (71%), those with less than one year of experience (66%), and those in the Provincial and Decentralized Revenue Division (69%) were most likely to report this occurs sometimes, often, or very often. Meanwhile, only 21% of Customs Operations Support auditors reported that this occurs with the same frequency.

Figure 22: Top challenges faced by auditors when interacting with taxpayers, by RRA division

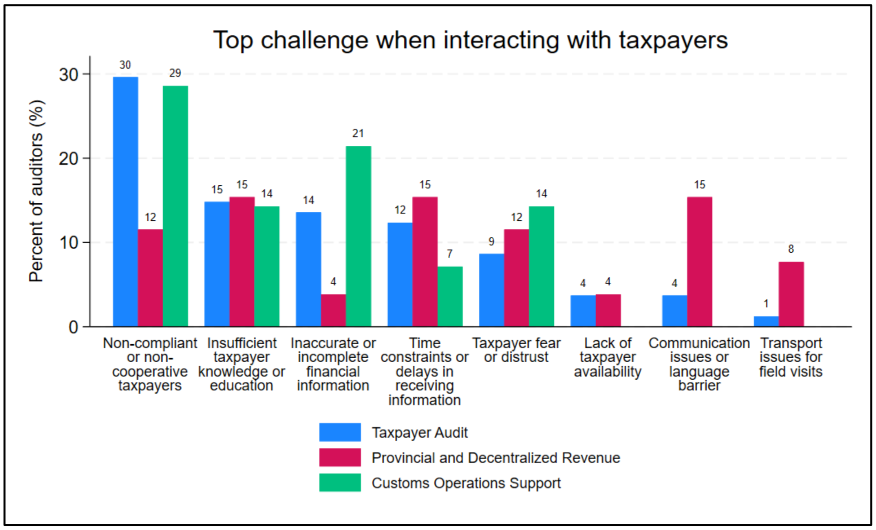
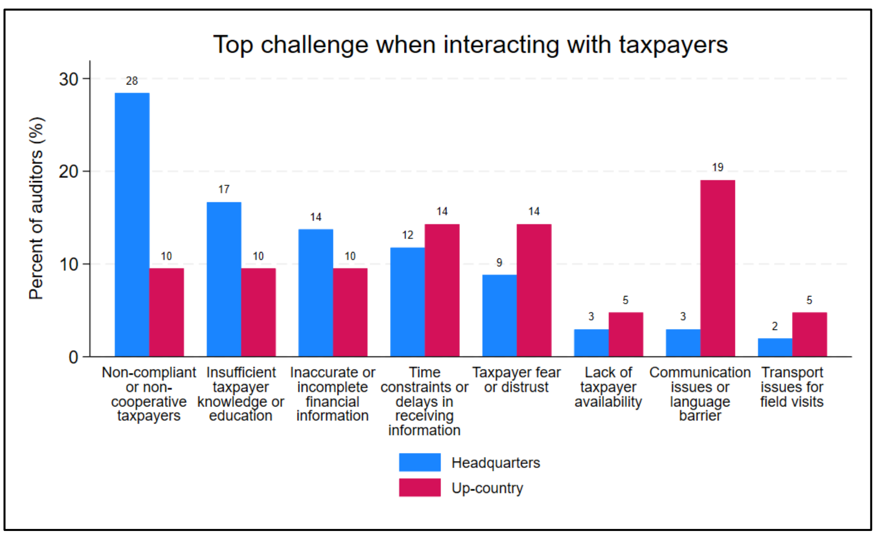


Figure 23: Top challenges faced by auditors when interacting with taxpayers, by office location



There were also several notable differences in survey responses regarding the RRA audit function's strengths and strategies for success. The most-cited organizational factors in enhancing auditors' performance differ significantly by division and location: auditors in the Taxpayer Audit Division and those working at RRA headquarters were more likely than their colleagues to indicate that EBMs, BI dashboards, and new technologies were influential, while Customs Operations Support and up-country auditors were more likely to highlight the role of risk-based audits and training courses (Figure 24, Figure 25). Auditors in the Provincial and Decentralized Revenue Division expressed more appreciation for the New Operating Model than their counterparts in other RRA divisions. Auditors' primary strategies for identifying audit best practices also differ by subgroup: auditors working in RRA headquarters and those with 2-4 years of experience are most likely to rely on methods involving talking to their colleagues or managers, while those working up-country tend to rely more on workshops or trainings (Figure 26, Figure 27). In general, auditors with less than one year of experience are least likely to employ common strategies to find out about audit best practices, possibly because they lack experience in identifying effective approaches.

