The Role of Accounting Information Systems (AIS) in Combating Tax Evasion

Dr. Salam Nawaf Al-Moumany
Faculty of Economics and Business,
Jadara University, Irbid-Jordan

Dr. Mohannad Mohammad Al Ebbini,
Faculty of Economics and Business,
Ajloun National University, Ajloun-Jordan

Abstract

The purpose of this study is to identify the part taken by Accounting Information Systems (AIS) in combating tax evasion and preventive measures to tackle with tax evasion problem. Further, the study seeks to identify the effect of an integrated accounting information system (AIS) (the modern approach to accounting systems that includes effective integration of accounting information systems and management information systems with the following components: management accounting information system, central database, modern information technology, and qualified personnel) on reducing tax evasion.

To explain the link between the two systems and identify the critical component of an integrated accounting information system in reducing tax evasion, a questionnaire including a number of questions was designed and administered to appraisers to elicit their responses and through analysis results solutions for tax evasion will be suggested. Major results were that:

1. Each of the integrated accounting information system components affects combating tax evasion, with variation in the degree of effect.

2. Appraisers rated qualified personnel as the most influential factor among the integrated accounting information system components that affect tax evasion as to development of accounting skills of employees.

3. The most influential accounting information system components in combating tax evasion were in the following order: qualified personnel, central database, utilization of modern information technology, and availability of management accounting information system.

4. Results indicate that application of the economic statistical methods in the management accounting, data storage and retrieve, using advanced software that are linked with different departments, and training accounting skills of employees contribute to a great degree in combating tax evasion.
The major recommendations emphasized on optimal use of available resources in the department, lessening time and effort to increase tax commitment, improve performance and adequate achievement of tax transaction for customers.

Keywords: Role; Accounting Information Systems (AIS); Combating Tax Evasion

1. Introduction

As commonly known, taxes are a major mechanism to redistribute wealth and establish social justice. From a view, it would serve as an instrument to reform and reorganize economy thereby accomplishing the intended objectives of the community such as organization of the economic life, public services, and enhancement of the economic activities.

No doubt, the revenues collected Income & Sales Tax Department considered as the major source of funds for the government. A report by the Jordanian Central Bank indicated that 68 per cent of the government funds come from income and sales taxes. Obviously, these funds help the Jordanian government spend on products, public services and utilities that reflect as welfare of the community in form of services of education, health, communication, defense, etc. Despite important are the financial, economic, and social objectives that government can accomplish from taxes, tax imposition typically associates with many problems and obstacles most importantly tax evasion.

Many countries whether developing or developed, face the problem of tax evasion as practiced by both individual and institutional taxpayers. This problem influences social justice, redistribution of wealth, and economic growth as well as the level of public services provided by the government to citizens, i.e. the whole welfare level of a society. Despite the perceived importance, there is no accurate numbers of tax evasion size in Jordan, but some officials at the Jordanian Income & Tax Department describe tax evasion as very high, which would be due to ineffective electronic networking among the various government organizations that have communication with individuals and organizations who practice commercial and industrial activities. Many taxable enterprises typically would evade taxpaying, on a hand because they do not disclose their profits, or because other involved departments do not communicate or exchange information about potential taxpayers with the Income Tax Department. However, using modern information technology capabilities, well-trained employees, and management and accounting information systems would be a solution to tax evasion problem, and rationalize decision-making. In the present study, the authors will attempt to answer a number of questions
and demonstrating whether there is a role for AIS components (management accounting information system, availability of central database, using modern technology, and qualified personnel) in combating tax evasions. His study addresses a significant issue because it attempts to highlight the relationship between accounting information systems and tax evasion practices in Jordan. The present study casts light on a problem if was not properly encountered significant negative will arise as a result. Developing effective tax evasion combating strategies aided with an accounting information system would increase awareness among Income Tax officials to the need for narrowing the difference in tax collected, improve responsiveness to tax evasion problem, and increase awareness to tax problems among Income Tax employees. The current study will pay greater attention to the integrated accounting information systems, along with tax definition and tax evasion problems.

