Microsoft

Building Trust with Secure Services

Enabling virtual
tax audits
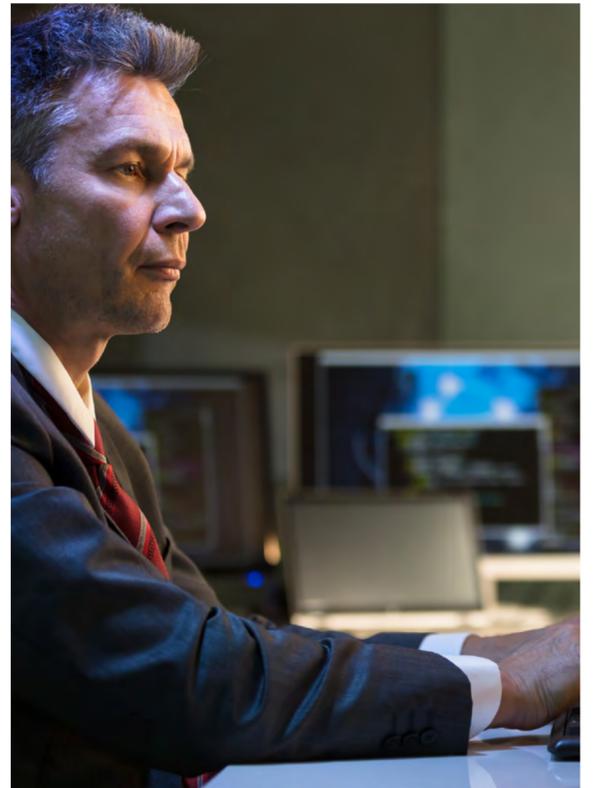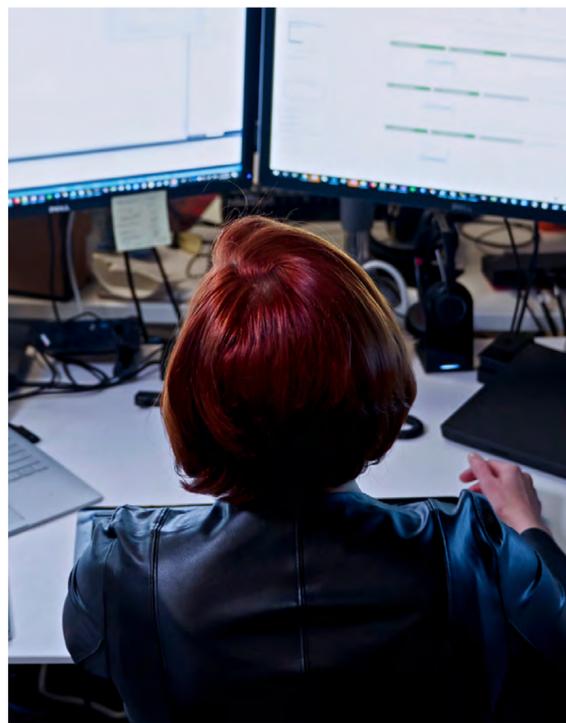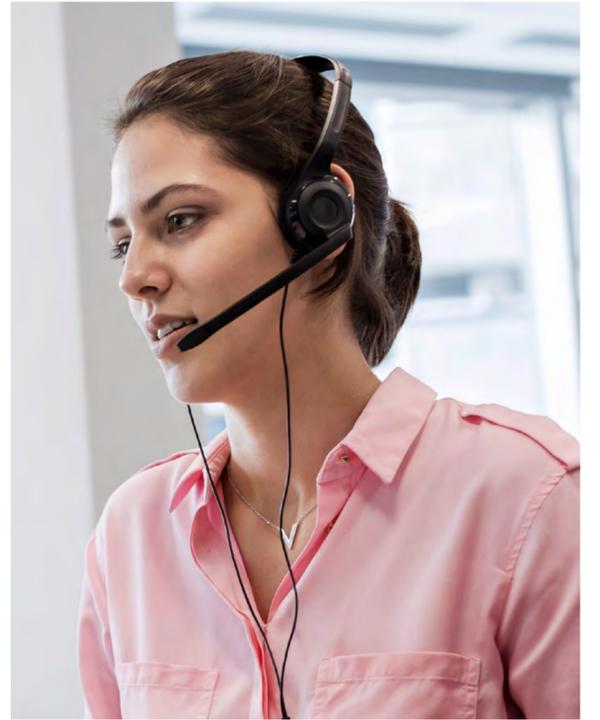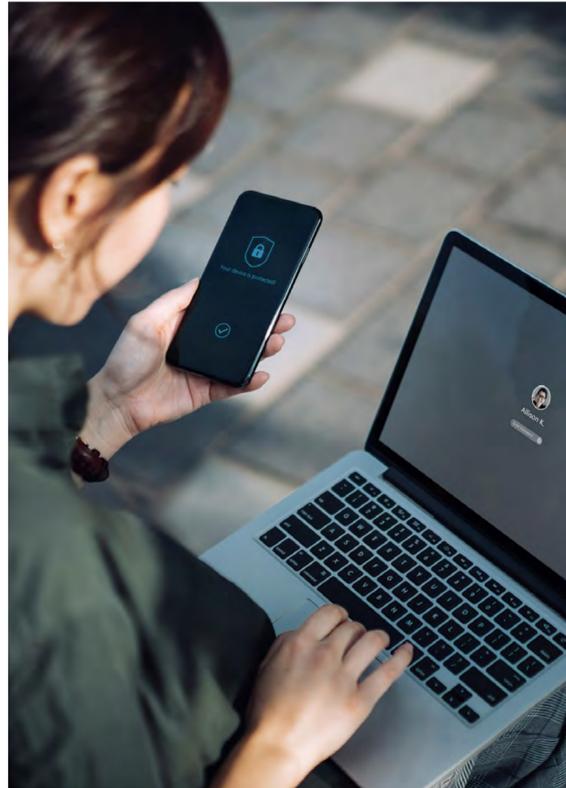
This information is for government leaders who:

- Recognize the pressure to provide more secure public services to residents and want to understand how virtual tax audits can help.

- Are planning a strategic digital transformation initiative and want to ensure all aspects are considered.

Rebuilding trust

As technologies evolve and people encounter more and more innovation in their everyday lives, they begin to expect more from government services as well. Yes, they want services to be easily accessible. But they also expect privacy and security on all levels, from basic data like name and address, to tax records or health information. And because governments handle extremely sensitive personal information such as tax filings, expectations for privacy in the context of government services is often higher than those for the private sector.

Meeting that expectation gives governments an opportunity to deliver trusted and secure services even as they face an increase in cybersecurity threats. Governments have an opportunity to transform systems and processes to meet the needs of their communities while combating cybercrime.

In this e-book we'll talk about how modern datacenters help governments deliver trusted and secure services.

50%

2017   **2020**
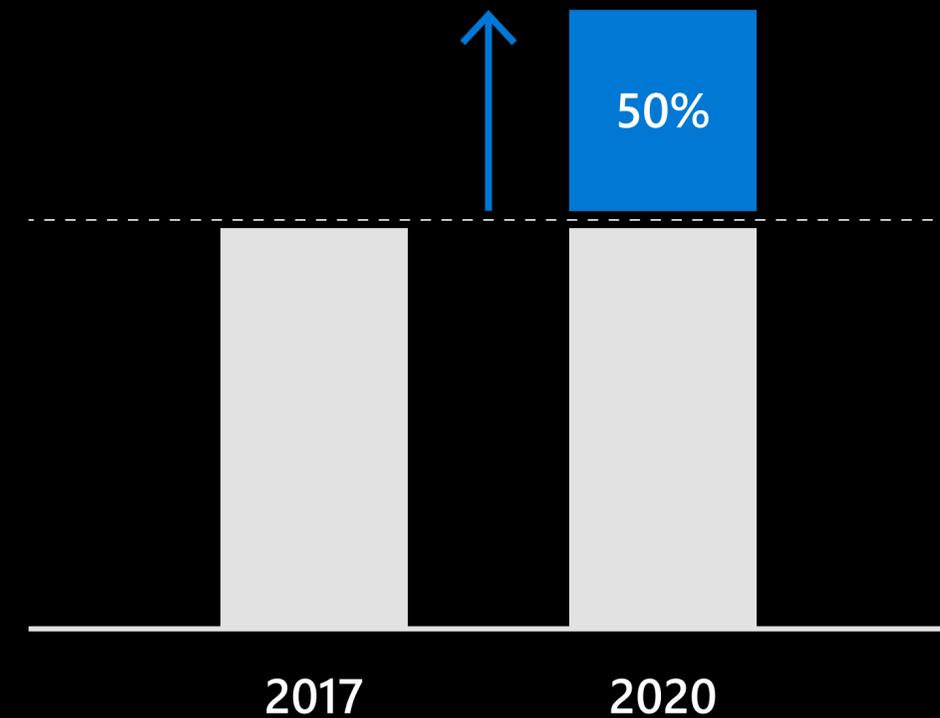
Cyberattacks on state, local, tribal, and territorial governments increased 50% from 2017 to 2020.[1]

[1] GCN, "Cyberattacks on state, local government up 50%," September 2020.
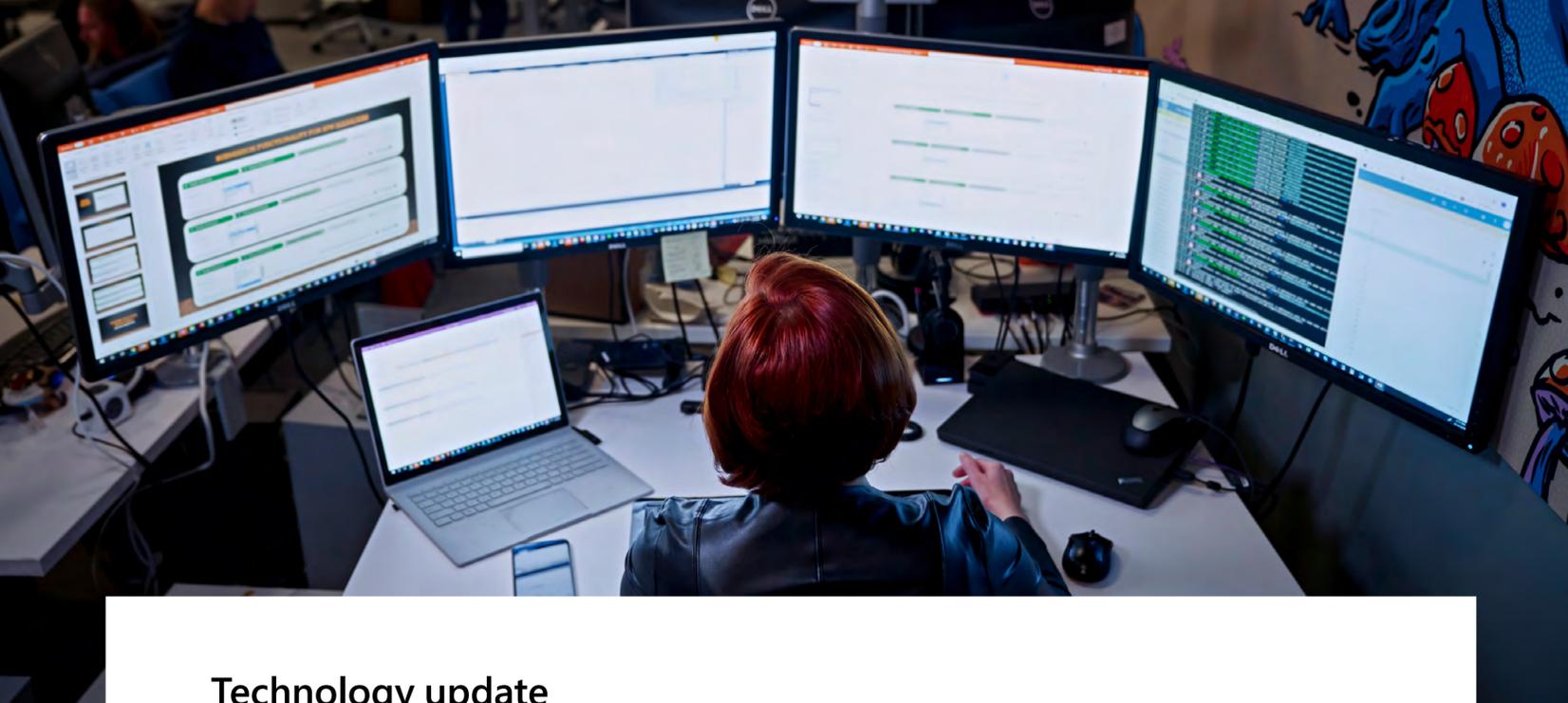
Technology update

