The paper aimed to identify factors affecting tax inspection results and determined the degree of influence of those factors on tax inspection results. Through the survey results of 250 tax officers at Department of Taxation, Lao Cai province, the article used Exploratory Factor Analysis (EFA), regression analysis to assess the situation and analyze the effects of the factors to tax inspection results. Based on the standardized regression coefficient (Beta Standardized Coefficients), the factors influencing on tax inspection performance were ranked by the degree of impact as follows: support tools and facilities, legal regulation system, internal coordination in tax authorities, monitoring procedures, taxpayers' attitude and coordination, remuneration for inspectors, taxpayer database, qualifications of inspectors, process and method of inspection, coordination of stakeholders. On that basis, the article proposed a number of solutions to enhance tax inspection consequences at the Department of Taxation, Lao Cai province in the coming period.

CÁC NHÂN TỐ ẢNH HƯỞNG ĐẾN KẾT QUẢ HOẠT ĐỘNG THANH TRA THUẾ TẠI CỤC THUẾ TỈNH LÃO CAI

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THÔNG TIN BÀI BÁO

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TÓM TẮT

Bài báo đã nghiên cứu các yếu tố ảnh hưởng đến kết quả thanh tra thuế và xác định mức độ ảnh hưởng của các nhân tố đó đến kết quả thanh tra thuế. Thông qua kết quả khảo sát 250 cán bộ thuế trong Cục Thuế tỉnh Lào Cai, bài viết vận dụng phương pháp phân tích nhân tố khám phá (EFA), phương pháp phân tích hồi quy để đánh giá thực trạng và phân tích ảnh hưởng của các yếu tố tối kết quả thanh tra thuế. Dựa trên hệ số hồi quy chuẩn hóa (Beta Standardized Coefficients), các nhân tố ảnh hưởng đến hoạt động thanh tra thuế được xếp hạng theo mức độ tác động như sau: công cụ hỗ trợ và phương tiện vật chất, hệ thống quy định pháp luật, sự phối hợp trong nội bộ cơ quan thuế, thủ tục giám sát, thái độ và sự phối hợp của người nộp thuế, chế độ đối xử đối với thanh tra viễn, cơ sở dữ liệu về người nộp thuế, năng lực phẩm chất của cán bộ kiểm tra, quy trình và phương pháp thanh tra và cuối cùng là sự phối hợp của các bên liên quan. Từ đó, bài báo đề xuất một số giải pháp nâng cao kết quả thanh tra thuế tại Cục Thuế tỉnh Lào Cai trong giai đoạn tới.

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1. Introduction

Tax inspections are one of the most important functions in tax administration, because they are the primary way for tax authorities to alert, prevent, detect, and address tax fraud. The tax inspection also helps to detect the inadequacies in tax policies and tax laws for timely supplement and amendment to best promote the role of tax in ensuring revenue for the home budget and macroeconomics economy. Therefore, in order to improve the efficiency of tax administration, one of the things that tax authorities at all levels have to do is to regularly enhance the efficiency of tax inspection. Having successfully completed the task of budget collection, the growth rate of the following year is always higher than that of the previous year. In the general results of the tax industry of Lao Cai province, there is a significant contribution to tax inspection. In Vietnam, there are a lot of scientific researches on tax inspection and examination in the form of textbooks, doctoral dissertations, master theses or some articles. Some typical works can be listed as follows: Le Thi Phuong Thao [1] on Renewing the inspection and examination of taxpayers in Vietnam; Ngo Thi Thu Huong [2] on Improving the efficiency of tax inspection and examination for taxpayers in the process of modernizing tax administration in Vietnam; Nguyen Thi Tuyet Anh [3], Inspection and inspection activities at the Department of Taxation of Lam Dong province came to the conclusion of Lam Dong Provincial Department of Taxation; Le Huu Giang [4] on Tax inspection for small and medium-sized enterprises at the Department of Taxation of Quang Xuong district, Thanh Hoa province. Some researches were carried out to improve the efficiency of tax inspection, improve the organizing and renovating tax inspection. At the same time, there were studies that proposed solutions to enhance the quality of tax inspection such as [5] - [7]. However, the studies on the factors affecting the results of inspection tax at Lao Cai have not been done.

In recent years, the implementation of tax obligations of taxpayers in Lao Cai province has been complicated; the rate of tax evasion detected through inspection is over 85%, the enterprise has an outstanding tax debt of over 200 billion VND, the tax recovered is only 70% compared to expectation [8]... This can lead the decrease of state budget in the province, significantly affecting the local budget and expenditure process. In addition, at the Department of Taxation of Lao Cai province, which manages the revenues of large and medium-sized enterprises in the province, tax inspection, despite many efforts, still has shortcomings and has not met the requirements of practice. Therefore, it is necessary to study the factors affecting the results of tax inspection activities as the basis for proposing solutions to improve the efficiency of tax administration at the department.

