

# SPARC Report



**Kano State Board of Internal Revenue**

**Functional, Performance, Process and  
Structural Review**

**August 2013**

  
sparc

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The opinions expressed in this report are those of the authors and do not necessarily represent the views of the Department for International Development.

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## Abbreviations and acronyms

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AGS	Administration and General Services
CGT	Capital Gains Tax
CPTT	Corporate Planning Task Team
ExCo	Executive Council
FIRS	Federal Inland Revenue Service
HR	Human Resources
ICT	Information and Communication Technology
IGR	Internally Generated Revenue
JTB	Joint Tax Board (of the Federation)
KBIR	Kano Board of Internal Revenue
LGC	Local Government Council
LIRS	Lagos Inland Revenue Service
MDAs	Ministries, Departments and Agencies
OHCS	Office of the Head of the Civil Service
PAYE	Pay as You Earn
PFM	Public Financial Management
PITA	Personal Income Tax Act
PR&S	Planning, Research and Statistics
PSM	Public Sector Management
SPARC	State Partnership for Accountability, Responsiveness and Capability
WHT	Withholding Tax

# Executive Summary

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## Short summary

The Functional, Performance, Process and Structural Review of the Kano Board of Internal Revenue (KBIR) was undertaken at the Al-Ihsan Hotel, Kaduna from 26 – 28 August 2013. Findings showed that the functions were clearly defined although some of the mandates were not properly matched; the Board's performance against the mandate requirements was modest while it was considered that the structure needed to be modified.

## Full summary

The Functional, Performance, Process and Structural Review of the Kano State Board of Internal Revenue (KBIR) was carried out from 26 – 28 August 2013 at Al-Ihsan Hotel, Kaduna. Participants were management staff of the Board. In all, there were 30 participants. Briefing meetings were held with the Executive Chairman to discuss the findings and recommendations of the workshop.

There were nine sessions in all: three on each day (see the timetable in the Annex 6).

All the sessions were participative and the discussions were very robust.

Because the mandates were not listed together in any single formal document, the mandates were extracted from the following sources, constituting the enabling laws for the KBIR.

- The Personal Income Tax Act (PITA) 2004 as amended.
- PITA 2011 as amended.
- Edict No. 9 of 1982.
- Kano State Revenue Administration law 2010.

In all, eight mandates were identified. These were as follows:

1. Generate tax revenue to the state government;
2. Imposition of tax on total income of taxable persons;
3. Assessment of taxes;
4. Collection of taxes;
5. Accounting of tax revenue;
6. To enforce compliance in accordance with the tax laws;
7. To supervise all internally generated revenue in the state (i.e. Ministries, Departments and Agencies [MDAs] and Local Government Councils [LGCs]);
8. Advise and ensure the implementation of the Joint Tax Board [JTB] resolutions in the state.

In the course of the discussion, it was agreed that the Board should appeal to the state government for the inclusion of two more mandates whose functions were already being undertaken as basic and concomitant activities of the Board. These mandates were:

1. To educate the public on tax matters;
2. To manage a competent and professional workforce for the delivery of the Board's mandates.

The functions were listed and it was found that they mapped, for the most part, with the mandates. The only exception was the Administration and General Services Department that has its mandates in the mother ministry at the Office of the Head of Service. (See Annex 1).

The performance level was assessed by a consensus review of the departmental responsiveness and delivery manner. It was found out that the performance level was below optimum. Five of the functions were adjudged 'yellow' in the assessment indicating modest performance while two were coloured 'red' indicating the functions were not done at all. Reasons given for shortfall in performance included poor (and incompetent) staffing, outmoded work process and tools.

It was recommended that there should be a deliberate effort to boost performance by the improvement of work processes, staff skills and the provision of modern tools as may be appropriate for the various jobs.

The Vision and Mission of the Board were jointly stated after a very intense brainstorming.

The vision was stated as:

*To be an efficient and effective revenue-generating agency providing continuous flow of IGR to the state in line with international best practices for the sustenance of good governance.*

The Mission was also stated as:

*Achieving a culture of continuous improvement in IGR through the use of competent, professional workforce and a tax administration system that is tax payer considerate in line with relevant tax laws.*

The mandates were studied very carefully to be able to garner the strategic objectives from therein. The strategic objectives were identified as:

1. To collect all taxes and penalties due to the government under the relevant laws;
2. To account for tax revenue generated for the state;
3. To make appropriate recommendations to the JTB on tax matters;
4. To implement all relevant tax laws that may be enacted;
5. To provide a database of all taxable persons/ organizations for the state; and
6. To undertake tax payer education.

The processes were examined. None of the departments had any formalised procedures manual for their functions. On a standard template (see Annex 3), the various departments were requested to prepare the step-by-step narration of activities involved in their key functions. Group submissions were reviewed together in a plenary session, with particular

attention to the sequence of activities and their duration of each examined process. It was found out that many of the activities were undertaken for durations far longer than was necessary. The sequences were also discovered to have been mixed up, indicating that the functions have been relying on convention and expediencies rather than a formalised system. (See Annex 3 for the submissions of the various departments).

It was recommended that a formal procedures manual be developed for each of the departments, at least for the key functions.

The structure was reviewed with a view to finding the best fit for the delivery of the departmental functions. Working on the premise of the Kano State Government's preference for slim and compact MDAs and taking a cue from structures of the Inland Revenue System in Lagos State and Federal Government, the departments were reduced from nine to six. The current structure had the following departments, each under a Director:

1. Administration and General Services;
2. Legal Adviser;
3. Pay As You Earn (PAYE) Department;
4. Assessment Department;
5. Collection Department;
6. Road Taxes Department;
7. Planning, Research and Statistics (PR&S) Department
8. Information Department;
9. Withholding Tax Department.

It was understood that there were extra-structure departments/units, each under a Director for the purposes of collecting non-tax Internally Generated Revenue (IGR) from the MDAs (which had been organised into 5 zones). This, it was agreed, was a superfluous arrangement, possibly suited to available officials rather than business of the KBIR.

In the proposed structure, all Operations-related activities were brought together under a new department to be known as **Operations**. Only the Legal Department survived the proposed restructure. The proposed new Departments are listed below:

1. Administration and General Services;
2. Planning, Research & statistics
3. MDAs (Non-Tax IGR);
4. Tax Audit;
5. Legal Services;
6. Collection
7. Personal Income Tax
8. Other Taxes.

Responses to the post-workshop questionnaire designed for top management staff of the KBIR who were unable to come to Kaduna for the workshop, indicated concurrence with this proposal.



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The next steps were listed in a table. Principally, the acceptance of the findings and the adoption of the recommendations would precede any attempt to implement the changes that are envisaged and expected for the KBIR.

# Section 1: Background to Corporate Planning for the KBIR

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## Introduction to Corporate Planning

Corporate planning is the process of drawing up detailed action plans to achieve an organization's goals and objectives, taking into account the resources of the organization and the environment within which it operates.

Corporate planning represents a formal, structured approach to achieving objectives and to implementing the corporate strategy of an organization.

A corporate plan, like any strategic plan, usually contains:

1. A vision statement;
2. A mission statement;
3. An outline of the company's resources and scope;
4. A listing of corporate objectives;
5. A listing of strategies to reach those objectives.

Salient questions are:

1. "What do we do?"
2. "For whom do we do it?"
3. "How do we excel?"

The on-going exercise is expected to impress on the staff at all levels the consciousness for:

- **Why** the MDA exists – what it has been mandated to do;
- **What** the MDA is meant to be doing – its goals and objectives, and the strategies it uses to achieve those;
- **How** the MDA can best allocate staff and organise units to deliver its objectives;
- **What** kind of staff and how many of them the MDA needs to work efficiently and effectively.

In considering the above questions, everyone in an MDA will appreciate their duties and responsibilities and how and where they fit into the bigger picture of the MDA and the superstructure of the entire Kano State public service. With the right orientation, staff would then be able to do their jobs better. Where possible or expedient, staff desire and engage in self-development to be relevant not just in their current deployment but also to make them sufficiently skilled for lateral and upward mobility.

There are five main steps in corporate planning.

Step 1 is to *set the scene* (context). This means identifying, reviewing and redefining an MDA's mandate, vision and mission statement, long term goals, medium term objectives and strategies.

Step 2 is to *look at how an MDA currently works* (institutional appraisal). This means collecting information and analysing an MDA's functions, processes and structure to find out how well it is performing.

Step 3 is to come up with *proposals to improve performance*. This means looking at the results of Step 2 and deciding how to change the structure and organisation of an MDA so that it performs better.

Step 4 is to come up with a *staffing plan*. This means looking at what skills an MDA will need to make the changes proposed in Step 3 and drawing up a plan to staff an MDA with people with these skills. Developing a staffing plan involves developing job descriptions, assessing training needs and developing training programmes.

Step 5 is to draw up a *plan of action* (implementation). This involves deciding what action should be taken and when, and drawing up an action plan and timetable.

### Why is corporate planning important?

Corporate planning sets out long term goals. Employees become focused on fulfilling that goal in an efficient and effective way because everyone is working towards a common purpose. It provides focus and facilitates the making of better business decisions. Plus, it also acts as a yardstick for measuring performance. Definitely, it eventually leads to conservation and efficient use of resources because there would be less waste of time and materials.

In governance, corporate planning enables MDAs to keep pace with and outpace challenges attendant upon the various mandates of public service delivery. Modern age poses a very dynamic myriad of expectations – political, human, process and technology. The management of each MDA needs to buy in into the dream and goals of the establishment they manage as well as champion such goals and processes with their subordinates who ordinarily form the core workforce. For this to happen, there is the need for understanding, training, retraining and the joint adoption and espousal of the mission of the MDA across the organisation. .

### What are the results and benefits?

Corporate planning is not corporate shadow boxing: it works just as when military commanders plan for engagements before their troops encounter enemy soldiers. Time spent on corporate planning in government establishments is not wasted. The benefits are many. These include:

1. Opportunity to show that the MDA is 'fit for purpose';
2. Justification of staffing complements;
3. Platform for decisions on Human Resource Development;
4. Contrivance of strategies for better services delivery;
5. Proof of responsiveness.

## Scope of the Report

This report presents an account of transactions, discussions, observations and recommendations at the functional, performance, process and structural review workshop held for KBIR. The workshop was expected to provide materials for Step 2 of the corporate planning process for the Board, which is the institutional appraisal. Over the three days, participants and facilitators identified functions of the KBIR and categorised them against the mandates. The level of performance was assessed for each function. Processes were appraised and the organisation structure was considered.

This report contains the various findings and the recommendations made for redressing issues raised.

## About KBIR

The KBIR is the body officially given the responsibility to generate, largely through collection, all IGR of the state which includes tax and Non-Tax revenue, with the exception of federal revenue allocations (which is shared to the states from the joint funds of the federation or any other money income that is not sourced from within).

As a state institution, the Board is a creation of the law and operates within its confines. The enabling legislations are:

- PITA 2004 as amended;
- PITA 2011 as amended;
- Kano State Government Edict No. 9 of 1982;
- Kano State Revenue Administration Law 2010.

These legislations provided for the KBIR:

- Functions;
- Powers;
- Funding; and
- Structure.

KBIR is vital to the governance of Kano State because its operations ensure steady revenue for the funding of state's programme of activities and service delivery. In recent times, total IGR receipts by the KBIR has improved quite impressively from ₦400 million in 2010 to ₦1.7 billion in 2013. The Accountant General of the state is of the opinion that the figure still falls short of the potential.

## Background to Corporate Planning in the KBIR

KBIR is one of the agencies of the state government earmarked for corporate planning with a view to improving its processes and ability to deliver on its mandates. The Board Chairman has been enthusiastic for intervention such as the State Partnership for Accountability, Responsiveness and Capability (SPARC) Public Service Management (PSM) programme of activities that would support the redefinition, re-skilling and improvement of the performance of the organisation.

## Objectives of the Workshop

The following were objectives of the workshop:

- i. To review all functions of all departments of the KBIR against its mandates and provide some assessment of the capacity of the Board to undertake the identified functions;
- ii. To appraise the processes employed in the performance of the various functions of the departments in the Board and identify areas requiring fine-tuning such as activity modification and/or duration scale down;
- iii. To consider the current structure of the Board and suggest, if needed, adjustments and/or changes to enhance its effectiveness;
- iv. To obtain participants' input into salient recommendations for improvement to the structure and process of the Board.

## Organisation of the Workshop

The workshop was held at Al-Ihsan Hotel, Mogadishu city centre, Kaduna from 26 – 28 August 2013. There were nine sessions of discussion: three on each day.

The programme time-table is presented in Annex 6.