Further Nassar & Al Mashaela (2003) argued that tax evasion refers to practices that violate law and underestimate the due tax amount. Tax evasion has two levels: illicit tax evasion or tax evade. On the other hand, Al Qatawneh & Afana (2008) defined tax as money amount charged by the government from persons and institutions to finance government expenditures.

A report by Ministry of Finance/Income & Sales Tax Department (2010) indicated a number of tax evasion methods, including hiding information about an activity so that no information will be reported to Ministry of Finance, and no tax payments will be received. This is the safest and most commonly used way by tax evaders both individuals and corporations, including agents of international companies who originally do not register their agencies. Many small businesses of trading offices, small factories, or subcontractors work even without business license, and volume of unlicensed businesses represents about half of licensed activities. In addition, some individuals practice business activities out of control of the financial departments that they pay no tax. Another practice is concealing real profit data and provides fraudulent profit statements in activities in which government is not a part or has no direct relation. Finally, a trader, for instance, would increase cost of product or employee expense extravagantly so as to decrease superficial net profit, thereby decreasing taxable income and increase tax evasion.

Along the same line, Alaris & Al Turk (2008) reported motivations for tax evasion, including ethical reasons that represent the ethical, patriotic, and cultural awareness dominating the country. The higher ethical awareness, among individuals, the greater responsibility they will have. There are also organizational/technical reasons represented by unclear disclosure about real activities of commercial or industrial enterprise. However, lack an effective control system
on the individual and institutional tax and how to compute the real tax amount would play a significant role in tax evasion. In this context, a new practice to customs tax evasion has emerged that implied hiding the original bill of lading and replace it with another falsified showing less amount of goods. In summary, the systematic technical and organizational controls have a significant role in combating tax evasions and motivating potential taxpayers decide whether to comply with their tax commitments or evade paying tax. In addition, political reasons also have a contributing effect, where the policy adopted by government has an important effect on tax evasion in that tax revenues if expensed to public interest, citizens will fee that the taxes they pay are beneficially used to their interest, which in turn will reduce tax evasion. On the other hand, if the government misused the public tax revenues, citizens will practice tax evasion most often. There are also reasons related to penalty imposed by law on tax evaders to combat tax evasion. Jordanian Sales Tax Act Sec. 32-41 stated specific penalties on tax evasion offence. Further, highest taxation burden yields feelings of social injustice, weakens patriotic motivations towards their homeland thereby greater tax evasion. Additionally, lack of transparent procedures; tax values published by the government; lack of clear controls; and lack of studies about tax and tax evasion all contribute to tax evasion.

Ministry of Finance officials are less interested to cope with tax evasion file due to vulnerability of the social, financial and economic situation of the country. However, in the neighboring countries the situation is somewhat different, in Lebanon; for instance, studies estimate the volume of tax evasion at 70 percent of all potential taxpayers. Internationally, tax evasion problem represents only 10 percent in the United States and 16 per cent in the EU countries.

The various and continual developments occurring in finance and business fields result in massive amounts of data and information that need to be processed and presented in a useful form for tax appraisers. Organization, on the other hand, in order to accomplish their objectives in the fields where they operate and practice their activities, they need to develop their own information systems.

Al Dalahma & Suleiman (2008) argued that the two core systems of an entity i.e. accounting and management information systems play an essential role, which necessitates investigation of the interconnections, coordination and integration between them in order to eliminate work duplicity and produce unnecessary information. The study of such relationship will improve economic feasibility and detect tax evasion cases.
Generally, an entity is considered as an integrated system consisting of several subsystems; major ones are:

- Accounting Information System (AIS), and

- Management Information System (MIS)

Al Dalahma & Suleiman (2008) referred to Management Information System (MIS) as "a component of an entity that collects, classifies, processes and analyzes the accounting information for purpose of a directed financial communication and rationalize the decisions made for both internal and external stakeholders.