Figure 24: Top RRA accomplishments enhancing audit function effectiveness, by RRA division

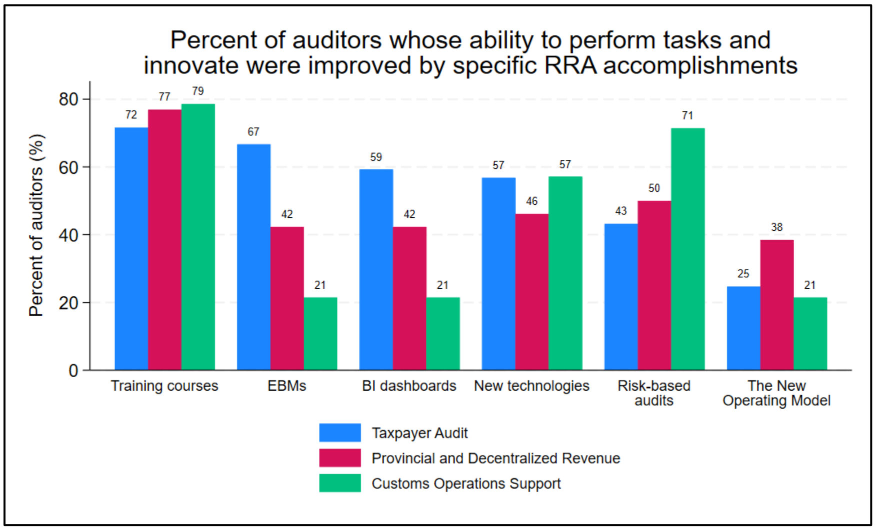


Figure 25: Top RRA accomplishments enhancing audit function effectiveness, by office location

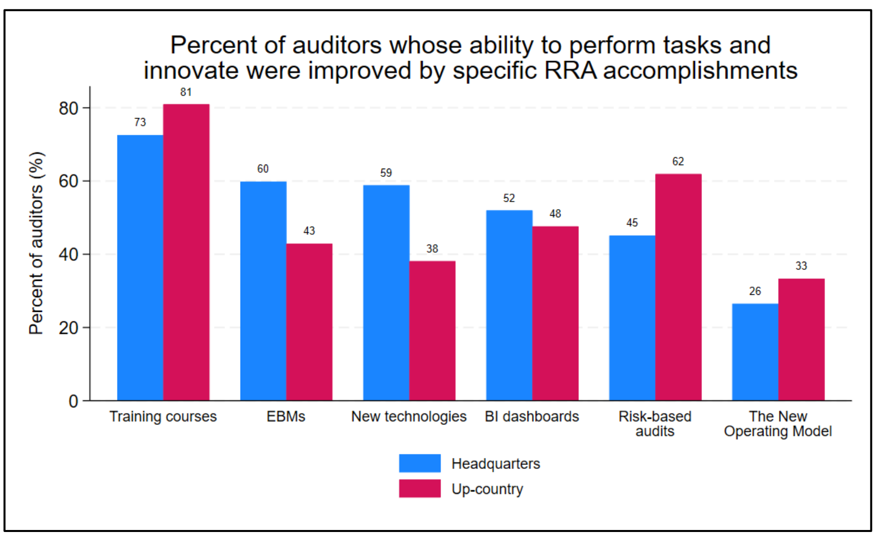


Figure 26: Auditors' strategies to discover audit best practices, by office location