Participants were senior staff of the various departments of the Board and members of the State's Corporate Planning Task Team (CPTT), who also doubled as in-house consultants. (See attendance list, Annex Three)

Prior to the workshop, the SPARC Kano Office team had undertaken sensitisation visits to the KBIR. This entailed discussions with departmental heads and senior managers of the KBIR about the import of the corporate planning exercise and the collection of vital discussion documents such as enabling laws, departmental functions and processes as well as organograms etc.

## Section 2: Functional and Performance Review

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Discussions at the workshop began with the listing of the mandates and the functions as well as the necessary mandate-functions mapping.

### Mandates of the KBIR

Eight mandates were identified and extracted from the enabling laws/publications:

1. Generate tax revenue to the state government;
2. Imposition of tax on total income of taxable persons;
3. Assessment of taxes;
4. Collection of taxes;
5. Accounting of tax revenue;
6. To enforce compliance in accordance with the tax laws;
7. To supervise all internally generated revenue in the state (i.e. MDAs and LGCs);
8. Advise and ensure the implementation of JTB resolutions in the state.

It was agreed to appeal for one more mandate to be created. This was as a response of some of the functions being carried out but for which mandates could not be found. This was “To educate the public on tax matters”.

### Functions of KBIR

The functions of KBIR were listed by departments as follows:

#### Collection;

- i. Preparation of monthly collection report.
- ii. Accounting for total collection of the Board on daily basis.
- iii. Reconciliation of revenue accounts bank statements.
- iv. Issuance of receipts to tax payers.
- v. Confirmation of tax payments from all departments.
- vi. Handling of tax payment ledgers.
- vii. Supervision of general field operations.
- viii. Custodian of revenue accounts bank statements.
- ix. Custodian of employers’ annual return.
- x. Recovery of tax arrears.

#### Road Taxes;

- i. Ensuring revenue collection compliance and patronage from banks, transporters and other business organisations operating in the state.
- ii. Collecting fees chargeable in respect of motor vehicle registration and issuance of plate numbers and other particulars.
- iii. Renewal of vehicle particulars for both private individuals and organisations.
- iv. Implementation/interpretation of all JTB approved rates and fees.
- v. Reconciliation of payments in respect of Road Taxes with designated banks while liaising with the central collection department of the Board.
- vi. Preparing monthly progress reports to the Executive Chairman.

- vii. Developing innovative steps towards widening the scope of operation of the department.
- viii. Discrimination of information for both security and tax purposes
- ix. Ensuring proper storage of registered vehicle database

**Administration and General Services;**

- i. Coordinating all the Board's department administrative and financial activities.
- ii. Preparing personnel cost emolument budget.
- iii. Management of the Human Resources of the Board.
- iv. Coordinating management staff meeting.
- v. Provision of support services (manpower, infrastructure and logistics) to the Board.
- vi. Preparation of monthly expenditure records of the Board.
- vii. Management of the stores of the Board.

**Legal;**

- i. Legal advice and legal drafting.
- ii. Prosecution of revenue cases.
- iii. Providing Company Secretarial Services to the Board
- iv. Distraint and enforcement.
- v. Representing the Board on other legal matters.

**PAYE;**

- i. Giving direction to employers of labour on registration for PAYE scheme.
- ii. Making and enforcing compliance for correct deductions and prompt payment to the Board
- iii. PAYE assessment through compilation of emolument records.
- iv. Verification of PAYE deductions.
- v. Coordination with other departments.
- vi. Sourcing of information as regards to new and existing companies that are not in the tax net.
- vii. Implementing PAYE scheme as guided by existing laws of taxation.
- viii. Management and operations of the PAYE scheme to the fullest by the tax authority.
- ix. Accepting returns from directed employers of labour.
- x. Distribution of self-declaration of income form and making sure information provided is correct.
- xi. In the event of providing incorrect information, relevant sections of the law can be applied for treatment.
- xii. Invoking relevant sections of PITA for erring tax payers.
- xiii. Analysis of financial statements of limited liability companies and public liability companies.

**Investigation and Information;**

- i. Analysis of financial statements of registered companies.
- ii. Information Sourcing.
- iii. Investigation (verification of information provided by tax payers) to prevent tax evasion.

**Planning, Research and Statistics;**

- i. Provision of (research) statistical information to the management.
- ii. Coordination and preparation of the Board's budget.
- iii. Conducting tax audit on registered companies.
- iv. Investigation by way of ensuring compliance by tax payers.
- v. Secretary Tenders Board.

**Assessment;**

- i. Identification and registration of tax payers.
- ii. Receiving tax returns from registered tax payers.
- iii. Assessment of all registered tax payers.
- iv. Assessment and issuance of notice of assessment to all registered tax payers.
- v. Treatment of objections from aggrieved Tax payers where necessary.
- vi. Compiling and presenting of defaulters case files to legal department for tax recovery/ prosecution.

**Withholding Tax.**

- i. Administration of Stamp Duties.
- ii. Assessment and collection of Capital Gains Tax (CGT).
- iii. Withholding Tax (WHT) on Rent.
- iv. Contracts and supplies.
- v. WHT on Professional Fees.
- vi. WHT on Bank Interest.
- vii. WHT on Director Fees.
- viii. WHT on Dividend.
- ix. Identification of new WHT tax payers

These functions were mapped against the mandates to see if:

- i. There were any of the functions that were undertaken outside the mandates; and,
- ii. There were mandates that had no functions that mapped with them.

(Please see the Mandate-Functions Mapping chart in the Annex 1).

**Findings on Mandates-Functions Mapping**

With the exception of the Administration and General Services (AGS) and Legal Departments, which both have their functions derived from their mother ministries (Office of the Head of the Civil Service [OHCS] and Justice respectively) all key functions listed for the various departments found domiciliation in the stated mandates of the Board.



It was however noted that:

- i. One of the four functions of the Legal department's did not belong to the Ministry of Justice which is its mother ministry – this is *Representing the Board on other legal matters*;
- ii. PAYE department could not map its *Coordination with other Departments* function with any of the mandates.

## Mission and Vision of KBIR

The KBIR did not have any officially published Vision and Mission statements.

The participants were organised into groups of five to brainstorm and suggest *Mission* and *Vision* statements for the Board. The suggestions of the groups were all considered and working together, an integrated version was developed for each of the Mission and the Vision.

### Mission statement

The developed Mission statement was as follows:

*Achieving a culture of continuous improvement in IGR through the use of competent, professional workforce and a tax administration system that is tax payer considerate in line with relevant tax laws.*

### Vision statement

The vision statement was also developed as:

*To be an efficient and effective revenue-generating agency providing continuous flow of IGR to the state in line with international best practices for the sustenance of good governance.*

## Strategic Objectives

Just as it was for the Vision and Mission, the KBIR did not also have any list of Strategic Objectives. So the participants were led to develop and draft such strategic objectives from the provisions of the enabling laws and the mandates. The following is the list of strategic objectives aggregated.

1. To collect all taxes and penalties due to the government under the relevant laws.
2. To account for tax revenue generated for the state.
3. To make appropriate recommendations to the JTB on tax matters.
4. To implement all relevant tax laws that may be enacted.
5. To provide a database of all taxable persons/ organizations for the state.
6. To undertake tax payer education.

Because these Strategic Objectives were developed from the enabling laws, there was no question of them not matching with the mandates of the Board.

## Performance Review

The performance review of the functions of the departments was carried out by requesting that the participants make an informed assessment of the level of performance of the various functions. They were also led to suggest reasons for poor or no performance, as well as possible solutions.

### Findings on Performance Review of the Functions

- i. Two key functions under the **Collection department** were not being undertaken at all. These were:
  - a) *Confirmation of tax assessment of tax payers from all departments; and*
  - b) *Recovery of tax arrears.*

While the first was not being undertaken for reasons of **lack of procedure linkages between the departments** the other had been taken over by the appointment of a Task Force to carry out the function without the involvement of the department.

- ii. The following functions were only partially being undertaken:

#### Department - Collection

- a) Handling of tax payment ledgers. **Reason** – *Done only for PAYE; and*
- b) Supervision of general field operations. **Reason** – *Not done due to inadequate manpower and only done on request.*

#### Department – Withholding Tax

- a) Assessment and collection of Capital Gain Tax.

##### **Reasons**

- i. Lack of awareness on the part of tax payers;
- ii. Delay in getting information by KBIR;
- iii. Non-disclosure of transaction by the tax payers;
- iv. Dearth of title documents;
- v. Insufficient collaboration between the Ministry of Land and Survey and the KBIR; and
- vi. Lack of working relationship between the Board and estate agents.

- b) Withholding Tax on Bank Interest.

- c) Withholding Tax on Dividends.

##### **Reasons**

- i. Lack of automation.
- ii. Insufficient skilled manpower to interface properly with the banks.
- iii. Lack of people with sophisticated Information and Communication Technology (ICT)-banking knowledge.
- iv. Inadequate enforcement of the provisions of the law.
- v. Although many of the functions were being undertaken, participants were of the consensus that lack of modern tools made the tasks hard. The demands of the various jobs and the volume and required speed placed the workforce under pressure since they have to work in most cases, manually.

## Recommendations on Performance Review

It is recommended that:

- i. Modern tools, especially computers, internet and intranet, be provided for the departments. Of course this also translates into a need for coordinated and targeted training for the workforce to be able to interface properly with corporate clients who usually have modernised their operations, accounts and Human Resources (HR) records as against the KBIR which is largely still on manual operations;
- ii. The use of tax consultants in executing mandates other than technical support for a limited period of time should be discouraged because it amounts to withdrawal of mandate whereas the original mandate owners are still in the service costing the government the same funds as before, while the consultants carry out their duties. Rather, the management of any department that is performing poorly should be sanctioned. The use of revenue or client-capture targets may also be helpful;
- iii. Third party clients – banks, employers of labour and contract awarders should be mandated to remit all WHT without failure to the government. Defaulters should be made to face stiff sanctions. It is suggested that the Public Financial Management (PFM) work stream is in a better position to make definite suggestions in this area;
- iv. As a matter of urgency, the state should train an elite band of computer (tax) auditors for the purposes of the collection of tax arrears from organisations that are themselves fully computerised;
- v. The elite computer (tax) auditors should form the hub of computerisation of the tax system in the state;
- vi. The Board should deliberately reach out to third-party clients with a view to encouraging them to interface and cooperate with the Board on their tax responsibilities to the Board;
- vii. Tax-payer education and reorientation should be massively undertaken.

## Section 3: Process review

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Process review is undertaken to consider the step-by-step activities involved in the performance of the various functions in each department. The objective is to determine, within the constraints of the method employed whether:

1. The various processes were best fit to deliver on the mandates;
2. The activity sequences were logical and consistent;
3. The timing and activity durations could have been better managed;
4. If there are any superfluous activities that may be excised from the list; and
5. If there are activities that were missing and the inclusion of which would have added value, transparency and lucidity to the activities narrated.

The process review activities began before the workshop with the SPARC Kano team having made activity narration templates available to the departments. Instructions were also given to selected representatives of the departments on the requirements of the templates. So, the departments came into the workshop with their initial attempts at process activity narration. A quick look at their attempts showed that most of the departments had made poor attempts. So, the entire exercise had to be restarted.

Working as members of the various departments, participants were reinstructed and led to pick at least two functions for narration. (See template in the Annex 3.) Their submissions were then considered together in the plenary session. Of particular concern was:

1. The correctness of the activities sequence;
2. The reasonableness of the timing;
3. Necessity for activity in the process;
4. Attention to activity responsibility based on what happens in real performance environment.

### Findings on Process Review

The following were the findings on the process review:

1. All departments admitted that they had not been working with any formalised procedures manual or guidebooks;
2. It was found that although the time assigned many of the activities were based on the respondents' perceived realities, they indicated delay and undue gaps between steps. Participants all agreed that if an independent assessor had presented a picture of their activities duration, there could have been a speed up of some steps;
3. In many of the narrations, it was discovered that the sequences were mixed up and it took joint reworking to rearrange. This implied that the functions have been relying on convention and expediciencies rather than a formalised system;
4. There were some disruptive overlaps, where some steps in one department were duplicated in another causing delay or process disruptions;
5. Some steps were considered superfluous and were recommended for excision;
6. Some steps were missed out and had to be inserted at the review;

7. In the course of the discussion, some of the departments complained that some of the delays in their processes were on account of tax-payers deliberately attempting to avoid or evade tax and for which reason they would not respond in time to the Board's enquiries or processes.

(See Annex3 for some of the submissions of the various departments.)

### **Recommendations on Process Review**

1. It was recommended that for each of the key functions of departments, a formal procedures manual should be developed. These could all be held in one singular Operations Manual for the KBIR.
2. The Board should work out a system of enforcing compliance not just in the eventual collection, but also in timing.
3. Also, the functions should be carefully examined to eliminate disruptive overlaps.