Bocij, P.Chaffy, et al (2003) described Management Information Systems (MIS) as a "set of interrelated components that work together interactively to change data into useful information to support the management functions (planning, control, monitoring and decision making) and operating activities in an entity".

This author argues that the concept of Integrated System of Accounting and Management Information system implies a "system that coordinates the integrative functioning of both the accounting and management information systems by facilitating exchange of the resulting data and information by using a single database, thereby reducing production cost of the intended information, and lessening time and effort required. The significance of the availability of an integrated system of accounting and management system stems from the need for establishing a coordinated and interrelated relationship connecting together the accounting and management information systems.

Vaassen, E.H.J. (2002) argues that the part taken by the Accounting Information System (AIS) is not only generating financial statements to external users, but also reporting to users inside the enterprise. This view reveals that the accounting system is more essential than the management system which is part thereof.

Al Dahrawi & Kamel (2000) reported another perspective adopted by the American Accountants Association that brings together the earlier views considering that both the accounting and management information systems are two separate systems with discrete function for each despite some interference known as "Accounting Operation" where an
accountant needs access to data from other information system in the enterprise such as the management information system.

In consequence, no one system can be better than the other from a parochial perspective. A wider view shows integration, coordination and interrelatedness between the information system within an entity and help the organization achieve its general objectives.

On the other hand, Basili (2001) emphasizes on the requirements needed to implement an integrated system of the accounting and management systems. There requirements include the need for a management and accounting information system that takes into account the accounting data and information meaningful for managers; and the managerial data and information needed for accountants to accomplish goals set by decision makers in light of the strategic goals of the organization by fine-tuning scientific methods of the two approaches.

In this context, Simkin & Moscove (2001) argues for a central database that stores large data to satisfy the varied needs of the entity that required integrated and synergic functions of the organization depending on the contemporary approach. From this perspective, the authors emphasize on the need for integration of the information systems are represented by the integrated model of the accounting and management system.

Al Mouamar (2002) argued that the technological means serve as the backbone for contemporary information systems that help gathering inputs, link data together to create certain meaningful models; produce, disseminate and communicate data to users and help control and maintain the system; and help running the other capabilities of the system rapidly, accurately and effectively. Essentially, the successful and effective application of the integrated accounting and management information system depends on the knowledge, training and skills of the system operators that commensurate with the system requirements to achieve its goals. This, of course, requires continual improvement and training of personnel skills.

2. Literature Review

Abu Nassar & Mubaideen (2000) sought to identify forms of tax evasion in Jordan and contributing factors to increased tax evasion; and further to identify scope of tax evasion in terms of various revenues and expenditures. A questionnaire survey was administered to different categories of appraisers. Population consisted of all tax appraisers (N=281) staffed at seven Income Tax Appraising Bureaus available throughout metropolitan Amman.
Questionnaires were administered to randomly selected ample of (125) appraisers. Out of 86 questionnaires returned, five unusable were excluded, and the remaining 81 questionnaires were usable for analysis.

Major results concluded that the most prevalent form of tax evasion was fraudulent representation of revenues and expenditures and manufacturing formula in the industrial enterprises.


To achieve the study goals, the author conducted face-to-face interviews, and administered questionnaires to participants. The study concluded a number of results, most importantly:

1. **Principles of tax examination**: include principles that a tax examiner should follow (considering file documents, gather data and information, discussion with a taxpayer, inspect enterprise) in order to make real and eventual appraisals.

2. **Account audit procedures**: This process is based on a number of steps that a tax examiner should follow to check for accuracy and, regularity of accounts and books of enterprise so that to serve as good basis for tax examiner to estimate taxability.

3. **Tax control methods** including management control, accounting control, economic control, technical control, and the analytical control.