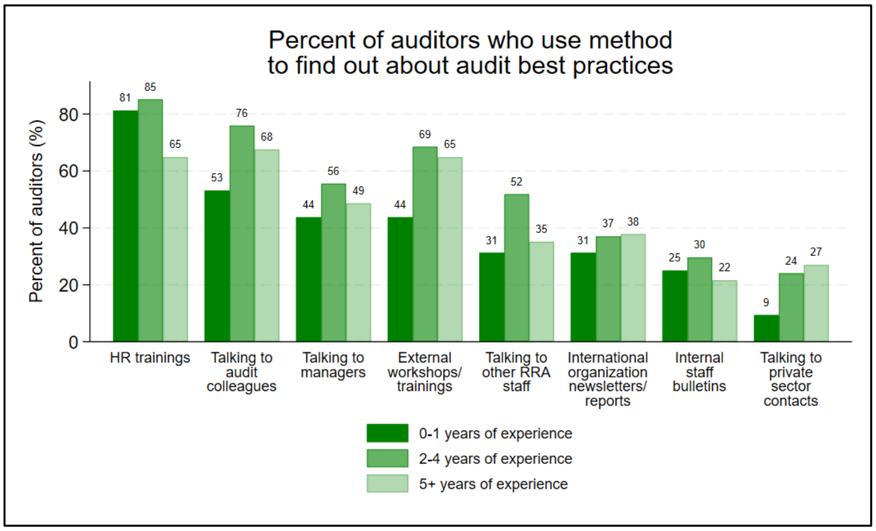
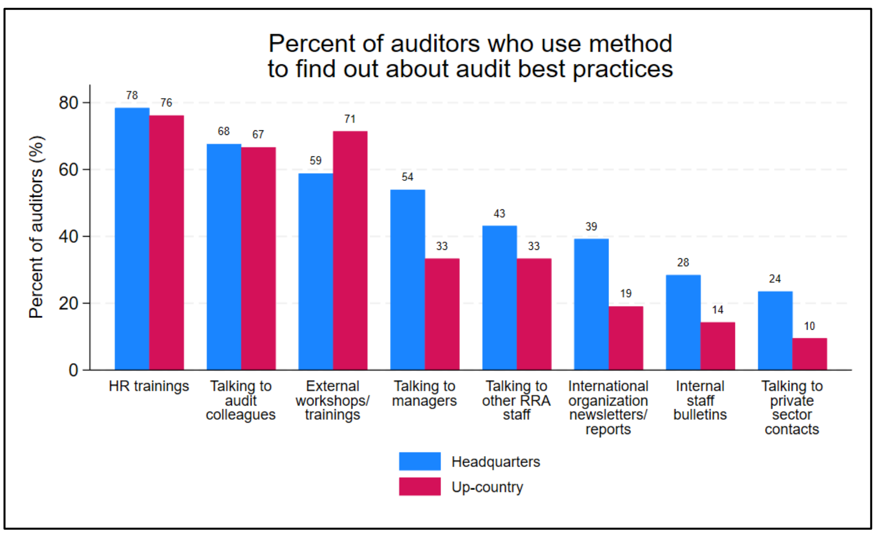


Figure 27: Auditors' strategies to discover audit best practices, by years of experience



4. Conclusions and Recommendations

This study presents valuable findings on the strengths and areas for improvement of RRA's audit function, while shedding light on potential strategies to enhance audit efficacy going forward. Key strengths include the adoption of various audit best practices such as risk-based case selection, the strategic prioritization of targeted improvements to the audit process, and generally positive perceptions of team dynamics and audit quality by auditors. These factors are critical to ensuring audits can succeed in generating revenue, boosting taxpayer compliance, and promoting a fair and effective tax system in Rwanda. Nonetheless, several areas emerged as key challenges for RRA's audit function: a limited understanding of the long-term compliance impacts of audits; resource constraints such as insufficient data, IT tools, capacity, and time; and persistent issues with non-cooperative or uninformed taxpayers hindering the audit process.

Combining international evidence and local insights from auditors, this study identifies several actionable recommendations to address the identified challenges and improve audit efficacy in RRA:

- **Expand training and development opportunities for auditors** to strengthen their skills, especially in specialized audit topics and data analytics. These initiatives can help address auditors' concerns over limited staff capacity and technical knowledge, while data analytics training in particular can enable RRA to increasingly leverage IT tools, streamlining audit efficiency and precision. Workshops also serve as a key means for auditors to learn about audit best practices.
- **Integrate technology and data analytics into the audit process,** including through internationally established initiatives such as launching a consolidated dashboard of information on taxpayers during audit. Increased reliance on technology and automation can improve efficiency and accuracy, while also reducing dependence on in-person interactions, thereby lowering the risk of encountering non-cooperative taxpayers or corruption attempts.
- **Enhance audit data quality and consistency** by establishing mandatory data submission standards (such as SAF-T) and requiring more descriptive information in audit records. High-quality data is an essential enabler for leveraging advanced data analytics in the audit process. Detailed audit records also support effective monitoring of audit KPIs and thorough audit evaluations. Additionally, standardized data submission simplifies the collection of consistent data and documentation from taxpayers, increasing efficiency and making audits less invasive for taxpayers.
- **Take steps to strengthen taxpayer engagement and cooperation**, such as embedding taxpayer education in the audit process. Auditors widely support expanding education and facilitation efforts, as these can help address common issues faced while interacting with taxpayers, such as insufficient taxpayer knowledge and lack of cooperation. Consider providing targeted support to help taxpayers navigate these challenges, particularly when well-intentioned reforms introduce additional burdens. For example, the lack of in-person