## Section 4: Structural Review

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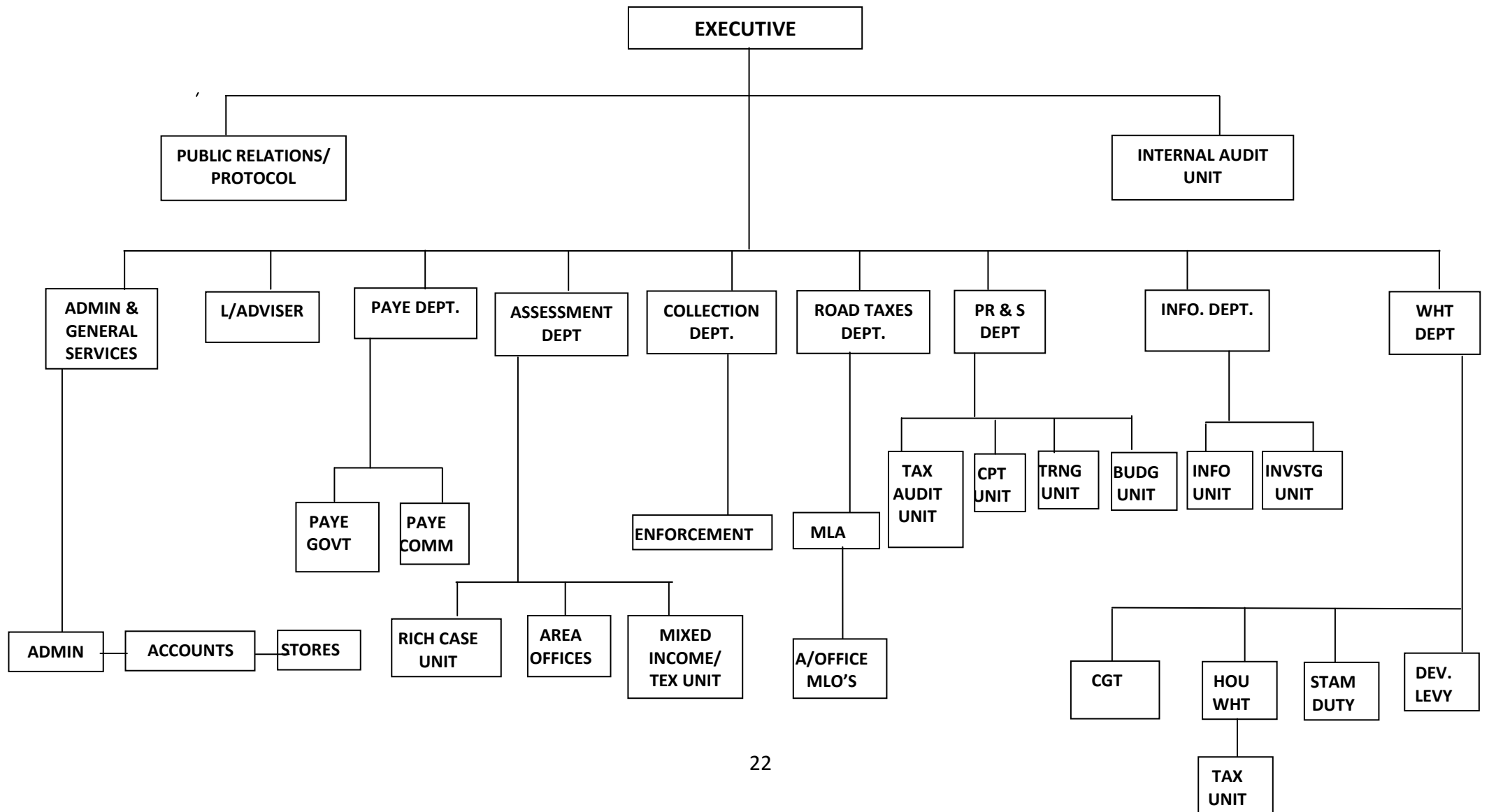
The structure of the KBIR was reviewed to see if it was fit for purpose:

1. Were the functional specialities grouped appropriately?
2. Was it compact enough for coordination?
3. Would it work in the dispensation of modern service delivery demands?

The KBIR had nine departments as at the time of the workshop. These were:

1. The Administration and General Services – with responsibilities for;
  - a) General administration and Logistics.
  - b) Human Resource.
  - c) Internal Finance.
  - d) Communication and related activities.
2. Collection—with responsibilities for;
  - a) Receiving tax payments and accounting for same to the Board.
  - b) Managing all process that had to do with tax recovery.
  - c) Keeping records of all collections.
3. Road Taxes – with responsibilities for;
  - a) Collecting fees chargeable in respect of motor vehicles.
4. Legal – with responsibilities for;
  - a) Handling all issues of law concerning the Board.
5. PAYE – with responsibilities for;
  - a) Management and operations of the PAYE scheme to the fullest by the tax authority.
6. Investigation and Information – with responsibilities for;
  - a) Investigation and verification of information provided by tax payers) to prevent tax evasion.
7. Planning, Research and Statistics—with responsibilities for;
  - a) Provision of (research) statistical information to the management and coordination and preparation of the Board's budget.
8. Assessment – with responsibilities for;
  - a) Identification, assessment and registration of tax payers.
9. Withholding Tax—with responsibilities for;
  - a) Administration of withholding tax and capital gains tax in the state.

The existing structure is as shown below:



## Findings on the structure

- i. It is noteworthy to say at this juncture that the KBIR did not have a published organogram that represented the exact working of the agency at the time of the review. Although a hard copy of an organogram was obtained, there were controversies about its entire correctness, especially as some of the units were not indicated on it.
- ii. It was noted that these units mentioned in (i) above were created for the supervision of collection of Non-Tax IGR from the MDAs and that the heads of those units were also designated as (Zonal) Directors. It was also noted that none of the 'Zonal Directors' was present at the workshop.
- iii. A quick glance at the organogram will reveal that some of the departments indeed were undertaking functions that could have come together e.g. PAYE, Assessment, Collection, WHT and Road taxes. These are the core operations department of any tax agency.
- iv. The split of these functions meant a bloated structure, which also presented many coordination challenges.
- v. It is obvious that this arrangement also would affect the structure below the directors' level.

## Recommendations on Structure review

It was generally agreed that there was a need to streamline the structure, especially as the state was embarking on a policy of compact structure for the MDAs. In the course of the discussions towards this, a comparative study of the Federal Inland Revenue Services (FIRS) as well as the Lagos State Internal Revenue Services (LIRS) was undertaken. (See Annex for the organograms of both FIRS and LIRS)

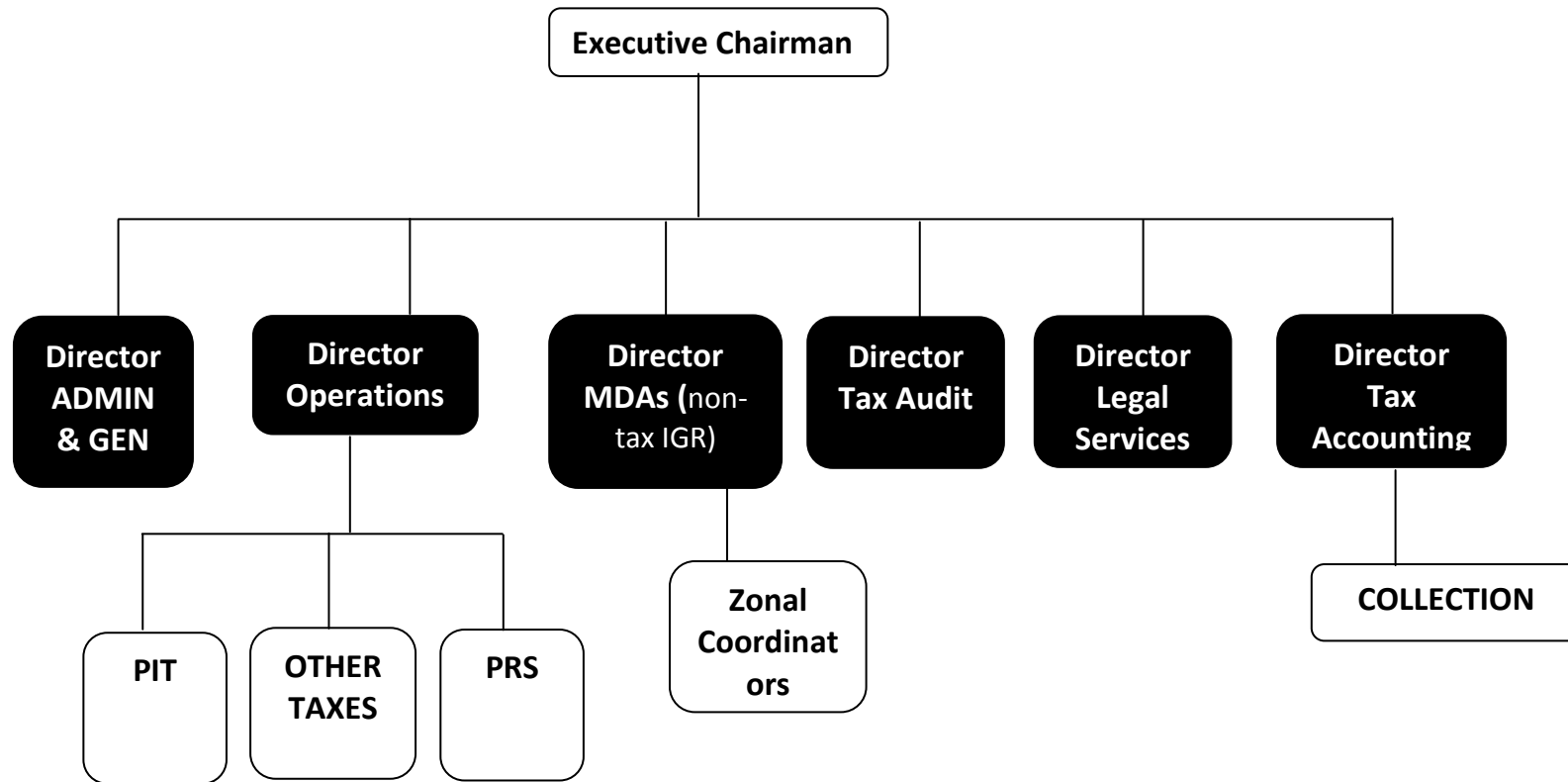
The following were the recommendations on the structure.

- a) All operations units should be brought together under a Director of Operations.
- b) The Legal Department should remain as a department because of the importance of the unit to the functions of the Board.
- c) The Zonal Units should be incorporated into the structure by the creation of a single Department for Non-Tax IGR.
- d) There should be a Department for Tax Accounting to be responsible for all returns and records of collection.
- e) There should be a Tax Audit department to audit assessment, payments and returns.
- f) The Director Admin and General Services should take charge of all support services and HR operations.

It was also suggested that there should be a subsisting policy and practice that the Director Operations should be the most Senior Director who shall deputise for the Executive Chairman in all ramifications.



## Recommended Organogram for the Kano State Board of Internal Revenue



## Section 5: Summary of Findings and Recommendations

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### Summary of Findings

#### Functional Review

- i. There were 8 mandates which could be extracted from the enabling laws but one additional mandate was to be recommended to the Executive Council (ExCo) for inclusion so to be able to accommodate the HR functions of the AGS in the Board.
- ii. The Mission and Vision of the Board had not been stated but these were brainstormed and designed by the participants at the workshop.
- iii. The strategic objectives were equally not listed but these were extracted from the list of mandates.
- iv. The various functions listed mapped for the most part with the mandates of the Board.

#### Performance Review

The following is a summary of the findings on Performance Review:

- i. Lack of modern tools have made the tasks hard in view of volume and format of reports and information to deal with;
- ii. Some departmental functions were not being carried out because lack of procedural linkages between the departments;
- iii. The engagement of the Task Force also had prevented some departments from carrying out certain functions, with the Task Force usurping the functions of the said departments;
- iv. Some functions were only being partially undertaken due to inadequate manpower while some had been relegated;
- v. Certain functions were not being undertaken for reasons of lack of cooperation by the would-be tax-payers.

#### Process Review

The following is a summary of findings on Process Review:

- i. There were no formalised procedures manuals;
- ii. There were undue delays and gaps between process steps;
- iii. There were mix-ups in some of the steps, suggesting some lack of clarity;
- iv. Some steps were considered superfluous and were recommended for excision;
- v. Departments complained that tax-payers and would be tax-payers created delays for many of the activities.

## Structural Review

The following is a summary of the findings on the review of the structure:

- i. KBIR did not have a published organogram that represented the exact current workings of the agency;
- ii. Some units referred to as Zonal Directors for the collection of Non-Tax IGR from MDAs did not feature of the organogram, and seen as an adhoc creation for the purposes of accomplishing a specific assignment;
- iii. That the Zonal Units had been created for administrative convenience only;
- iv. The current structure was bloated, a creation of some functions having been unduly split.