   - Major conclusions were increasing use of the accounting measuring methods to identify taxable income, and employing other methods to measure taxable income within a narrower scope and when necessary.

   - Intensified penalty on tax evaders.

Hobbs and Kathryn (2002) conducted a study in the United States for purpose of identifying tax planning practices by some commercial banks to evade tax imposed. The study found that tax planning takes place during preparation for Tax Statement, review of the statement, and manipulation of various financial and accounting issues in the commercial bank. The study also showed that commercial banks employ tax planning to benefit from any allowances by Income Tax Law, such as the imposition of low to moderate percentage on bank profits or its
commercial activity. The author reports an association between tax planning and taxability of commercial banks. The study also advised commercial banks to reduce tax burden by legal means by increased tax planning, thereby reducing eventual tax required.

Richard and Saadtmand (2002) studied income tax evading practices for purpose of identifying effect of audit rate of US government revenue and total income tax evasion during the period from 1960-1997. To that end, the authors investigated the government data available at the Tax Department for the last 38 years. The researchers surveyed the income tax evading practices using three models. Tax evading practices were first surveyed from the prior studies, and using survey questionnaire, and finally using experiential models of De John Welster & May developed in 1994 using the government statistics and data from the tax authorities and this was the first time the government files are studied.

Finally, the authors found that income tax evasion decrease with the increased audit on a continual basis; i.e. the more audit on the federal personal income tax, the greater will be the revenues from the personal income tax, and that income tax evading practices intensified in the United States with the advent of political crises such as Watergate scandal, and Vietnam War. However, there is a need to make better political decisions and revisit the current tax policies and evaluate the conceptual framework of cost-benefit formula from a wider perspective.

3. Research Model and Hypotheses

3.1 Main Hypothesis: "Accounting Information System (AIS) components (management accounting information system, central database, modern information technology, and qualified personnel) have no effect in combating tax evasion? The following sub-hypotheses stemmed from the main hypothesis:

- Management Accounting Information System has no effect in combating tax evasion?

- Central database has no effect in combating tax evasion?

- Modern information technology has no effect in combating tax evasion?

- Qualified personnel have no effect on combating tax evasion?
3.2 Model study

Figure (1) below demonstrates the research model.

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>Tax Evasion</td>
</tr>
<tr>
<td>Accounting</td>
<td></td>
</tr>
<tr>
<td>Information System</td>
<td></td>
</tr>
<tr>
<td>Central Database</td>
<td></td>
</tr>
<tr>
<td>Modern Information</td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td></td>
</tr>
<tr>
<td>Qualified Personnel</td>
<td></td>
</tr>
</tbody>
</table>

4. Methodology

4.1 Study Population and Sample

Population consists of employees at the Sales & Income Tax Department due to their direct and frequent communication with taxpayers, perceived experience in this field and their ability to differentiate between the various reasons of tax evasion.

4.1.1 Participants

Participants (N=100) were recruited from the Sales and Income Tax Department, Directorate of Commercial Moderate Taxpayer and represented all appraisers to ensure result generalizability.

4.2 Data Collection

1-Books and journal essays related to the subject of this study to develop the theoretical framework and review most important related empirical studies.
4.3 Instrumentation:

The analytical descriptive approach was adopted and data collection was conducted using questionnaire survey. This section describes in detail statistical analysis results of data gathered by the questionnaire specifically designed for the study. Hypotheses were tested using suitable statistical methods to demonstrate the role of accounting information system components to combat tax evasion.

5. Analysis Scale

Likert 5-point scale was used to measure participant responses where [Very High=5, High=4, Moderate=3, Low=2, Very Low=1]. The following statistical scale was used to interpret participant ratings for each of the questionnaire items, and individual areas.