interaction in faceless audits can result in duplicate information requests and the need for detailed written explanations, making the audit process more cumbersome for taxpayers.

- **Review annual targets vis-à-vis staff capacity** to ensure auditors have sufficient time to conduct thorough and accurate audits. One of the most commonly cited challenges faced by auditors is limited time to conduct thorough audits. Most auditors support reviewing annual numerical audit targets or revising the time allotted per audit case. When combined with productivity gains from skills development and new technology integration, these adjustments could significantly alleviate the time pressure currently faced by auditors.
- **Increase cross-team collaboration and knowledge sharing**, including with RMDA and senior management. Strengthening cross-team cooperation can improve senior management's awareness of frontline challenges, enhance mutual respect and collaborative engagement between auditors and RMDA colleagues – including in key operational areas such as refining the risk-based audit case selection process – and facilitate knowledge sharing about common tax evasion risks in the economy. Such collaboration is key to cultivating a supportive work environment where auditors can perform their daily activities effectively.
- **Consider enhancing reward structures and promotion opportunities for auditors** in order to incentivize and recognize high performance. This can drive greater auditor productivity, strengthen accountability, and discourage any unethical behavior, especially in situations where auditors are approached by taxpayers offering illicit gifts or favors.
- **Strengthen the evaluation of the audit function** through regular assessments and detailed KPIs. Routine evaluations of audit effectiveness and procedural efficiency can contribute to stronger transparency and professionalism, while aligning with international audit best practices. Specific areas of focus include setting sector-specific audit targets based on expected compliance outcomes, prioritizing sectors for Sector Notes in the Tax Audit Manual, systematically measuring the performance of the quality review function, improving the routine and systematic collection of taxpayer feedback on auditors' professionalism and competence, and publishing performance reports with detailed KPIs – including on granular measures related to audit assessments and collections. Shift the emphasis from broad revenue or case number KPIs to more detailed KPIs that also capture long-term compliance impacts. These KPIs should be tracked annually as part of departmental reporting to facilitate structured record-keeping and enhance transparency around audit performance.
- **Adapt goals and procedures flexibly in response to audit evaluation findings.** This includes adjusting targets for each sector and audit type (e.g., desk, issue, comprehensive) based on the assessed effectiveness in driving compliance and revenue outcomes. Additionally, it includes enhancing data records to meet evaluation requirements, enabling more detailed and insightful analysis going forward.
- **Target internal strategies for improvement towards the most affected staff subgroups** as identified via comparative analysis. This includes:

- Prioritizing investing in resources where auditors are more likely to cite insufficient resources as a constraint (i.e., auditors at RRA headquarters and auditors with less than one year of experience).
- Focusing on enhancing cross-team collaboration where auditors feel that senior management has a weaker understanding of frontline issues, or where perceived cooperation between Taxpayer Audit and RMDA is lower (i.e., auditors at RRA headquarters and auditors with five or more years of experience).
- Targeting skills development opportunities towards auditors that feel less confident in their skillfulness in detecting tax evasion, or that cite insufficient training as a frequent challenge (i.e., auditors with less than one year of experience and auditors working in Customs Operations Support). Training should focus on the areas these staff subgroups indicate they have the greatest difficulty with, such as strategies for obtaining data or completing thorough audits on time. Workshops should also be targeted towards auditors who rely more heavily on trainings to find out about audit best practices (i.e., auditors working up-country).
- Providing support in securing transport for field visits, addressing language barriers, and providing clear audit instructions for auditors who face these issues relatively more frequently (i.e., auditors in Provincial and Decentralized Revenue and auditors working up-country).
- Ensuring taxpayer education and facilitation efforts are performed by auditors who are more likely to struggle with non-cooperative taxpayers or difficulty obtaining complete financial records from taxpayers (i.e., auditors at RRA headquarters, auditors working in Taxpayer Audit, and auditors working in Customs Operations Support). Place particular focus on enhancing taxpayer engagement and facilitation where auditors are more likely to face high levels of taxpayer fear and distrust (i.e., auditors working up-country or in Customs Operations Support).
- Increasing technology adoption to reduce reliance on in-person interactions, particularly where auditors frequently face pressure from taxpayers to lower tax liabilities (i.e., auditors working up-country and auditors in Provincial and Decentralized Revenue). This should be accompanied by capacity building to ensure all auditors are equipped with the skills to leverage the necessary digital tools.