## Summary of Recommendations

### Functional Review

The recommended new additional mandate being proposed should be presented to the management and the ExCo for approval.

### Performance Review

- i. Modern tools, especially computers, internet and intranet should be provided for the departments to be able to operate at a level that can interface with clients of the Board who in most cases have advanced much farther than the Board in office tools.
- ii. The KBIR should immediately embark on coordinated and targeted training for the workforce.
- iii. The use of the Task Force should be discouraged because it amounts to withdrawal of mandate.
- iv. The state government should fashion out a system by which third party clients and tax-payers will cooperate and interface properly with the Board with clear provision for sanctions in the event of default.
- v. Tax-payer education and reorientation should be undertaken massively.
- vi. As a matter of urgency, the state should train an elite band of computer (tax) auditors for the purpose of collection of tax arrears from organisations that are computerised.

### Structural Review

- i. There was a need to slim down the structure. This will reduce the number of Directors and appendage staff at the departmental levels and also make coordination easier.
- ii. All operations units should be brought together under a Director of Operations.
- iii. The Legal Department should remain as a full-fledged department.
- iv. A Department for Non-Tax IGR should be created to take charge of the Zonal Units.
- v. There should be a Department for Tax Accounting.
- vi. There should be a Tax Audit department.
- vii. The Director Admin and General Services should take charge of all support services and HR operations.
- viii. There should be a subsisting policy that Director Operations should be substantive deputy to the Executive Chairman. This reposes the mandate for ultimate performance in the Operations department.

## Section 6: Conclusions and Next Steps

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### Conclusions

1. It is evident that although the KBIR is actively performing many of its functions, its mandate delivery is hampered by grave flaws in its internal structure.
2. Consequent upon the foregoing there is an urgent need to restructure the Board, clarify job responsibilities and clarify processes – in sum, introduce better management.
3. Given the strategic role of IGR in the delivery of the mandate of the government to the citizenry, the Board is expected to be a step ahead of the generality of its clients in technical knowhow of the collection of tax and Non-Tax revenues. Unfortunately, this does not seem to be so. The Board has had to work with poor tools and a workforce whose skills are not updated for emerging challenges.
4. Some focused training is required, especially in the area of Tax Payer management and ICT based tax procedures
5. The Board as it is, also needs to reappraise its methods of operations with a view to instituting an enduring and operationally reliable system that is fit for purpose now and in the strategic future.

### Next Steps

The following are the steps required to move the Kano State Board of Internal Revenue forward in the corporate planning process.

S/No	Step	Responsibility	Time
	Review and adoption of this report as a true record of the Functional, Performance, Process and Structural Review Workshop of the Kano State Board of Internal Revenue which was held at Al-Ihsan Hotel from 26 <sup>th</sup> to 28 <sup>th</sup> August 2013.	KBIR, OHCS, Accountant General	
	Workforce Plan of the KBIR	Chairman KBIR/SPARC	October 2013
	Production of Implementation Plan	SPARC	
	Agreement, acceptance of the Implementation Plan and subsequent implementation.	KBIR	

## Annex 1: Mandate/Functions Mapping for the Board of Internal Revenue, Kano State

Summary of functions as											
S/No	Functions	Mandates Fulfilled									To manage a competent and professional workforce for the delivery of the Board's mandates (To be appealed to the OHoS for inclusion)
		Generate tax revenue to the state government	Imposition of tax on total income of taxable persons	Assessment of taxes	Collection of taxes	Accounting of tax revenue	To enforce compliance in accordance with the tax laws	To supervise all internally generated revenue in the state (i.e. MDAs and LGCs)	Advise and ensure the implementation of JTB resolutions in the state	Educate the public on tax matters (To be appealed to the OHoS for inclusion)	
Department: COLLECTION											
1.	Preparation of monthly collection report										
2.	Accounting for total collection of the Board on daily basis										
3.	Reconciliation of bank statements										
4.	Issuance of receipts to tax payers										
5.	Verification of taxes from all departments										
6.	Handling PAYE Ledgers										

**Summary of functions as**

S/No	Functions	Mandates Fulfilled									
		Generate tax revenue to the state government	Imposition of tax on total income of taxable persons	Assessment of taxes	Collection of taxes	Accounting of tax revenue	To enforce compliance in accordance with the tax laws	To supervise all internally generated revenue in the state (i.e. MDAs and LGCs)	Advise and ensure the implementation of JTB resolutions in the state	Educate the public on tax matters (To be appealed to the OHoS for inclusion)	
7.	Supervision of general field operations										
8.	Custodian of bank statements										
9.	Custodian of employers' annual return										
10.	Recovery of tax arrears										

**Summary of functions as**

S/No	Functions	Mandates Fulfilled									To manage a competent and professional workforce for the delivery of the Board's mandates
		Generate tax revenue to the state government	Imposition of tax on total income of taxable persons	Assessment of taxes	Collection of taxes	Accounting of tax revenue	To enforce compliance in accordance with the tax laws	To supervise all internally generated revenue in the state (i.e. MDAs and LGCs)	Advise and ensure the implementation of JTB resolutions in the state	Educate the public on tax matters	
Department: ROAD TAXES											
1.	Ensuring compliance and patronage from banks, transporters and other business organisations operating in the state.										
2.	Collecting fees chargeable in respect of motor vehicle registration and issuance of plate numbers and other particulars.										
3.	Renewal of vehicle particulars for both private individuals and organisations.										
4.	Interpretation of JTB approved rates into local languages										
5.	Reconciliation of payments in respect of Motor Licence Office cashiers, attached bank units and the central collection										

**Summary of functions as**

S/No	Functions	Mandates Fulfilled									
		Generate tax revenue to the state government	Imposition of tax on total income of taxable persons	Assessment of taxes	Collection of taxes	Accounting of tax revenue	To enforce compliance in accordance with the tax laws	To supervise all internally generated revenue in the state (i.e. MDAs and LGCs)	Advise and ensure the implementation of JTB resolutions in the state	Educate the public on tax matters	
	department of the Board										
6.	Preparing monthly progress reports to the Executive Chairman										
7.	Developing innovative steps towards widening the scope of operation of the department										



**Summary of functions as**

S/No	Functions	Mandates Fulfilled									To manage a competent and professional workforce for the delivery of the Board's mandates
		Generate tax revenue to the state government	Imposition of tax on total income of taxable persons	Assessment of taxes	Collection of taxes	Accounting of tax revenue	To enforce compliance in accordance with the tax laws	To supervise all internally generated revenue in the state (i.e. MDAs and LGCs)	Advise and ensure the implementation of JTB resolutions in the state	Educate the public on tax matters	
Department: ADMIN & GENERAL SERVICES											
1.	Coordinating all the Board's department administrative and financial activities (Mother)										
2.	preparing personnel cost emolument budget										
3.	Management of the Human Resource of the Board										
4.	Coordinating management staff meeting (Mother)										
5.	Provision of support services (manpower, infrastructure and logistics) to the Board. (Mother)										

**Summary of functions as**

S/No	Functions	Mandates Fulfilled									To manage a competent and professional workforce for the delivery of the Board's mandates
		Generate tax revenue to the state government	Imposition of tax on total income of taxable persons	Assessment of taxes	Collection of taxes	Accounting of tax revenue	To enforce compliance in accordance with the tax laws	To supervise all internally generated revenue in the state (i.e. MDAs and LGCs)	Advise and ensure the implementation of JTB resolutions in the state	Educate the public on tax matters	
6.	Preparation of monthly expenditure records of the Board (Mother)										
7.	Management of the stores of the Board (mother										

**Summary of functions as**

S/No	Functions	Mandates Fulfilled									To manage a competent and professional workforce for the delivery of the Board's mandates
		Generate tax revenue to the state government	Imposition of tax on total income of taxable persons	Assessment of taxes	Collection of taxes	Accounting of tax revenue	To enforce compliance in accordance with the tax laws	To supervise all internally generated revenue in the state (i.e. MDAs and LGCs)	Advise and ensure the implementation of JTB resolutions in the state	Educate the public on tax matters	
Department: LEGAL											
1.	Prosecution of revenue cases										
2.	Legal advice and legal drafting										
3.	Providing Company Secretarial Services to the Board										
4.	Distraining and enforcement										
5.	Representing the Board on other legal matters (Mandate for this is resident in the mother ministry – ministry of Justice)										

**Summary of functions as**

S/No	Functions	Mandates Fulfilled									To manage a competent and professional workforce for the delivery of the Board's mandates
		Generate tax revenue to the state government	Imposition of tax on total income of taxable persons	Assessment of taxes	Collection of taxes	Accounting of tax revenue	To enforce compliance in accordance with the tax laws	To supervise all internally generated revenue in the state (i.e. MDAs and LGCs)	Advise and ensure the implementation of JTB resolutions in the state	Educate the public on tax matters	
Department: PAYE											
1.	Giving direction to employers of labour on registration matters										
2.	Making and enforcing compliance										
3.	PAYE assessment through compilation										
4.	Verification of PAYE deductions										
5.	Coordination with other departments (This is not considered a peculiar function)										
6.	Sourcing of information as regards to new and existing companies that are not in the tax net										
7.	Implementing PAYE scheme as guided by existing laws of taxation										
8.	Management and operations of the PAYE scheme to the fullest by the tax authority										

**Summary of functions as**

S/No	Functions	Mandates Fulfilled									To manage a competent and professional workforce for the delivery of the Board's mandates
		Generate tax revenue to the state government	Imposition of tax on total income of taxable persons	Assessment of taxes	Collection of taxes	Accounting of tax revenue	To enforce compliance in accordance with the tax laws	To supervise all internally generated revenue in the state (i.e. MDAs and LGCs)	Advise and ensure the implementation of JTB resolutions in the state	Educate the public on tax matters	
9.	Accepting returns from directed employers of labour										
10.	Distribution of self-declaration of income form and making sure information provided is correct										
11.	In the event of providing incorrect information, relevant sections of the law can be applied for treatment										
12.	Invoking relevant sections of PITA for erring tax payers										
13.	Analysis of financial statements of limited liability companies and public liability companies.										

**Summary of functions as**

S/No	Functions	Mandates Fulfilled									To manage a competent and professional workforce for the delivery of the Board's mandates
		Generate tax revenue to the state government	Imposition of tax on total income of taxable persons	Assessment of taxes	Collection of taxes	Accounting of tax revenue	To enforce compliance in accordance with the tax laws	To supervise all internally generated revenue in the state (i.e. MDAs and LGCs)	Advise and ensure the implementation of JTB resolutions in the state	Educate the public on tax matters	
Department: INVESTIGATION & INFORMATION											
1.	Analysis of financial statements of registered companies (Investigation)										
2.	Information Sourcing on taxable businesses/ individuals										
3.	Investigation (verification of information provided by tax payers) to prevent tax evasion										

**Summary of functions as**

S/No	Functions	Mandates Fulfilled									To manage a competent and professional workforce for the delivery of the Board's mandates
		Generate tax revenue to the state government	Imposition of tax on total income of taxable persons	Assessment of taxes	Collection of taxes	Accounting of tax revenue	To enforce compliance in accordance with the tax laws	To supervise all internally generated revenue in the state (i.e. MDAs and LGCs)	Advise and ensure the implementation of JTB resolutions in the state	Educate the public on tax matters	
Department: PLANNING, RESEARCH & STATISTICS											
1.	Provision of (research) statistical information to the management										
2.	Coordination and preparation of the Board's budget										
3.	Conducting tax audit on registered companies										
4.	Investigation by way of ensuring compliance by tax payers										

## Summary of functions as

S/No	Functions	Mandates Fulfilled									
		Generate tax revenue to the state government	Imposition of tax on total income of taxable persons	Assessment of taxes	Collection of taxes	Accounting of tax revenue	To enforce compliance in accordance with the tax laws	To supervise all internally generated revenue in the state (i.e. MDAs and LGCs)	Advise and ensure the implementation of JTB resolutions in the state	Educate the public on tax matters	To manage a competent and professional workforce for the delivery of the Board's mandates
Department: ASSESSMENT											
1.	Identification and registration of tax payers										
2.	Receiving tax returns from registered tax payers										
3.	Assessment and issuance of notice of assessment to all registered tax payers										
4.	Treatment of objections from aggrieved Tax payers where necessary										
5.	Compiling and presenting of defaulters case files to legal department for tax recovering/ prosecution										



Summary of functions as

S/No	Functions	Mandates Fulfilled									To manage a competent and professional workforce for the delivery of the Board's mandates
		Generate tax revenue to the state government	Imposition of tax on total income of taxable persons	Assessment of taxes	Collection of taxes	Accounting of tax revenue	To enforce compliance in accordance with the tax laws	To supervise all internally generated revenue in the state (i.e. MDAs and LGCs)	Advise and ensure the implementation of JTB resolutions in the state	Educate the public on tax matters	
Department: WITHHOLDING TAX											
1.	Administration of Stamp Duties										
2.	Assessment and collection of Capital Gains Tax (CGT)										
3.	WHT on Rent										
4.	WHT on contracts and supplies										
5.	WHT on Professional Fees										
6.	WHT on Bank Interest										
7.	WHT on Director Fees										
8.	WHT on Dividend										