Enabling virtual tax audits

All over the world, individuals and businesses participate in tax systems unique to their country, city, and county. Identifying and tracking tax payments in a way that's efficient and consistent benefits the individual, businesses, and governments. Tax audits generally require in-person, paper, and manual processes, introducing time-consuming work and increased potential for errors. With virtual tax audits, governments, businesses, and individuals have faster access to files and information, reduce their need for physical storage space, improve cybersecurity, and save time and money.

€140B | The VAT Gap in the EU [i.e., expected VAT revenue minus actual revenue] was €140 billion in 2018 for a total revenue loss across the EU of 11%.[2]

Virtual tax audits help governments deliver trusted and secure services by:

✅ **Making the experience more accessible**

A virtual tax audit conducted online using a leading collaboration platform is easier for everyone to access, and improved access ensures a more comprehensive audit. Individuals, businesses, and governments all save time on travel when they can participate remotely. Remote audits take less time than in-person audits, which should lead to faster collections on outstanding taxes and faster refunds to people. Automatic built-in security and productivity features in cloud platforms can save IT time so they can focus on more complex, high-impact projects.

✅ **Creating a consistent standard of quality**

Automated processes bring more accuracy to the audit process. In addition, while you can eliminate error by removing manual processes, you can also curate specialized knowledge from your most experienced tax auditors and convert it into a custom algorithm that's unique to your tax audit scenarios. Automation creates a standard quality for interactions with the taxpayer that's not dependent on the level of experience or maturity of employees.

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[2] European Commission, "The VAT Gap Report," September 2020.

👤 Customer story

Cloud platform boosts secure data access for Kenyan audit office

The Office of the Auditor General (OAG), in Kenya, is an independent, public-sector agency mandated to audit the accounts of national and county governments, as well as their subsidiaries. The organization needed to facilitate document management and ensure maximum uptime of critical apps, but it was struggling with limited IT resources. By moving its on-premises infrastructure, networking, and storage to Microsoft Azure, OAG reduced IT admin costs by 22 percent, while achieving up to 99.99 percent application uptime.

> You cannot afford to lose some information, even for a split second. Our data is being backed up using Azure and dependent systems"

Domenic Mutiria Kamenyi
Director ICT,
OAG

Getting started

What it means to deliver trusted and secure public services is changing. Technology is accelerating expectations for the public, while increasing cyber risk. A shift to trusted and secure services built on Microsoft solutions will move government transformation initiatives forward. Virtual tax audits are just one example of how governments can provide a more efficient, trusted experience for the public.

With a global partner ecosystem, Microsoft stands ready to help governments everywhere modernize legacy systems, enhance cyber-resilience, and create a secure and compliant foundation for the future.
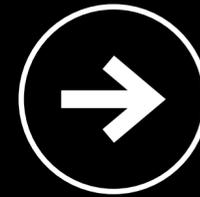
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