By implementing these recommendations, RRA can build upon its existing strengths, overcome key challenges, and enhance the overall effectiveness of its audit function, ultimately contributing to a more robust and efficient tax system in Rwanda.

5. Appendix

Table A1: Responses to tax official survey from selected questions[7]

Question	Audit Team	RRA staff overall
Selected areas Audit outperforms overall RRA score		
I would feel happy being served as a Rwandan citizen by this division	94% strongly agree 100% agree or strongly agree	80% strongly agree 96% agree or strongly agree
In my division, innovation and new ideas are encouraged	76.5% strongly agree, 82.4% agree or strongly agree	50.4% strongly agree 75.4% agree or strongly agree
Can you tell if management has improved, worsened or stayed the same as a result of the New Operating Model (NOM)	76.5% said improved	53.8% said improved
The number of staff in your division is sufficient to handle the amount of work/number of tasks	50% strongly agree, 62.5% agree or strongly agree	32.5% strongly agree, 48.7% agree or strongly agree
Staff members get their job done effectively and efficiently	70.6% strongly agree, 100% agree or strongly agree	53.8% strongly agree, 89.4% agree or strongly agree
If I have an issue that should be solved by another division, I am confident I can rely on colleagues from that division	70.6% strongly agree, 94.1% agree or strongly agree	58.1% strongly agree, 88.8% agree or strongly agree
Technology and digitized data have increased transparency across the organization	100% strongly agree	86.3% strongly agree, 99.6% agree or strongly agree
Technology and digitized data have reduced opportunities for corruption	82.4% strongly agree, 100% agree or strongly agree	74% strongly agree, 96.1% agree or strongly agree
Technology and digitized data have improved enforcement capacity	93.8% strongly agree, 100% agree or strongly agree	78.7% strongly agree, 97.1% agree or strongly agree
Selected areas overall RRA score outperforms Audit score		
I am trusted to carry out my job effectively	88.2% strongly agree, 94.1% agree or strongly	91.2% strongly agree, 98% agree or strongly agree

[7] Note: Only summarized responses were shared with the Research Team in order to preserve anonymity of interviewed staff and in line with the agreed consent of the interviewees. Therefore, no further analysis can be conducted on these survey results.

	agree	
An employee received cash, favors or gifts from taxpayers in exchange for influencing procedures or services	35.3% of all respondents, and 50% of those excluding 'don't know' and 'refused to say' responded either sometimes, quite often or very often	7.5% of all respondents, and 18% of those excluding 'don't know' and 'refused to say' responded either sometimes, quite often or very often
My working environment is conducive enough to help me perform my daily activities	23.5% strongly agree 41.2% agree or strongly agree	42.4% strongly agree 63.7% agree or strongly agree
My supervisor demonstrates the people management skills to effectively lead the unit	56.3% strongly agree 87.6% agree or strongly agree	73.7% strongly agree 94.2% agree or strongly agree
Selected areas of difference between RRA overall score and Audit score		
RRA enforcement strategy is too heavy in punishing taxpayers	18.8% strongly agree 31.3% agree or strongly agree 43.8% strongly disagree	6.7% strongly agree 19.4% agree or strongly agree 63.9% strongly disagree
How much do you think tax officials' behavior influences taxpayer compliance or evasion of taxes?	Avg score of 5.6/10	Avg score of 6.3/10
Main reasons for non-compliance behavior in taxpayers	Confusion: 41% High taxes and fees: 24% Poor quality public services: 35% Taxpayers do not get timely support from RRA: 18%	Confusion: 58% High taxes and fees: 38% Poor quality public services: 24% Taxpayers do not get timely support from RRA: 9%

Table A2: Summarized responses to auditor survey[8]

Question	**Response**
Section A: Personal Characteristics	
Which office are you located in?	17% Up-country 83% Headquarters
What is your gender?	54% Male 46% Female

[8] Some responses are summarized by aggregating answer options into suitable groups to facilitate understanding.