## Annex 2: Assessed level of performance of the departmental functions of the Board of Internal Revenue, Kano State

Legend:

1. Green Highlight indicates that the function is being fully undertaken
2. Yellow Highlight indicates partial performance
3. Red Highlight indicates that the function is not being undertaken at all

S/No	Functions	Remarks (level of activities, performance constraining issues, required assistance etc))
<b>Department: COLLECTION</b>		
1.	Preparation of monthly collection report	<ul style="list-style-type: none"> <li>• There is the need for Automation of the process</li> </ul>
2.	Accounting for total collection of the Board on daily basis	<ul style="list-style-type: none"> <li>• There is the need for Automation of the process</li> </ul>
3.	Reconciliation of revenue accounts bank statements	
4.	Issuance of receipts to tax payers	
5.	Confirmation of tax payments from all departments	Not done due to lack of procedure linkages between the departments
6.	Handling of tax payment ledgers	Done only for PAYE
7.	Supervision of general field operations	<ul style="list-style-type: none"> <li>• Not done due to inadequate manpower</li> <li>• Done only on request</li> </ul>
8.	Custodian of revenue accounts bank statements	
9.	Custodian of employers' annual return	
10.	Recovery of tax arrears	<ul style="list-style-type: none"> <li>• Function reverted to task force</li> <li>• Done when the need arises (ad hoc)</li> </ul>

S/No	Functions	Remarks (level of activities, performance constraining issues, required assistance etc))
<b>Department: ROAD TAXES</b>		
1.	Ensuring compliance and patronage from banks, transporters and other business organisations operating in the state.	The need for automation
2.	Collecting fees chargeable in respect of motor vehicle registration and issuance of plate numbers and other particulars.	<ul style="list-style-type: none"> <li>• The need for procedure modification</li> <li>• Also need to automate</li> <li>• The need to practicalize the current cashless policy</li> </ul>
3.	Renewal of vehicle particulars for both private individuals and organisations.	Automation
4.	Interpretation of JTB approved rates into local languages	
5.	Reconciliation of payments in respect of Motor Licence Office cashiers, attached bank units and the central collection department of the Board	Automation
6.	Preparing monthly progress reports to the Executive Chairman	Automation
7.	Developing innovative steps towards widening the scope of operation of the department	
<b>Department: ADMIN &amp; GENERAL SERVICES</b>		
1.	Coordinating all the Board's department administrative and financial activities (Mother)	
2.	preparing personnel cost emolument budget	
3.	Management of the Human Resource of the Board	<ul style="list-style-type: none"> <li>• There is need to enhance capacity building programmes</li> </ul>

S/No	Functions	Remarks (level of activities, performance constraining issues, required assistance etc))
		<ul style="list-style-type: none"> <li>• Training school managed by AGS not functional</li> </ul>
4.	Coordinating management staff meeting (Mother)	
5.	Provision of support services (manpower, infrastructure and logistics) to the Board. (Mother)	
6.	Preparation of monthly expenditure records of the Board (Mother)	Automation
7.	Management of the stores of the Board	Modernization and automation
<b>Department: LEGAL</b>		
1.	Prosecution of revenue cases	
2.	Legal advice and legal drafting	
3.	Distraining and enforcement	
4.	Representing the Board on other legal matters (Mother)	
<b>Department: PAYE</b>		
1.	Giving direction to employers of labour on registration matters	
2.	Making and enforcing compliance	
3.	PAYE assessment through compilation of emolument records	
4.	Verification of PAYE deductions	
5.	Coordination with other departments	
6.	Sourcing of information as regards to new and existing companies that are not in the tax net	
7.	Implementing PAYE scheme as guided by existing laws of taxation	
8.	Management and operations of the PAYE scheme to the fullest by the tax authority	

S/No	Functions	Remarks (level of activities, performance constraining issues, required assistance etc))
9.	Accepting returns from directed employers of labour	<ul style="list-style-type: none"> <li>Forms need to be updated (Employers Annual Returns Form – Rev9)</li> <li>Advise JTB regarding the above</li> </ul>
10.	Distribution of self-declaration of income form and making sure information provided is correct	<ul style="list-style-type: none"> <li>Forms need to be updated (Annual Declaration of Income Form – Rev49)</li> <li>Advise JTB regarding the above</li> </ul>
11.	In the event of providing incorrect information, relevant sections of the law can be applied for treatment	
12.	Invoking relevant sections of PITA for erring tax payers	
13.	Analysis of financial statements of limited liability companies and public liability companies.	
<b>Department: INVESTIGATION &amp; INFORMATION</b>		
1.	Analysis of financial statements of registered companies	Collaborative overlap with PRS
2.	Information Sourcing	
3.	Investigation (verification of information provided by tax payers) to prevent tax evasion	
<b>Department: PLANNING, RESEARCH &amp; STATISTICS</b>		
1.	Provision of (research) statistical information to the management	
2.	Coordination and preparation of the Board's budget	
3.	Conducting tax audit on registered companies	Automation
4.	Investigation by way of ensuring compliance by tax payers	Automation
5.		Need to be more involved in workforce capacity building

S/No	Functions	Remarks (level of activities, performance constraining issues, required assistance etc))
		in advising the AGS on the technical content of the training programmes
<b>Department: ASSESSMENT</b>		
1.	Identification and registration of tax payers	
2.	Receiving tax returns from registered tax payers	
3.	Assessment of all registered tax payers	
4.	Identification and registration of tax payers	
5.	Receiving tax returns from registered tax payers	
6.	Assessment and issuance of notice of assessment to all registered tax payers	
7.	Treatment of objections from aggrieved Tax payers where necessary	
8.	Compiling and presenting of defaulters case files to legal department for tax recovering/ prosecution	
<b>Department: WITHHOLDING TAX</b>		
1.	Administration of Stamp Duties	
2.	Assessment and collection of Capital Gains Tax (CGT)	<ul style="list-style-type: none"> <li>i. Lack of awareness on the part of tax payers</li> <li>ii. Delay in getting information by KBIR</li> <li>iii. Non-disclosure of transaction by the tax payers</li> <li>iv. Dearth of title documents</li> <li>v. Insufficient collaboration between the Ministry of Land and Survey and the KBIR</li> <li>vi. Lack of working relationship between the Board and estate agents</li> </ul>

S/No	Functions	Remarks (level of activities, performance constraining issues, required assistance etc))
3.	WHT on Rent	
4.	Contracts and supplies	
5.	WHT on Professional Fees	
6.	WHT on Bank Interest	<ul style="list-style-type: none"> <li>• Automation</li> <li>• Need for skilled manpower to interface properly with the banks</li> <li>• The need for people with sophisticated ICT-banking knowledge</li> <li>• The law may need to be strengthened in contents and application</li> </ul>
7.	WHT on Director Fees	
8.	WHT on Dividend	Similar issues with No. 6

## Annex 3: Submissions of Process review by some of the departments

**Please Note that:**

1. The yellow highlight indicates insertions during the review.
2. Strikethrough represents deletion

**Name of Department:** Collection

**Function:** Preparation of Monthly collection Report

WHO BY	STEP	ACTIVITY NARRATION	DURATION (In hours/days)	Remarks on performance	Remarks on Necessity of process
Insp. Taxes	1	Collects/receives statements of collection from collecting Banks and MoF and forwards same to Asst Dir	3 days	Routine	<ul style="list-style-type: none"> <li>Instructions to banks to furnish report on certain given days</li> <li>Required: access to the Board web portal</li> </ul>
Asst Dir.	2	Forwards the Bank Statements to the Deputy Director after vetting	1 day	Routine	
Deputy Director	3	Analyses the Bank Statements and comes up with total collection for the Month and forwards to the director	3 day	Routine	
Director	6	Reviews the Total Collection and forwards to the Executive Chairman	1 day	Routine	
Executive Chairman	7	Studies the report and if there are no issues, forwards same to Ministry of Finance.	2 days		
			<del>8 days</del> / 10days		



**Name of Department:** Collection

**Function:** Issuance of receipts to tax payers

WHO BY	STEP	ACTIVITY NARRATION	DURATION (In hours/days)	Remarks on performance	Remarks on Necessity of process
Tax Payer	1	Requests for receipt after presenting evidence of payment	10 mins		
Chief Cashier	1	Confirms payment made by the Tax Payer to collecting banks after presenting of evidence of payment and forwards to appointed cashier	20 mins	Routine	
App. Cashiers	3	Assess the statement/ platform and issues Personal Income Tax receipts (PIT) indicating nature of payment to tax payers	20 mins	Routine	
App. Cashiers	4	Post the payment in the cash book and files duplicate receipts	20 mins	Routine	
App. Cashier	5	Forwards triplicate copy of receipt issued to the chief cashier	10 mins		
Chief Cashier	6	After receiving documents from the appointed cashier, sends copy of the receipt to the relevant department for insertion into the tax payers file	10 mins		
	5		90 mins	Routine	

**Name of Department: LEGAL**

**Please note that the submission of this department had to be completely reworked in the session.**

**Function:** 1. Prosecution of Tax Defaulters

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Tech Dept.	1	Forwards file of the defaulter	10 mins		
Director	2	Receives file from tech department, studies and passes file to legal officer for examination	1 hr		
Legal Officer	3	Receives files from director, studies and prepares writ of summons and returns to director for vetting	1 day		
Director	4	Receives draft writ of summons from Legal officer and if satisfied authorises LO to file case in court	2 hrs		
Legal officer	5	Files the case in the court	5 hrs		
Legal officer	6	Obtains date of mention from court	8 days		
Legal Officer	7	Appears in court and proceedings continue	Cannot be determined		

**Name of Department: ROAD TAXES**

**Function:** Issuance of New National .Plate .Number.

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Applicant	1	Applicants presents request to the Board by completing application form and presents same for vetting attaching necessary requirements	30 mins	Routine	Necessary
Cashier	2	Vets completed application form and documents and if no issues, issues customized teller and directs applicants to make payment	10 mins		
Applicant	3	Makes payment on customized teller to the bank and presents duplicate copy to the cashier	30 mins		
Cashier	4	After collecting original teller from the applicant, issues receipt of payment and releases the plate number as requested	10 mins	Routine	Necessary
Cashier	5	Attaches original copy of the payment receipt to the photocopies of the particulars of the vehicle and copy of the form completed and forwards to the registration unit for further action.	2 hrs		
Head Reg. Unit	6	After examining the documents received, if no issue, makes necessary entry into the register.	20 mins		
Unit staff	7	Prepares and issues necessary particulars and releases to the applicant	1hr30mins		
			6 hrs		

**\*\*all participants agreed that the process is unduly long but can be drastically reduced through automation\*\***

**Name of Department: ROAD TAXES**

**Function:** Renewal

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
	1	Application presentment expired V/L to MLO (WWDOW) for verifying by cashier	15min	Routine	Necessary
	2	Payment to collecting bank base on price list guide			
	3	Application Reg Present the payment original teller to the cashier who file original for van ward presentation to central cashier/while he considered the request and file other copies .			
	4	Release of reviewed paper V/L			

This template/ table is to be filled for function of each department in the board

**NAME OF DEPARTMENT: WITHHOLDING TAX**

FUNCTION: WITHHOLDING TAX ON RENT

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
TAX OFFICER	1	Enumeration/ registration of tax payer	8 weeks	Routine	Necessary step
CO-COORDINATOR	2	Examines the enumerated list and direct for registration	1 week	Routine	Necessary step
TEAM LEADER	3	Registered each prospective tax payer and file all related document	1 week	Routine	Necessary step
TAX OFFICER	4	Prepare and compute tax due and revert to co-ordinator	2days	Routine	Necessary step
DEPUTY DIRECTOR	5	Review assessment if no issues passed to the director for approval	1 day	Routine	Necessary step
DIRECTOR	6	Examine assessment and forward it to the computer unit to process	1 day	Routine	Necessary step
HOD COMPUTER	7	Receives draft assessment	5days	Routine	Necessary step
DIRECTOR	8	Received processed assessment from computer unit, vets and signs and release assessment to the co-ordinate for dispatch	1 day	Routine	Necessary step
CO-ORDINATE	9	Distributes the assessment to respective zones for on ward distribution to the tax payer	1day	Routine	Necessary step
TAX PAYER	10	Receives assessment, if there are issues, objects by writing to the Board through the Executive Chairman	14 days	Routine	Necessary step
EXECUTIVE CHAIRMAN	11	Minutes the letter to director for action	1day	Routine	Necessary step
DIRECTOR	12	Upon receipt of objection passes to the deputy director for action	1day	Routine	Necessary step