<table>
<thead>
<tr>
<th>M</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00-2.49</td>
<td>Low</td>
</tr>
<tr>
<td>2.50-3.49</td>
<td>Moderate</td>
</tr>
<tr>
<td>3.50-5.00</td>
<td>High</td>
</tr>
</tbody>
</table>

5.1 Statistical Treatment and Testing Hypotheses

The main hypothesis: "Accounting Information System (AIS) components (management accounting information system, central database, modern information technology, and qualified personnel) have no effect in combating tax evasion? The first sub-hypotheses stemmed from the main hypothesis stated that:

- Availability of Management Accounting Information System has no effect in combating tax evasion?

a. To test for this hypothesis, means and standard deviations were computed for respondent estimates on each of the accounting information system components (management accounting information system), and the overall component items. However, t-test was used hypothesizing mean score of (3). Following is a discussion of results in greater detail.
Table (1) Means and standard deviations of respondent estimates on each item of accounting information system components (management accounting information system) and the overall items of component

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Rank</th>
<th>M*</th>
<th>SD</th>
<th>Effect Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Application of economic statistical methods in management accounting reduces tax evasion</td>
<td>1</td>
<td>4.15</td>
<td>.81</td>
<td>High</td>
</tr>
<tr>
<td>2</td>
<td>Consideration of non-financial events as information source reduces tax evasion</td>
<td>2</td>
<td>3.75</td>
<td>.91</td>
<td>High</td>
</tr>
<tr>
<td>3</td>
<td>Monitoring and evaluation of appraiser's performance with the internal control system reduces tax evasion</td>
<td>3</td>
<td>3.25</td>
<td>1.16</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Overall Area</td>
<td></td>
<td>3.72</td>
<td>.69</td>
<td>High</td>
</tr>
</tbody>
</table>

* Maximum score (5)

Table (1) shows that AIS component (management accounting information system) has an effect on tax evasion, where mean score of overall area items was (M=3.75, SD=.69) at a high degree even higher than hypothesized (3). Item (1) "Application of economic statistical methods in management accounting reduces tax evasion" was placed top (M=4.15, SD=.81) with high influence degree, whereas item (3) "Monitoring and evaluation of appraiser's performance with the internal control system reduces tax evasion" was placed in the last rank (M=3.25, SD=1.16) with high effect degree.

However, one sample t-test was applied on AIS component "management accounting information system" and table (2) demonstrates related results.
Table (2) One sample t-test results on the accounting information system component (management accounting information system)

<table>
<thead>
<tr>
<th>$M$</th>
<th>SD</th>
<th>$T$ Value</th>
<th>Freedom Degree</th>
<th>Statistical Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.72</td>
<td>.69</td>
<td>4.613</td>
<td>19</td>
<td>0.000*</td>
</tr>
</tbody>
</table>

- Statistical significant at ($\alpha<0.05$)

Table (2) shows that $T$-value of (4.613) was computed at the hypothetical mean ($M=3$) with significance (0.000) and found statistically significant at ($\alpha<0.05$). The overall mean items for this component was higher (3.72) than hypothesized (3), meaning acceptance of the alternate hypothesis and rejection of the null hypothesis. Obviously, results demonstrate effect of accounting information system component (management accounting information system) on combating tax evasion.

The second sub-hypothesis "Central database has no effect on combating tax evasion?"

b. To test for this hypothesis, means and standard deviations were computed for respondent estimates on each of the accounting information system components (central database), and the overall component items. However, $t$-test was used hypothesizing mean score of (3). Following is a discussion of results in greater detail.