What is your approximate age?	3% 20-30 years 38% 31-40 years 49% 41-50 years 10% 51-65 years
What is the highest level of education you've completed?	73% Bachelor degree 27% Master degree
Which of the following training programs have you completed?	- 50% responded yes to "**Methods for conducting audits**" - 48% responded yes to "**Professional certifications**" - 35% responded yes to "**National tax laws or international tax treaties/issues**" - 25% responded yes to "**Soft skills and professional ethics**" - 14% responded yes to "**Global auditing standards**" - 14% responded yes to "**Detection of fraud, misreporting, and tax evasion**"
Which division do you belong to?	66% Taxpayer Audit 21% Provincial and Decentralized Revenue 11% Customs Operations Support 2% Filing and Payment Monitoring
What is your current position?	49% Technical – T1 15% Senior Technical – T2 17% Principal Technical – T3 7% Professional – P1 7% Senior Professional – P2 5% Supervisor – M1 1% Director – M2
How many times have you been transferred to another department in the last 3 years?	72% Never 20% Once 5% Twice 3% Three times
How long have you been in your current position without changing your function?	10% Less than one year 16% One year 40% Two years 7% Three to five years 20% Six to ten years 7% More than ten years
Section B: Challenges in the Role	
What is the top challenge you face in completing your role?	32% Insufficient training or skills 16% Time constraints 11% Inadequate data, documentation, or

	systems 11% Non-compliant or non-cooperative taxpayers 5% Too many audit cases for staff capacity 5% Unclear laws, procedures, or processes 4% Difficult working environment 3% Difficulty facilitating transport for field visits 13% Other
How often do you experience the following issue: **Insufficient time per case to conduct thorough audits**?	37% Often or daily 36% Sometimes 25% Rarely or never
How often do you experience the following issue: **Insufficient training for specific audits**?	30% Often or daily 42% Sometimes 26% Rarely or never
How often do you experience the following issue: **Lack of data or difficulty getting relevant data to conduct thorough audits**?	18% Often or daily 53% Sometimes 27% Rarely or never
How often do you experience the following issue: **Lack of transport for field visits**?	11% Often or daily 40% Sometimes 46% Rarely or never
How often do you experience the following issue: **Lack of clear instructions to investigate desk or issue audits**?	17% Often or daily 28% Sometimes 50% Rarely or never
How often do you experience the following issue: **Lack of legal powers to conduct thorough audits**?	9% Often or daily 27% Sometimes 62% Rarely or never
To what extent do you agree that audits in RRA are completed to a high standard?	80% agree or strongly agree 11% disagree or strongly disagree
To what extent do you agree that you feel comfortable telling your manager about problems you're having in your role?	88% agree or strongly agree 10% disagree or strongly disagree
To what extent do you agree that senior management understand the issues faced by the audit department?	61% agree or strongly agree 15% disagree or strongly disagree
To what extent do you agree that the audit team has enough resources to do its function well?	71% agree or strongly agree 15% disagree or strongly disagree
To what extent do you agree that staff capacity in the audit team is sufficient to do its function well?	73% agree or strongly agree 15% disagree or strongly disagree