DEPUTY DIRECTOR	13	Register, the letters and forward to the team leaders for response	1day	Routine	Necessary step
TEAM LEADER	14	Treat and forward their response on the objection to the director	2days	Routine	Necessary step
DIRECTOR	15	Reviews and signs various response and send to the co-ordinator for dispatch	1days	Routine	Necessary step
CO-ORDINATOR	16	Register and dispatches the letter	1 day	Routine	Necessary step
DIRECTOR	17	After t (14) days without response and payment from the taxpayer signs and issue remainder letter to the co-ordinator for dispatch	1 days	Routine	Necessary step
CO-ORDINATOR	18	Release registered letters	1day	Routine	Necessary step
DIRECTOR	19	If no response from tax payer after reminder, forward defaulters list and files due for litigation to the Legal Department	7days	Routine	Necessary step

**NAME OF DEPARTMENT: WITHHOLDING TAX**

FUNCTION: STAMP DUTY

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
TAX PAYER	1	Submit document for vetting and assessment	As they come	As they come	Necessary steps
D. DIRECTOR	2	Examination of deed of assignment, power of attorney and other document submitted for stamping and compute rate where appropriate.	1 hour	Routine	Necessary steps
TAX PAYER	3	Receives document for payment at any designated bank	1 hour	Routine	Bank designated at Board H/quarter for ease
DIRECTOR OR D.DIRECTOR	4	Stamp document after payment	30 minutes	Routine	Necessary steps
D.DIRECTOR	5	Release document back to tax payers	30 minutes	Routine	Necessary steps
EXECUTIVE OFFICER	6	Files and registered sign document	30 minutes	Routine	Necessary steps

**Name of department: WITHHOLDING TAX**

**Function: CAPITAL GAIN TAX**

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
STAFF/ AGENT	1	Information receive from an agent staff on disposed asset		Routine	
DIRECTOR	2	Upon receipt of information direct a competent officer under take investigation	1days	Routine	
TAX OFFICER	3	Undertakes verification and prepares a report of finding and send to director	1 week	Routine	
DIRECTOR	4	Examines report and direct for the issuance of assessment by deputy director	1day	Routine	
DEPUTE DIRECTOR	5	Compute and send to computer unit for typing	1day	Routine	
COMPUTER UNIT	6	Process assessment and revert to director	1day	Routine	
DIRECTOR	7	Sings the assessment and releases to tax officer for dispatch	1 hour	Routine	
TAX OFFICER	8	File acknowledged copy and send to deputy director	1 hour	Routine	
DEPUTY DIRECTOR	9	At the expiration of (2) weeks' notice, raise reminder for director signature	1 day	Routine	
DIRECTOR	10	Signs reminder and release for dispatch	1day	Routine	
DEPUTY DIRECTOR	11	If no response after (2) weeks from tax payer forward file to director for action	1 day	Routine	
DIRECTOR	12	Complete the process and submit to legal department	7 days	Routine	




**Name of department: WITHHOLDING TAX**

**Function: WITHHOLDING TAX ON BANK INTEREST**

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Bank	1	Remit monthly withholding tax deducted from customers			Remittance were made usually 1 <sup>st</sup> week of a new month
Director	2	Request for monthly returns from banks on payment made to ascertain payment by sending demand letters	2day s		
Deputy Director	3	Upon receipt of returns from bank examines , if there were issues raised, write to the bank for clarification	7 days		
Bank	4	Respond were applicable	14days		
DIRECTOR	5	Liaise with tax audit department for verification	1day	Routine	Necessary steps

**Department: WITHHOLDING TAXES****Function: WITHHOLDING TAX ON DIVIDEND**

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Quoted companies	1	Call for Annual general meeting			Necessary steps are followed and the event took place on announce date according to each company Annual General Meeting
Deputy/ Director	2	To attend meetings and seek for 10% withholding tax on dividend for the shareholders that were resident in Kano.			
Company registrars	3	Release deduction due to kano			
Director / deputy	4	acknowledged collections and account as appropriate			

**NAME OF DEPARTMENT: WITHHOLDING TAX**

FUNCTION: WITHHOLDING TAX ON (CONTRACT, DIRECTOR FEES, PROFESSION FEES)

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
TAX OFFICER	1	Copies list of directed companies for the process of letter for the submission of returns on withholding taxes	2days	Routine	
CEO (WHT)	2	Examines the list and prepares drafted letter for vetting by the director	1 day	Routine	
DIRECTOR	3	Vet and forward to the computer unit for processing letter of return	1day	Routine	
COMPUTER UNIT	4	Receives draft of the letter, typed copies and return to the director	2days	Routine	
DIRECTOR	5	Receives typed letter from computer unit, signs and release to the CEO (WHT) for dispatch	2days	Routine	
CEO (WHT)	6	Distribute to respective tax officers for onward submission to the companies	1 day	Routine	
RESPECTIVE COMPANIES	7	On receipt of the letter for submission on returns comply by rendering their returns or provide evidence if payment had already being affected	14 days	Routine	
TAX OFFICER	8	In the event of non- compliance after expiration of 14 days enlist companies for reminder and submit to the deputy director			
DEPUTY DIRECTOR	9	Raise reminders for director signature	1day	Routine	
DIRECTOR	10	Signs reminders and release for dispatch	1 day	Routine	
CEO (WHT)	11	At the expiration of notice, computes best of judgment assessment for non-compliance to the companies	3dasy	Routine	

RESPECTIVE COMPANIES	12	Up[on receipt of assessment, if there are issues object by writing to the board through the Executive chairman	14 days	Routine	
EXECUTIVE CHAIRMAN	13	Minutes letter to the director for action	1 day	Routine	
DIRECTOR	14	Upon receipt of objection passes to deputy director for review	1day	Routine	
DEPUTY DIRECTOR	15	Examine and review were appropriate and revert to director	1day	Routine	
DIRECTOR	16	Signs on the conclusion of the review assessment and release for dispatch	30 minutes	Routine	
CEO (WHT)	17	Register and send for dispatch of the letter	1day	Routine	
DIRECTOR	18	After (7) days if no payment was made, forward file for litigation to the Legal Department			

NAME OF DEPT.: Assessment  
 FUNCTION: Identification And Registration Of Tax Payer

WHO BY	STEP	ACTIVITY NARRATION	DURATION (In hours/days)	REMARKS PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Director	1	Upon receipt of information about prospective tax payer, directs a competent staff to undertake investigation and confirmation	15 minutes	Routine	
Directed Staff	2	Undertakes verification and prepares a report if there is clearly a tax issue, forwards to the director	10 minutes	Routine	
Director	3	Receives report from staff, studies report if there is clearly a tax issue, forwards to the deputy director for further action	10 minutes	Routine	
Deputy Director	4	Studies report and directs assessment officer to raise tax assessment for the prospective tax payer	10 minutes	Routine	
Ass. Officer	5	Carries out the assessment as directed and reverts to the deputy director	10 minutes	Routine	
Deputy Director	6	Reviews assessment if no issues, pass to the director for approval	5 minutes	Routine	
Director	7	Studies and examines the assessment and forwards it to the technical unit through the deputy director	5 minutes	Routine	
Head Tech Unit	8	Documents, prepares and forwards assessment to the tax payer	30 minutes  <u><u>1hr35min</u></u>	Routine	

NAME OF DEPT.: ASSESSMENT  
 FUNCTION: TAX ASSESSMENT

WHO BY	STEP	ACTIVITY NARRATION	DURATION (In hours/days)	REMARKS PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Tax payer	1	Files returns of his income on a prescribed form 'A' duly completed and signed to the Director for tax assessment.	10 minutes	Routine	
Director	2	Examine the returns submitted by tax payer and forwards to Deputy Director for tax assessment.	20 minutes	Routine	
D/Director	3	Studies returns and direct Asst officer to file return in the TP's file and raise assessment accordingly.	20 minutes	Routine	
Asst. Officer	4	Carries out the assessment as directed and reverts to the deputy directors	15 minutes	Routine	
D/Director	5	Reviews assessment, if no issues, passes on to the director for approval.	10 minutes	Routine	
Director	6	Studies and examines the assessment and forwards it to the Technical unit through the D/Director.	10 minutes	Routine	
Head Tech Unit	7	Documents, Prepares and forwards assessment to the tax payer for payment of tax, if no dispute.	2 days  <u><b>2days, 1hr25min</b></u>	Routine	

NAME OF DEPT.: ASSESSMENT  
 FUNCTION: SERVICE OF NOTICE OF ASSESSMENT

WHO BY	STEP	ACTIVITY NARRATION	DURATION (In hours/days)	REMARKS PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Directed Staff	1	Dispatch Printed Assessment to the tax payer for his settlement and an acknowledged copy should be return for filing and forwards file to Deputy Director.	1 day	Routine	
D/Director	2	Keeps the file under his custody and await payment within the due date of 60 days' time period for objection. Where payment has not been made after the due date, DD recommends issuance of reminder and forwards to Director.	10 minutes	Routine	
Director	3	Director studies the submission forwarded by Deputy Director, if no issue approves and forwards same to him to make a draft.	30 minutes	Routine	
D/Director	4	D/D drafts the reminder notice and forward file back to director for vetting.	2 hours	Routine	
Director	5	After vetting, if no issue forwards file to D/D to print the letter to be dispatch to the tax payer for payment within 2 weeks.	2 hours	Routine	
D/D	6	Forwards file to Head of technical unit to print and submit letter for endorsement by the Director	2 hours	Routine	
Director	7	Sign letter of reminder and passes on to Head of Technical unit via the D/Director for Dispatch.	10 minutes	Routine	
Head Tech Unit	8	Direct/instruct a staff to dispatch the letter to the tax payer and return the acknowledged copy for filing.	1 day <u>2days, 6hrs,</u> <u>50min</u>	Routine	

NAME OF DEPT.: ASSESSMENT  
 FUNCTION: TREATMENT OF OBJECTION

WHO BY	STEP	ACTIVITY NARRATION	DURATION (In hours/days)	REMARKS PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Tax payer	1	Tax payer who disputed an assessment files his objection through the chairman's office for possible review.	5 minutes	Routine	
Executive chairman	2	Read and forward letter to the director assessment for his dealing	1 day	Routine	
Director	3	Studies and forwards the letter to Deputy Director for registration	25 minutes	Routine	
D/Director	4	D/Director minutes and instructs the Head of Technical Unit to register and file the letter in TP's file and return same for action.	10 minutes	Routine	
Head Tech Unit	5	Head Technical unit treat as directed and return file to D/D for action	5 minutes	Routine	
D/Director	6	Studies and propose a revision of tax assessment and pass to director for Approval but where there is issue recommend, inviting the TP for interview.	10 minutes	Routine	
Director	7	If no issues, approves. If there are issues, call the attention of the D/D to discuss and sort out. Then forwards file to D/D for further action.	30 minutes	Routine	
D/Director	8	If approves forward file to Head of T.U. to prepare and issue notice of amended assessment Rev. 78 to be sent to TP for payment of the agreed tax liability within 30 days	20 minutes <u><b>1day, 1hr,45min</b></u>	Routine	



NAME OF DEPT.: ASSESSMENT  
 FUNCTION: COMPILATION AND PRESENTATION OF DEFAULTERS FILES FOR LITIGATION

WHO BY	STEP	ACTIVITY NARRATION	DURATION (In hours/days)	REMARKS PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Head Tech Unit	1	Study and examines case files that fails to pay their assessment after reminder notices and recommends for court action to Director	15 minutes	Routine	
Director	2	Examines further and certify that adequate correspondence with tax payer has been made and due process of the law was observed and send back to Head of Technical Unit to registers.	15 minutes	Routine	
Head Technical Unit	3	Enters all the stated cases in the file movement register and forwards to Director for his noting.	10 minutes	Routine	
Director	4	If no issues, approves and instruct the Head Technical Unit to forwards files to D/Legal to sign and collect.	10 minutes	Routine	
D/Legal	5	D/Legal will check the total number of files submitted sign and collect, and then forwards register to Director Assessment.	10 minutes <u><b>1 hr</b></u>	Periodical	

**Name of Department:** PLANNING RESEARCH STATISTICS

**Function:** Coordination and preparation of the Board' Budget

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Executive Chairman	1	Received call circular (Budget Circular) from Ministry of Budget & Planning and pass to DPRS for preparation of revenue estimate for the fourth coming year.	1 day		
DPRS	2	Received of call circular (Budget circular) from Executive Chairman notifying the intention for the preparation of the incoming year's budget In respect of Revenue aspect and pass to budget officer for departmental inputs.	1day		
Budget Officer	3	Drafting of internal circular for budget inputs to all departments and return to DPRS for vetting.	2days		
DPRS	4	Ratification and signing of the internal circular for circulation to all departments through budget officer	1 day		
Budget officer	5	Distribution of internal circular to all departments for their inputs.	3 days		
Budget office	6	Collation and Compilation of all inputs from departments to come-up with a propose estimate and pass to DPRS	2 days		
DPRS	7	If no issue, ratifies and met with DAGS to Coordinate with the expenditure aspects	1 day		

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
DPRS	8	Briefing the Executive Chairman on the proposed estimate	1 day		
DPRS	9	Presenting the proposed estimate of the Board in a management meeting for ratification and approval	2days		
DPRS	10	Production of a clean copy of the proposed estimate through budget officer.	3days		
Budget Officer	11	Forwarding of the clean copy of the proposed estimate to DPRS.	1 day		
DPRS	10	Submission of the proposed estimate to the Ministry of Planning and Budget.	1 days		
MGT	11	Defending of the proposed estimate at the Ministry of Planning and Budget			
		<b>Total</b>	<b>19 days</b>		

**Name of Department:** PLANNING RESEARCH STATISTICS

**Function:** Investigation by way of ensuring compliance by Tax payers

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
DPRS	1	Received of intelligent information within and outside the Board about tax evasion and pass to Team leader.	1day		
Team Leader	2	Visiting the organisation concern to carryout investigation	2days		
Team Leader	3	Submission of investigation findings to the DPRS	1 day		
DPRS	4	Studies and pass the report to Director Legal for prosecution if necessary or passing the case to computer unit for production of assessment report	1day		
DPRS	6	Studies, signs and sends the files to DDPRS for registration.	1day		
DDPRS	7	Register and releases the file to team leader for delivery	1 day		
TEAM LEADER	8	Collect and distributes signed report to the concern organisation	1 day		
		<b>Total</b>	<b>8 days</b>		

This template/Table is to be filled for each function of each department in the board.