Table (3) Means and standard deviations of respondent estimates on each item of accounting information system components (availability of central database) and the overall items of component

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Rank</th>
<th>$M^*$</th>
<th>SD</th>
<th>Effect Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Data collection, storage, and retrieve reduce tax evasion</td>
<td>1</td>
<td>4.20</td>
<td>.83</td>
<td>High</td>
</tr>
<tr>
<td>6</td>
<td>Easy access to different data by appraisers reduces tax evasion</td>
<td>2</td>
<td>4.00</td>
<td>.92</td>
<td>High</td>
</tr>
<tr>
<td>5</td>
<td>Monitoring operating files (protocols) reduces tax evasion</td>
<td>3</td>
<td>3.80</td>
<td>.77</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Overall Area</td>
<td></td>
<td>4.00</td>
<td>.73</td>
<td>High</td>
</tr>
</tbody>
</table>

- Maximum score (5)
Table (3) shows that AIS component (availability of central database) has an effect on tax evasion, where mean score of overall area items was (M=4.0, SD=.73) at a high degree even higher than hypothesized (3). Item (4) "Data collection, storage, and retrieve reduce tax evasion" was placed top (M=4.20, SD=.83) with high influence degree, whereas item (5) "Monitoring operating files (protocols) reduces tax evasion" was placed in the last rank (M=3.80, SD=.77) with high effect degree.

However, one sample t-test was applied on AIS component "availability of central database" and table (4) demonstrates related results.

Table (4) One-sample t-test results on the accounting information system component (availability of central database)

<table>
<thead>
<tr>
<th>M</th>
<th>SD</th>
<th>T-Value</th>
<th>Freedom Degree</th>
<th>Statistical α</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.00</td>
<td>.73</td>
<td>6.164</td>
<td>19</td>
<td>0.000*</td>
</tr>
</tbody>
</table>

*Statistically significant at (α<.05)

Table (4) shows that T-value of (6.164) was computed at the hypothetical mean (M=3) with significance (0.000) and found statistically significant at (α<0.05). The overall mean items for this component was higher (4.00) than hypothesized (3), meaning acceptance of the alternate hypothesis and rejection of the null hypothesis. Obviously, results demonstrate effect of accounting information system component (availability of central database) on combating tax evasion.

c. Third sub-hypothesis "Modern information technology has no effect in combating tax evasion?"

To test for this hypothesis, means and standard deviations were computed for respondent estimates on each of the accounting information system components (using modern information technology), and the overall component items. Following is a discussion of results in greater detail.
Table (5) shows that AIS component (using modern information technology) has an effect on tax evasion, where mean score of overall area items was (M=.83, SD=.80) at a high degree even higher than hypothesized (3). Item (8) "advanced software that link different departments reduce tax evasion" was placed top (M=4.15, SD=1.09) with high influence degree, whereas item (7) "Technologists who operate the technology systems and equipments help reduce tax evasion" was placed in the last rank (M=3.50, SD=.95) with high effect degree.

However, one sample t-test was applied on AIS component "availability of central database" and table (4) demonstrates related results.

T-test was applied to accounting information system component (using modern information technology) and table (6) shows related results.

Table (6) One-sample t-test results on the accounting information system component (using modern information technology)

<table>
<thead>
<tr>
<th>M</th>
<th>SD</th>
<th>T-Value</th>
<th>Freedom Degree</th>
<th>Statistical α</th>
</tr>
</thead>
</table>
| 3.80| .80 | 4.445   | 19             | 0.000*        

*Statistically significant at (α<0.05)
this component was higher (3.80) than hypothesized (3), meaning acceptance of the alternate hypothesis and rejection of the null hypothesis. Obviously, results demonstrate effect of accounting information system component (using modern information technology) on combating tax evasion.

d. Fourth sub-hypothesis "Qualified personnel have no effect on combating tax evasion?"

To test for this hypothesis, means and standard deviations were computed for participant's estimates of each of the items within AIS component (qualified staff). Following is a discussion of results in greater detail.