To what extent do you agree that colleagues within your unit cooperate to get work done?	88% agree or strongly agree 7% disagree or strongly disagree
Section C: Ability to Perform Audits	
Which of the following has improved your ability to perform your tasks or to innovate?	- 74% responded yes to “**Training courses**” - 57% responded yes to “**EBMs**” - 55% responded yes to “**New technologies**” - 51% responded yes to “**BI dashboards**” - 48% responded yes to “**Risk-based audits**” - 28% responded yes to “**The New Operating Model**”
Which factors limit the audit function’s ability to innovate and increase revenue collection?	- 75% responded yes to “**Taxpayers unwilling to cooperate**” - 55% responded yes to “**Number of people or available time in audit division**” - 40% responded yes to “**Knowledge of audit staff**” - 30% responded yes to “**IT capacity**” - 26% responded yes to “**Poor data quality**” - 15% responded yes to “**Limited legal powers**” - 12% responded yes to “**Changing tax landscape**” - 8% responded yes to “**Lack of ambition/drive**”
To what extent do you agree that the following global initiative would work well in Rwanda: **Regular tax education during audits**, like management letters with recommendations and justifications, to improve compliance and ensure follow-up on taxpayer actions.	89% agree or strongly agree 7% disagree or strongly disagree
To what extent do you agree that the following global initiative would work well in Rwanda: **Consolidated dashboard of information on audited taxpayers during audit**, including company profiles, financial data, benchmarks, compliance scores, and automatic risk flags (system alerts) to boost productivity (e.g., iCase Singapore).	85% agree or strongly agree 7% disagree or strongly disagree
To what extent do you agree that the following global initiative would work well in Rwanda: **Review of the numerical targets for auditors** - Focusing solely on numerical audit targets may incentivize rushed audits, overlooking complex issues, highlighting the need to prioritize audit quality.	76% agree or strongly agree 10% disagree or strongly disagree

To what extent do you agree that the following global initiative would work well in Rwanda: **Mandatory data submission standards**, like Standard Audit File-Tax (SAF-T) in Poland, which obliges all taxpayers to submit monthly VAT data online, as well as on request to auditors.	76% agree or strongly agree 11% disagree or strongly disagree
To what extent do you agree that the following global initiative would work well in Rwanda: **Enriched audit data records** (e.g., source of noncompliance identified, auditor characteristics, time spent on audit, etc.).	74% agree or strongly agree 9% disagree or strongly disagree
To what extent do you agree that the following global initiative would work well in Rwanda: **Compulsory audit of all SMEs**, as they often operate in the informal economy and are significantly less likely to be tax compliant (e.g., Egypt).	72% agree or strongly agree 15% disagree or strongly disagree
To what extent do you agree that the following global initiative would work well in Rwanda: **Bottom-up risk rule development process** - Auditors propose risky behaviors or businesses, and if tested ideas predict non-compliance better, they become new risk indicators (e.g., Switzerland).	66% agree or strongly agree 7% disagree or strongly disagree
Section D: Perception about Role of Audit	
Do you think there is a clear understanding of the audit processes and procedures in the organization?	93% Yes 7% No
Is it clear to you what your role demands in meeting the institutional objectives?	94% Yes 6% No
What do you think the role of audits is in the tax administration?	- 65% included **improving taxpayer compliance** in their response - 20% included **boosting revenue collection** in their response - 13% included **combating tax evasion and fraud** in their response - 10% included **correcting taxpayer errors** in their response - 8% included **educating taxpayers** in their response - 6% included **promoting the fairness of the tax system** in their response - 4% included **monitoring and enforcement** in their response - 3% included **meeting tax targets** in their response

What do you think is the role of audits in enhancing or reducing tax compliance?	- 82% included **enhancing tax compliance** in their response - 13% included **reducing tax compliance** in their response
To what extent do you agree that taxpayers who are audited by RRA are more compliant in the future?	88% agree or strongly agree 7% disagree or strongly disagree
To what extent do you agree that taxpayers who know others who are audited are more compliant in the future?	74% agree or strongly agree 17% disagree or strongly disagree
To what extent do you agree that RRA audits ensure the tax system is fair and effective?	86% agree or strongly agree 7% disagree or strongly disagree
To what extent do you agree that auditors are skilled in spotting common and new forms of tax evasion in Rwanda?	74% agree or strongly agree 11% disagree or strongly disagree
To what extent do you agree that RRA uses lessons learned from its auditors to innovate and provide better service?	70% agree or strongly agree 11% disagree or strongly disagree
To what extent do you agree that RRA's audit function should try to raise as much revenue as it can?	77% agree or strongly agree 8% disagree or strongly disagree
To what extent do you agree that risk-based selection of audits in RRA effectively targets non-compliant taxpayers?	58% agree or strongly agree 20% disagree or strongly disagree
To what extent do you agree that staff in the Risk Management division are respected by staff in the Audit division?	59% agree or strongly agree 8% disagree or strongly disagree
To what extent do you agree that staff in the Audit division are respected by staff in the Risk Management division?	55% agree or strongly agree 7% disagree or strongly disagree
To what extent do you agree that the Audit division listens to insights from the Risk Management division?	70% agree or strongly agree 8% disagree or strongly disagree
To what extent do you agree that the Risk Management division listens to insights from the Audit division?	63% agree or strongly agree 11% disagree or strongly disagree
Section E: Knowledge Exchange between Audit Division and Other Entities	
How do you typically find out about new best practices and process improvements in audit?	- 78% responded yes to "**HR trainings**" - 67% responded yes to "**Talking to**