**Name of Department:** Collection

**Function:** Issuance of receipts to tax-payers

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Bank cashier	1	Confirmation of payment made by the Tax-Payers to collecting Banks either by cash, drafts, Cheques, e-payments after presentation of evidence of payment ie tellers, e-tickets etc	1day	Routine	
Cashier	2	Issue of official Government Receipts(P.I.T.) indicating nature of payment	1day	Routine	
Cashier	3	Posting of duplicate receipts in the cash-book		Routine	

**Name of Department:** Collection

**Function:** Custodian of Annual Returns

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Tax-Payers	1	The Tax-Payer brings in Annual return form and submit the same to the Board for further processes	1day		
P.I.T.	2	Collects and give employers Annual return form (Rev.9) from Tax-payers of various organisations and pass it H.E.O. and I.T. for examination.	1day	Routine	
H.E.O./I.T.	3	Examination of Employers annual return form and posting of payments into organisations respective ledgers and pass same to Ass. Director Collection for his final approval.	1day	Routine	

Ass.Direcrtor	4	Cross check the entries on the ledger and approves same pass it to H.E.O and I.T.for safe keeping.	1day	Routine	
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**Name of Department:** Collection

**Function:** General Field Operation

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
H.E.O/I.T	1	General monitoring of all taxes due to the State Government and sourcing of new Tax-Payers within Kano Metropolis and passing the information to Asst.Director for betting.	1day	Routine	
Asst.Director	2	Cross checking the information and if no issue advise for either the information is a material or not and passess the same to Deputy Director	1day	Routine	
Dep.Director	3	The deputy Director go through the information and issue a reminderto defaulting organisation where necessary and pass the information to Director Collection for his final approval signs the reminder and pass it to I.T/H.E.O for despatch.	1day	Routine	
I.T/H.E.O		Despatch the reminder letters to defaulting organisations.			

**Name of Department:** Collection

**Function:** Reconciliation of Bank Statement

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Ass.Director/ Dep.Director	1	Verification of Bank Statement collected from 14 participating banks and comparing the entries with that of pay-direct flat form collection with a view to finding out differences and advise the Director Collection for further necessary actions.	3days	Routine	
Dir.Collection	2	The Director Collection examines the above and the management accordingly.	1day	Routine	

**Name of Department:** Information, Investigation and Intelligence.

**Function:** Analysis of financial statements.

WHO BY	STEP	ACTIVITY NARRATION	REMARKS ON PERFORMANCE	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Into Officer on field	1	Record compile inf. and pass to HOD Information	1 day	Routine	Necessity
HODINFOR.	2	Supervise; Sort and Confirm Information Supplied pass relevant Inf. To D/D	2 days	"	"
D/D	3	Analyze, verify and pass to Director to recommend.	2 days	"	"
DIRECTOR	4	Interpret, analyses co-ordinate and recommend to which Department Inf. is the relevant and pass them appropriately.	1 day	"	"

**Name of Department:** Information, Investigation and Intelligence.

**Function:** Investigation

WHO BY	STEP	ACTIVITY NARRATION	REMARKS ON PERFORMANCE	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Request from other dept	1	Request from other Dept. to conduct in-depth Investigation into certain case.	1 day	Routine	Necessity
Director	2	Study the request and recommend in-depth Investigation to D/D	2 days	"	"
D/DIRECTOR	3	pass the request to HODS for action	2 days	"	"



HOD	4	Conduct Investigation and pass back the report /D/ Director	1 day	"	"
D/DIRECTOR	5	Study the report and pass it the to the Director.			
DIRECTOR		Carefully go through the report, if satisfied, pass if to the requesting department			

**Name of Department:** Information, Investigation and Intelligence.

**Function:** Analysis of financial statements.

WHO BY	STEP	ACTIVITY NARRATION	REMARKS ON PERFORMANCE	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
HOD/Information's	1	Study the financial statements, report Lapses to D/D	1 day	Routine	Necessity
Director D/D	2	Check and verify the Lapses If Satisfied pass the report Director.	1 day	"	"
DIRECTOR	3	Pass the report to Tax Audit Dept, for conduct Tax Audit.	1 day	"	"

**Name of Department: ADMIN & GENERAL SERVICES**

**Function:** Coordinating all the Board's department activities

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Directors	1	Forward the departmental reports to the Executive Chairman.	1 day		
Executive Chairman	2	Study the report, grant approval or request for administrative procedure before forwarding to (Dept/Units).	1 day		
Director	3	Receive the report, Examine/processing the approvals and compile and subsequently direct the under secretary to forward to other schedule officers/organisations.	2 days		
Under Secretary	4	Receive, compile and directing to schedule officers/organisations.	1 day		
		<b>Total</b>	<b>5 days</b>		

**Name of Department: ADMIN & GENERAL SERVICES**

**Function:** preparing personnel cost emolument budget

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Registry	1	Receive call circular from Office of the Head of service and	1 hr		

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
		forward to the Executive chairman for noting and directive.			
Executive Chairman	2	Study and forward to the Director AGS for further action.	1 day		
Director	3	Receive, study, form a committee and direct under secretary to inform the members.	1 day	Director AGS is the committee Chairman.	
Under Secretary	4	Inform the members about the development , date, time and venue for sitting and directed staff officer to produce up to date seniority staff list.	1day		
Staff officer	5	Prepare and distribute the seniority staff list to all members (Budget Committee).	1 day		
Budget committee	6	Study, examine and deliberate on the seniority list and create vacancies for promotion, advancement, change of cadre and new employment. Short list those that are due for retirement and inservicetraining,all with financial implication.	7 days		
		<b>Total</b>	<b>11days/1 hr</b>		

**Name of Department:ADMIN & GENERAL SERVICES**

**Function:** Coordinating management staff meeting

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Executive Chairman	1	Chairman for the management staff committee.			
Director AGS	2	To oversee the secretariat and arrange for all the meetings.	1 day		
Under secretary	3	Invitation and taking minutes of the meeting.	1 day		
Under secretary	4	Production of the final/resolved minutes of the meeting.	2 days		
Under secretary	5	Ensuring sharing of the final copies of the approved minutes of the meeting to all members.	1 day		
		<b>Total</b>	<b>5 days</b>		

**Name of Department:ADMIN & GENERAL SERVICES**

**Function:** Provision of support services (Procurement) to the board

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Store	1	Control of store ledgers, informing and initiating for	1 day		

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
keeper		procurement of exhausted store items.			
Chief Store Officer	2	Recommending for procurement of exhausted store items and proper documentation .	1 day		
Director AGS	3	Study/recommend for approval to procure exhausted store needed items and ensure documentation.	1 day		
Executive chairman	4	Study and grant approval and forward to Director AGS for further action.	1 day		
Director	5	Request and direct Account unit to prepare for payment and documentation.	2 hrs		
Chief Accountant	6	Ensure the documentation and process the releases and payment.	1 days		
Chief Store officer	9	Making procurement and necessary documentation	2 days		
		<b>Total</b>	<b>7 days/2 hrs</b>		

**Name of Department: ADMIN & GENERAL SERVICES**

**Function:** Preparing payment vouchers (Account section)

WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Director	1	Request and direct for all Board expenditure payments.	1 hr		
Chief Accountant	2	Study the approval and direct the Assistant Chief Accountant to process the payment.	1 hr		
Assistant Chief Accountant	3	Direct for raising payment voucher and ensure documentation.	2 hrs		
P.E.O Accounts	4	Prepare the payment voucher, ensure documentation and forward to Assistant chief accountant for checking.	1 day		
Assistant Chief accountant	5	Checking/ensuring documentation and forward to the Internal Auditor for further action.	1 day		
Internal Auditor	6	Examine, check, and ensure documentation, sign and pass it back to the Assistant chief Accountant.	1 day		
Assistant chief Accountant	7	Raising cheques for payment and forward it to the Chief Accountant for checking and signing.	3 hrs		
Chief Accountant	8	Checking and ensure documentation, sign and forward the cheque to the Director for signing.	1 hr		

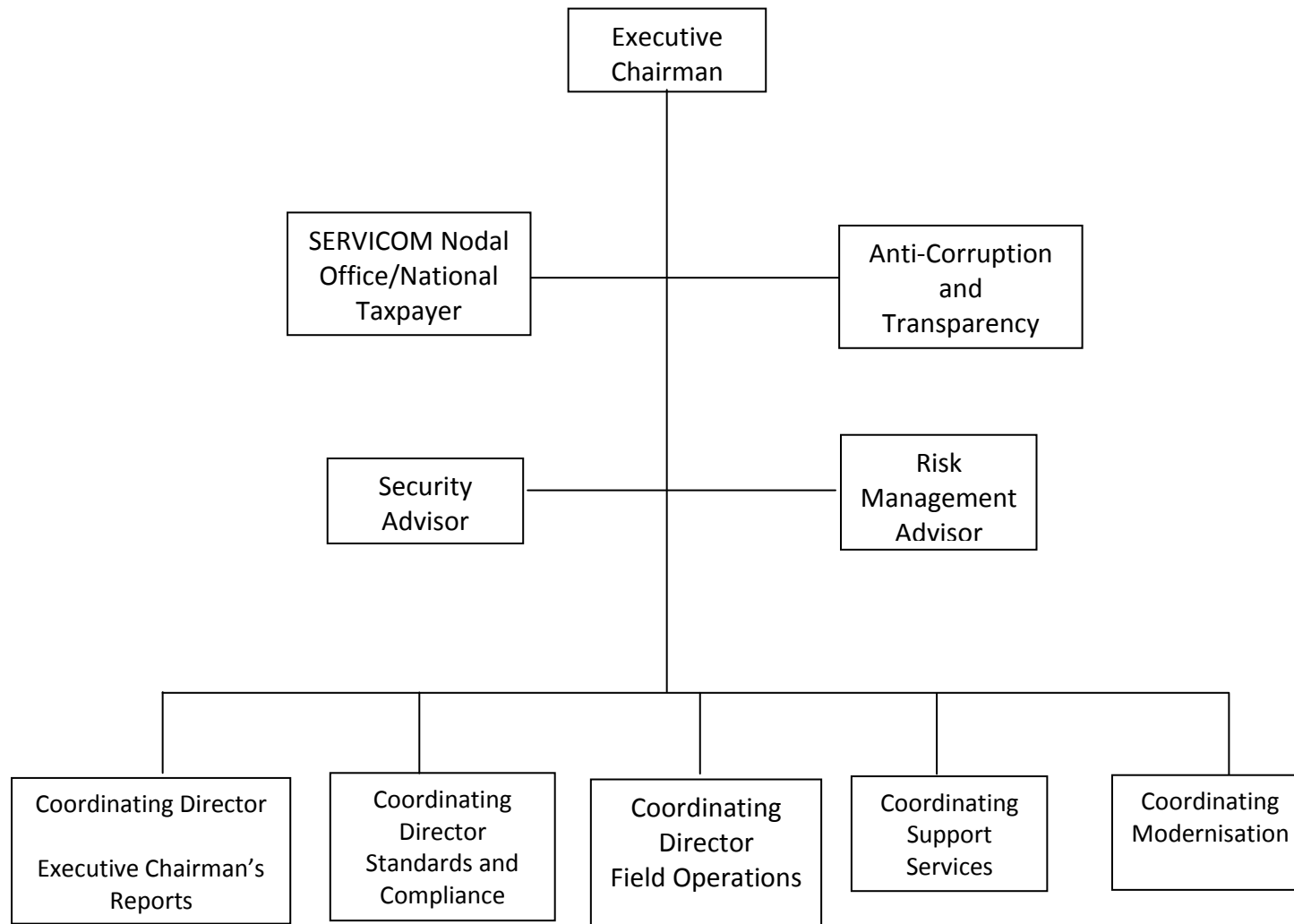
WHO BY	STEP	ACTIVITY NARRATION	DURATION (in hours/days)	REMARKS ON PERFORMANCE	REMARKS ON NECESSITY OF PROCESS
Director	9	Ensure documentation and counter sign the cheque and forward to the Executive chairman for his signing	20 mins		
Executive chairman	10	Ensure documentation, counter sign and forward to DAGS.	10 mins		
Chief Accountant	11	Receiving the sign cheques and processing the payments/releases.	20 mins		
		<b>Total</b>	<b>3 days/8 hrs</b>		