Table (7) Means and standard deviations of respondent estimates on each item of accounting information system components (qualified personnel) and the overall items of component

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Rank</th>
<th>M*</th>
<th>SD</th>
<th>Effect Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Improving accounting skills of employees reduces tax evasion</td>
<td>1</td>
<td>4.40</td>
<td>.82</td>
<td>High</td>
</tr>
<tr>
<td>11</td>
<td>Improving management skills of employees reduces tax evasion</td>
<td>2</td>
<td>4.10</td>
<td>.79</td>
<td>High</td>
</tr>
<tr>
<td>12</td>
<td>Improving computer skills of employees reduces tax evasion</td>
<td>3</td>
<td>3.85</td>
<td>1.04</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Overall Area</td>
<td></td>
<td>4.12</td>
<td>.76</td>
<td>High</td>
</tr>
</tbody>
</table>

Table (7) shows that AIS component (qualified personnel) has an effect on tax evasion, where mean score of overall area items was (M=4.12, SD=.76) at a high degree even higher than hypothesized (3). Item (10) "Improving accounting skills of employees reduces tax evasion" was placed top (M=4.40, SD=.82) with high influence degree, whereas item (12) "Improving computer skills of employees reduces tax evasion" was placed in the last rank (M=3.85, SD=1.04) with high effect degree.

However, one sample t-test was applied on AIS component "availability of central database" and table (4) demonstrates related results.
One sample t-test was conducted on AIS component (qualified personnel) as shown by table (8).

Table (8) One-sample t-test results on the accounting information system component (qualified personnel)

<table>
<thead>
<tr>
<th>M</th>
<th>SD</th>
<th>T-Value</th>
<th>Freedom Degree</th>
<th>Statistical α</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.12</td>
<td>.76</td>
<td>6.578</td>
<td>19</td>
<td>0.000*</td>
</tr>
</tbody>
</table>

*Statistically significant at (α<0.05)

Table (8) shows that F-value (6.578) was computed at the hypothetical mean (3) with (α=0.000) which is statistically significant at (α<0.05). Further, results show that the mean score of this dimension as a whole was at (4.12) which is higher than hypothesized (3), implying rejection of the null hypothesis and acceptance of the alternate hypothesis. Evidently, results support influence of the dimension (qualified personnel) of the Accounting Information Systems (AIS) in combating tax evasion.

6. Conclusions

1. Results demonstrate that each of the accounting information system components variably affects combating tax evasion, thereby accepting the alternate hypothesis and rejecting the null hypothesis.

2. From viewpoint of participants, the most influential component of the accounting information system in combating tax evasions was Qualified Personnel regarding training accounting skills of employees.

3. The least influential component of the accounting information system on tax evasion was (management accounting information system) regarding monitoring and evaluation of appraiser's performance through the internal control system.

4. The accounting information system components most influencing tax evasions were in the following order:

   a. Qualified personnel
   b. Availability of central database
   c. Using modern information technology
   d. Management accounting information system
e. Results indicate that application of the economic statistical methods in the management accounting, data storage and retrieve, using advanced software that are linked with different departments, and training accounting skills of employees contribute to a great degree in combating tax evasion.

7. Recommendations

1. Managers at the sales & Income Department are called to develop skills of their employees by organizing training courses basically in the fields training, university rehabilitation, professional and legal courses in accounting and auditing.

2. Improving and training skills of tax appraisers and employees on the managerial work flow and procedures followed at their department.

3. The Tax Department is called to modernize software programs used and link the department with other public and private departments through the Internet and other information technology capabilities.

4. Provide tax appraisers and other employees with most up-to-date computers.

5. The AIS operating system used in the Department should be improved and updated so that to increase file storage, and speed up data retrieve and in the same time reduce system faults.

6. Using economic and statistical principles in the management accounting is helpful in combating tax evasion.

7. Data Collection Department should be maintained in order to increase work proficiency due to it role as linking loop between appraisers and external clients.
References


- Ministry of Finance, Sales & Income Tax Department, General Sales Tax Law, no. 6 of 1994 Amended and accordingly issued regulations.

- Ministry of Finance, Sales & Income Tax Department, Income Tax Law, no. 57 of 1985 Amended by 2/5/2001