	colleagues in audit" - 61% responded yes to "**External workshops/trainings**" - 50% responded yes to "**Talking to managers**" - 41% responded yes to "**Talking to other RRA staff**" - 36% responded yes to "**International organization newsletters and reports**" - 26% responded yes to "**Internal staff bulletins**" - 21% responded yes to "**Talking to private sector contacts**"
How do you typically find out about new risks and tax evasion strategies?	- 79% responded yes to "**On-the-job experience**" - 58% responded yes to "**Talking to colleagues in audit**" - 55% responded yes to "**Talking to other RRA staff**" - 46% responded yes to "**Talking to managers**" - 41% responded yes to "**HR trainings**" - 40% responded yes to "**External workshops/trainings**" - 31% responded yes to "**International organization newsletters and reports**" - 27% responded yes to "**Talking to private sector contacts**" - 22% responded yes to "**Internal staff bulletins**"
Do you understand how the Risk Management division selects cases for audit?	31% Yes 69% No
Through your work, have you identified common tax compliance issues facing many taxpayers?	67% Yes 33% No
Which common tax compliance issues facing taxpayers have you identified?	- 35% included **insufficient knowledge or skills** in their response - 24% included **mispricing or misreporting of transactions, income, or expenses** in their response - 13% included **issues using EBM correctly** in their response - 11% included **deliberate non-compliance** in their response - 6% included **transfer mis-pricing for related party transactions** in their response

	- 5% included **inadequate documentation or record-keeping** in their response
Do you feedback these issues to your colleagues or manager (formally or informally)?	89% Yes 11% No
Do you think the risk factors identified by the Risk Management division accurately reflect what you see in the field?	54% Yes 46% No
Do you think other departments in RRA listen to and address issues with the tax system identified by the Audit division?	67% Yes 33% No
Is there a formal mechanism for auditors to share the issues facing taxpayers with the relevant departments?	54% Yes 46% No
Do you think there should be a formal mechanism for auditors to share the issues facing taxpayers with the relevant departments?	86% Yes 14% No
Section F: Challenges Interacting with Taxpayers	
What is the top challenge you face when interacting with taxpayers?	25% Unwillingness of taxpayers to cooperate 15% Insufficient taxpayer education 13% Inaccurate or incomplete financial information 12% Time constraints or delays 10% Taxpayer fear or distrust 6% Communication issues or language barrier 3% Lack of taxpayer availability 16% Other
Do you think RRA staff show professionalism during audits and related activities?	96% Yes 2% No 2% Refuse to say
To what extent do you agree that staying in the same position for a long time can increase the chances of having a close relationship with taxpayers?	51% agree or strongly agree 34% disagree or strongly disagree
How often do you think auditors face pressure from taxpayers to lower tax liabilities?	21% Very rarely 15% Quite rarely 46% Sometimes 2% Quite often 11% Very often
What proportion of audit cases do you think are influenced by external factors (gifts, favors, personal relationships)?	68% Very few cases 11% A small proportion of cases 5% Some cases

	2% A significant proportion of cases 2% Most cases 11% Refuse to say
To what extent do you agree that auditors are held accountable for maintaining ethical standards during audits?	80% agree or strongly agree 9% disagree or strongly disagree
On a scale from 1-10, how would you rate the overall quality of audits in RRA?	Average score of 7.5/10 (Very good)
Section G: Recommendations to Improve Audit Efficacy	
What would you recommend to improve audit efficacy?	- 62% included **more trainings and skills-building for auditors** in their response - 12% included **leveraging IT tools, data analytics, and automation** in their response - 11% included **enhanced professionalism, transparency, and ethical standards** in their response - 10% included **increased time per audit case** in their response - 10% included **improved salary, promotion, and job rotation for audit staff** in their response - 9% included **improved risk management and audit case selection** in their response - 7% included **increased collaboration on audits** in their response - 7% included **taxpayer education initiatives** in their response

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