## Annex 4: Comparative Organisation structure of the LIRS and the FIRS





## FIRS Organisation Structure



## Annex 5: Submission by the Accountant General and the Board Chairman on the CP Workshop

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### **KANO STATE GOVERNMENT** Board of Internal Revenue

#### **State partnership for Accountability, Responsiveness and Capability** Public Service Management/Reform Workstream

#### **Functional, Process and Structural Review** **Extra Workshop Questionnaire** (for administration to Top Management Only) **Accountant General**

This questionnaire is designed to obtain opinion of top management staff of the Kano State Board of Internal Revenue who were not present in person at the Functional, Process and Structural Review workshop which was carried out in Kaduna from 26<sup>th</sup> to 28<sup>th</sup> August, 2013.

Please read the questions very carefully and respond as candidly as possible, appreciating that your response carries premium weight in our analysis of views of top personnel of the KBIR in the process of its Corporate Planning.

#### **Question A.**

	Yes	No	Not Quite
1. Are you aware of any list of mandates for the KBIR.			
2. If your answer to 1 above is YES, have the mandates been communicated to staff at any given time?			
3. If your answer to 2 above is YES, do you think that the mandates are clear to management and staff?			

**Question B.**

	Yes	No	Not Quite
1. Are the functions and processes of each department clear to you?			
2. Are the functions formally communicated in the departments?			
3. From your knowledge of the working environment and workforce performance, do you think that the functions are clear and appropriate for top performance in the various departments?			

**Question C.**

	Yes	No	Not Quite
1. In your assessment, does it look like KBIR is meeting her strategic objectives?			
2. If your answer to 1 above is NO, what would you consider as responsible for the lapses.			
a. Poor staffing/Poor Staff skills			
b. Inadequate/inappropriate tools			
c. Poorly defined/communicated objectives			
d. Incongruent structure of the Board			
e. General poor work ethics in public service			

**Question D.**

	Yes	No	Not Quite
1. Is the KBIR structure, as it is now, right and capable of delivering on its (KBIR's) mandates?			
2. If your answer to 1 above is NO, what would you consider need to be done?			
a. Collapse some of the departments and run on fewer ones.			
b. Increase the number of departments and redistribute the schedules of duty.			
c. Redefine the departmental functions and make them more responsive to modern work demands.			

**Question E.**

	Yes	No	Not Quite
1. Do the staff in the KBIR have the right skills set?			
2. If your answer to 1 above is NO, what intervention method would you recommend for immediate action?			

3. If your answer to 1 above is YES, does the state of right skills possession reflect in their departmental performance?			
4. If your answer to 3 above is No, what do you think is/are responsible? Please write your response in the space below:			
a. Complete overhaul of the staff including a review of their skills mix  b. Poor employment process c. Interference from other parties during the recruitment process a. Lack of capacity of the staff			

#### Question F

	Yes	No	Not Quite
1. Is the staff mix right between technical and administrative personnel?			
2. If your answer to 1 above is NO, which of the following would you recommend?			
a. Reduce the number of Administration staff			
b. Reduce the number of Technical Staff			
c. Readjust the cadre mix in both to achieve a balance.			

#### Question G

	Yes	No	Not Quite
1. Processes are really not very clear and are sometimes confusing.			
2. Process overlaps are disruptive and are preventing performance in the KBIR			
3. Developing and applying a set of formal procedures manual will help performance in the departments?			
4. The processes in the departments have been so well internalised that doing a procedures manual is like a waste of time.			

### Question H

	Yes	No	Not Quite
1. Are you in any way conversant with the structure and performance of the IRS in any other state of the Federation? <b>Lagos</b>			
2. If YES, to 1 above, does KBIR compare favourably with such IRS in level of IGR performance? <b>the Board is progressive</b>			
3. If YES, to 1 above, does KBIR compare favourably with such IRS in organisational economy and harmony?			
4. What would you consider as the main weakness of KBIR as an organisation? (Write your response in the space below)			
<p>The Board is progressive because its IGR generation has increased from 450m to 1.5bn. and while Lagos generates averagely 17bn/ month, the target for Kano is 5bn because the cost of running the state is at about 3.1bn (salaries, transfers, overhead, etc)</p> <p>The main weakness of the Board is the poor quality of the staff.</p>			
5. What would you consider as the main strength of KBIR? (Write your response in the space below)			

You have now completed the questionnaire. Thank you for being ever so patient.

SPARC



## KANO STATE GOVERNMENT

### Board of Internal Revenue

#### State partnership for Accountability, Responsiveness and Capability

#### Public Service Management/Reform Workstream

#### Functional, Process and Structural Review

#### Extra Workshop Questionnaire

(for administration to Top Management Only)

#### Chairman, KBIR

This questionnaire is designed to obtain opinion of top management staff of the Kano State Board of Internal Revenue who were not present in person at the Functional, Process and Structural Review workshop which was carried out in Kaduna from 26<sup>th</sup> to 28<sup>th</sup> August, 2013.

Please read the questions very carefully and respond as candidly as possible, appreciating that your response carries premium weight in our analysis of views of top personnel of the KBIR in the process of its Corporate Planning.

#### Question A.

	Yes	No	Not Quite
1. Are you aware of any list of mandates for the KBIR.			
2. If your answer to 1 above is YES, have the mandates been communicated to staff at any given time?			
3. If your answer to 2 above is YES, do you think that the mandates are clear to management and staff?			

#### Question B.

	Yes	No	Not Quite
1. Are the functions and processes of each department clear to you?			
2. Are the functions formally communicated in the departments?			
3. From your knowledge of the working environment and workforce performance, do you think that the functions are clear and appropriate for top performance in the various departments?			

**Question C.**

	Yes	No	Not Quite
1. In your assessment, does it look like KBIR is meeting her strategic objectives?			
2. If your answer to 1 above is NO, what would you consider as responsible for the lapses.			
a. Poor staffing/Poor Staff skills			
b. Inadequate/inappropriate tools			
c. Poorly defined/communicated objectives			
d. Incongruent structure of the Board			
e. General poor work ethics in public service			

**Question D.**

	Yes	No	Not Quite
1. Is the KBIR structure, as it is now, right and capable of delivering on its (KBIR's) mandates?			
2. If your answer to 1 above is NO, what would you consider need to be done?			
a. Collapse some of the departments and run on fewer ones.			
b. Increase the number of departments and redistribute the schedules of duty.			
c. Redefine the departmental functions and make them more responsive to modern work demands.			

**Question E.**

	Yes	No	Not Quite
1. Do the staff in the KBIR have the right skills set?			
2. If your answer to 1 above is NO, what intervention method would you recommend for immediate action?			
3. If your answer to 1 above is YES, does the state of right skills possession reflect in their departmental performance?			
4. If your answer to 3 above is No, what do you think is/are responsible? Please write your response in the space below:			
a. Training of staff and redeployment to other MDAs (reduction of bloated human resources)			

**Question F**

	Yes	No	Not Quite
3. Is the staff mix right between technical and administrative personnel?			
4. If your answer to 1 above is NO, which of the following would you recommend?			
a. Reduce the number of Administration staff			
b. Reduce the number of Technical Staff			
c. Readjust the cadre mix in both to achieve a balance.			

**Question G**

	Yes	No	Not Quite
5. Processes are really not very clear and are sometimes confusing.			
6. Process overlaps are disruptive and are preventing performance in the KBIR			
7. Developing and applying a set of formal procedures manual will help performance in the departments?			
8. The processes in the departments have been so well internalised that doing a procedures manual is like a waste of time.			

**Question H**

	Yes	No	Not Quite
6. Are you in any way conversant with the structure and performance of the IRS in any other state of the Federation?			
7. If YES, to 1 above, does KBIR compare favourably with such IRS in level of IGR performance?			
8. If YES, to 1 above, does KBIR compare favourably with such IRS in organisational economy and harmony?			
9. What would you consider as the main weakness of KBIR as an organisation? (Write your response in the space below)			
10. What would you consider as the main strength of KBIR? (Write your response in the space below)			
Government support			



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You have now completed the questionnaire. Thank you for being ever so patient.

SPARC

## Annex 6: Workshop Agenda



**Kano State Government  
Kano State Board of Internal Revenue  
Organizational Review Workshop**

**Al-Ihsan Metro Hotel, Mogadishu City Centre, Ahmadu Bello Way, Kaduna State.  
Sunday 25<sup>th</sup> – Thursday 29<sup>th</sup> August 2013**

**Day 1: 26<sup>th</sup> August 2013**

TIME	TOPIC	Presenter/Facilitator
8:30 am	Registration of participants	SPARC
9:00 am	Opening prayers	TBA
9:05 am	Welcome address	Permanent Secretary Special Duties, Office of the Head of Service
9:30 am	Address by SPARC	State Programme Manager, SPARC Kano
9:40 am	Brief history of Corporate Planning leading up to Functional Review and other reforms in Kano State Public Service	Special Duties Directorate(OHCS)/ CPTT
9:50 am	Introduction of workshop programme and concept of Organisational (Functional, Structural and Process) Reviews	Gabriel Adewole
<b>10:30 am</b>	<b>Tea Break</b>	<b>All</b>
11:00 am	Overview of KBIR mandate	Gabriel Adewole
12:00 pm	Interactive session on analysis of Mandates, Structure and functions of KBIR	Gabriel Adewole
<b>1:30 pm</b>	<b>Prayer and Lunch</b>	<b>All</b>
2:30 pm	Interactive session on analysis of Mandates, Structure and functions of KBIR (continues)	Gabriel Adewole
4:30 pm	Presentation of programme for Day 2	SPARC Kano PSM TO
<b>4:45 pm</b>	<b>Tea Break</b>	<b>All</b>
5:00 pm	Closing prayer	TBA

**Day 2: 27<sup>th</sup> August 2013**

<b>TIME</b>	<b>TOPIC</b>	<b>PRESENTER</b>
9:00 am	Opening prayers	TBA
9:05 am	Recap of Day 1 sessions	KBIR
9:15 am	Presentation and Discussion on agreed functions of KBIR and implication for structure	Gabriel Adewole
<b>11:15 am</b>	<b>Tea Break</b>	<b>All</b>
11:45 pm	Overview of Process Review	Gabriel Adewole
12:15 pm	Process Review	Gabriel Adewole/ SPARC Kano PSM TO
<b>1:30 pm</b>	<b>Prayer and Lunch</b>	<b>All</b>
2:30 pm	Process Review (Continues)	Gabriel Adewole/ SPARC Kano PSM TO
<b>4:00 pm</b>	<b>Tea break</b>	<b>All</b>
4:30 pm	Closing Prayer	TBA

**Day 3: 28<sup>th</sup> August 2013**

<b>TIME</b>	<b>TOPIC</b>	<b>PRESENTER</b>
9:00 am	Opening Prayers	TBA
9:05 am	Recap of Day 2 sessions	KBIR
9:15 am	Presentation and Discussion on the processes reviewed	Gabriel Adewole
<b>10:45 am</b>	<b>Tea Break</b>	<b>All</b>
11:15 pm	Review of Structure of KBIR	Technical Team/ Gabriel Adewole
<b>1:30 pm</b>	<b>Lunch and Prayers</b>	<b>All</b>
2:30 pm	Final discussion on the structure in relation to the agreed functions of KBIR	Gabriel Adewole
4:00 pm	Next Steps	CPTT
4:30 pm	Closing Remark	Chairman KBIR
<b>4:45 pm</b>	<b>Tea Break</b>	<b>All</b>
5:00 pm	Closing Prayer	TBA



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