Introduction to the *IPS-IRD* system

1.1 Introduction

The need for a software system in any organization arises out of problems experienced in the on going process of that organization. According to the current economic situation in Sri Lanka, the government has a revenue problem in managing services sectors the cost of which is charged on the funds available with the treasury. The Department of Inland Revenue (IRD) is forced by the government to increase the revenue on tax to find a solution to that issue. While collecting revenue from available tax payers, department has to track the people who not yet pay taxes despite being liable to pay. Tracking people liable to pay tax can be done only on the availability of tax-information with the department. However, weaknesses of the tax-information handling process have lead to an inefficient tax revenue collection system within the department. As such, the Department has felt the need for a software system to handle the tax-information process.

1.2 Introduction to the Department

The Department of Inland Revenue is the major governmental body which handles and collects tax revenue for the government. This body has been established under the Inland Revenue Act in 1932. Now it has completed over 75 years as a tax revenue collector arising the government in maintaining all the public services and upgrading the infrastructure facilities of the country.
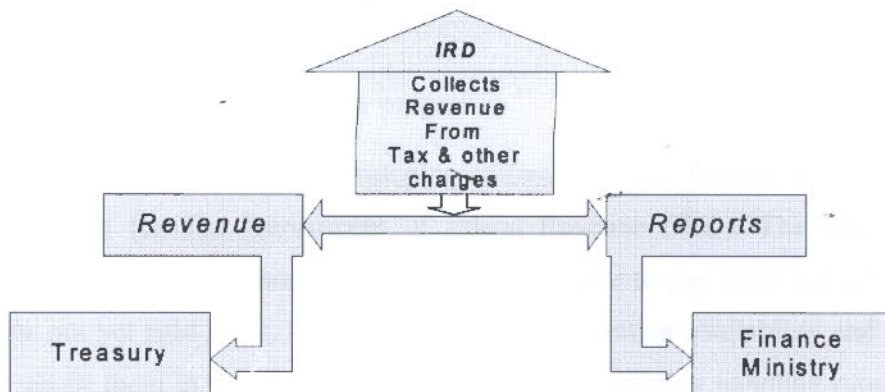

Figure 1.1: Revenue process

Head Quarters of the Department of Inland Revenue is situated in Colombo and regional branches were established in main cities almost one or more branches. Many type of taxes and charges were handled by the department of Inland Revenue. The taxes and charges handled by the department are as follows,

- Income Tax
- Value Added Tax
- Payee Tax
- Withholding Tax
- Economic Service Charge
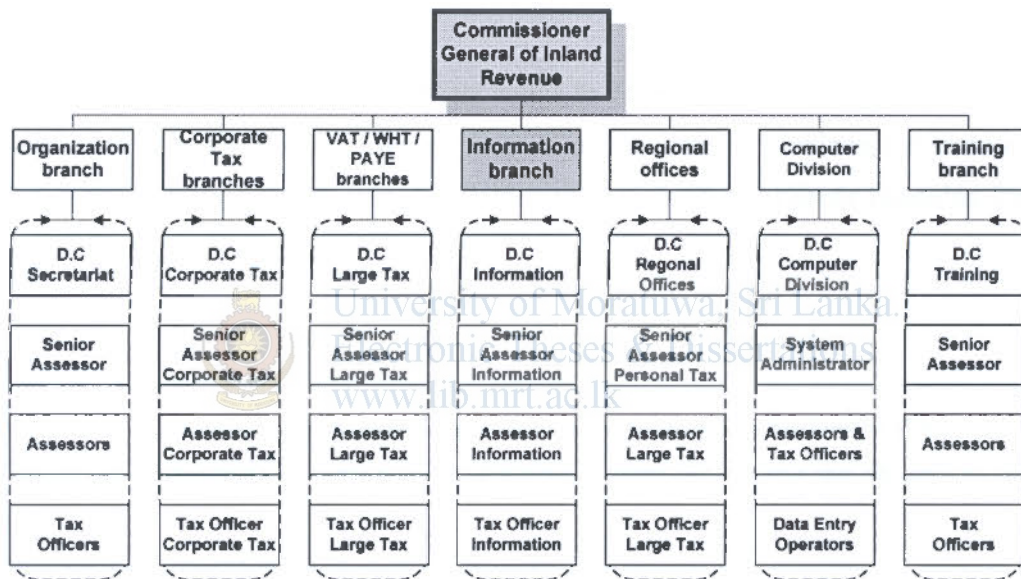
1.3 Overview of the Department setup

Figure 1.2: Organizational setup

1.4 Background and motivation of the project

This project examines the task of developing software system for tax-information processing system for The Department of Inland Revenue (IRD). The decision making process to tracking persons or institutes which liable to pay taxes but not yet registered or not yet paid taxes, depends on the tax-information availability and the knowledge about them in the department . So the tax-information handling process highly effective to new tax payer registrations while opening new tax files or imposes to pay payable taxes which not self assessed or genuinely paid while imposing

additional tax liability. Whole process depends on the tax-information which is received from external sources or identified inner circle sources about persons or institutes. So this project is planned to develop decision making interface maintaining a proper storage of information in a single place and distribute them to the real end user to make their decisions for taxation on information.

According to the existing process, information collection, distribution and analyzing parts done in a manual system and it make some sort of problems like misuse or destroy information, inconvenience of data , improper records maintenance, time wasting to handles manual documents, take more time for information passing and no feedback in a bettor way. And no better way to check progress of received information in the current system.

So, due on said background, department wants to convert this manual system to re-engineered computer based software system to manipulate the problems occurred in existing manual system with using available software facilities without financing for equipments other than essential.

1.5 Aim of the project

The said background leads to make software system on tax-information process to overcome the problems occurred in the existing system by aiming the objectives as follows.

1.6 Objectives of the project

- To maintain updated records of all received tax-information (sources to identify tax liable body or person) in a central location as an information bank.
- To maintain updated records of end users-in whole company tax branches who allocated to wide range of tax file allocated.
- To distribute information received to the central location (branch), to the Assessors in shortly.
- To improve reliability, efficiency and accuracy with high confidentiality by controlling system access through access controlled decision making interface for all end users.

- To speeding up data entry avoiding redundancy.
- To get feedback of the output made by the end users.
- To manage end user who not send feed back to the control location in an expected time period.
- To get report on information received at any time to auditing purposes.
- To review the progress on new information by analyzing how much tax payers are registered on information store.

1.7 Scope of the project as a solution to the problem

The solution against problem which identified according to the objectives and user requirements is an automated system with easy interaction functions. According to the users, the input will be new information details. The output will be the properly implemented database to store, properly designed data distribution path and the communication path with system giving output in keeping secrecy. However they preferred to solve the problems in existing manual system with simply re-engineered processes realized to release some user for any other fields which work load over headed.

But the scope of this project is limited to implement a software system to interaction between the Information Branch and the corporate tax branches instead of the personal tax branches.

1.8 Structure of the dissertation

The dissertation will be structured as follows.

Chapter 01- This chapter introduces the project.

Chapter 02- Describes the problem domain.

Chapter 03- Discuss about the technology adapted relatively to the project.

Chapter 04- Describes the developers approach to the technologies for the project.

Chapter 05- Describes on analysis and design of the system.

Chapter 06- Describes the implementation of the project.

Chapter 07- Discusses the evaluation & testing of the product.

Chapter 08- Conclusion & further works.

1.9 Summery

This chapter introduced the organization, organizational problem, the solution to the problem and the project goals. And also the structure and the plan of the dissertation were highlighted.

Next chapter will be on the discussion of the problem domain.