2. Materials and methods

2.1. Materials

It can be seen that in the current socio-economic situation, inspection activities often accompany a certain subject (often with State elements) and are placed within the powers of certain subjects. According to the Government Inspectorate [9], “inspection is an essential function of State management for the implementation of policies, laws, and duties of agencies, organizations and individuals; is carried out by a specialized agency in the order, the procedure prescribed by law to prevent, discovered by a specialized agency in the order and procedures prescribed by law for prevention and discovery and handle violations of the law, discover loopholes in management mechanisms, policies and laws to recommend remedial measures; promoting the positive factors, contributing to improving the efficiency and effectiveness of State management activities, protecting the interests of the State, the legitimate rights and interests of agencies, organizations and individuals”. Inspection is an activity in the name of working power to affect managed objects in order to improve compliance, protect laws and legal interests of individuals and organizations.
The principle of inspection is a set of compulsory regulations, rules, and standards that must be implemented throughout the inspection process of the inspection agency. The principle of inspection, in general, is legal compliance; ensure accuracy, objectivity, honesty, publicity, democracy, and timeliness. Inspection activities must ensure no overlap in inspection scope, subject, content, and time among agencies performing the inspection function, not obstructing the normal operation of organizations and individuals.

Inheriting research on influencing factors [10], [11] and consulting experts, factors that are identified affecting tax inspection results are as follows:

**Legal regulation system:** are relevant legal documents, including: legal enforcement system, authority to collect information... thereby ensuring transparency in the inspection of the tax industry and ensuring Taxpayer protection is deservedly protected. Tax inspection must be based on legal documents and state regulations. The complete legal system is a solid legal basis for inspection. Tax inspectors exercise the state's control over tax declaration and payment. A full legal system, in line with reality and management requirements, will promote tax inspection to operate effectively. On the contrary, if the legal documents are incomplete or inconsistent with the actual requirements of tax administration, they will negatively affect the effectiveness of tax inspection.

**Qualification of inspectors:** Inspectors should be professional, have a deep understanding of tax and accounting, inspection skills, and have good ethical qualities of the inspector.

**Process and method of inspection:** As a system of documents guiding the steps to be taken in inspection, it is reasonably built to ensure the inspection in accordance with the law, save time and costs, and convenient for tax authorities and taxpayers to make tax inspection actions transparent and clear.

**Monitoring procedures:** Inspection should be based on management practices that include using a comprehensive set of performance indicators while closely monitoring the results and quality of activities achieved in practice. Tax inspections need to be strengthened by effective management methods such as the development and application of a series of performance indicators with strict control over results and quality of operations.

**Support tools and facilities:** In the current context, the taxpayer's management level is getting higher and higher, the complexity and the trend of applying information technology increasingly deep, it is difficult for inspectors to check manually. As before, it is necessary to be fully equipped with modern equipment when operating, knowledgeable about software and electronic transactions. In the modern inspection process, all tax inspection works need to analyze the risk and rate the risk at the business with the support of computer technology. The success of tax inspection on the basis of risk analysis depends mainly on the degree of application of computer technology to assist the inspection.

**Taxpayer database:** Full information about taxpayers, convenient for inspection planning partners, helping inspectors to effectively exploit information for inspection activities. The modern business process of tax payment, applying an inspection method based on risk analysis from the tax authority's major taxpayer information system. The centralized information and data source are required to ensure that the relevant departments exploit and use clearly understand the taxpayer, understand the whole process of production and business activities, the situation of declaration and payment, tax and compliance history, taxpayer inspection history.

**Taxpayers' attitude and coordination:** The relationship between tax inspectors and tax law compliance is closely linked. In order for tax inspection to achieve good results, first of all, the taxpayer must have a sense of self-awareness as well as the spirit of cooperating with the tax authorities for the tax authorities to fulfill their duties as well as the taxpayer’s tax obligations to the state.

**Remuneration for inspectors:** This refers to salaries, seniority allowances, responsibility allowances and other special regimes and policies as prescribed by law.
Coordination of stakeholders: In order for tax inspection to achieve good results, the general tax agency and inspection teams and officers need the coordination of related parties such as customs, treasury, banks, and police. Thus, the tax authority can collect sufficient information, from which to conclude the tax payment accurately, comprehensively and objectively.

Internal coordination in tax authorities: In the tax inspection process for taxpayers, the inspection division needs to coordinate closely with other departments of taxation authority to get accurate and complete information, from which the officer will check out the exact conclusions.

2.2. Research framework and hypotheses

Figure 1 summarizes the conceptual framework of the study.

H1: The more sufficient, clear and appropriate system of legal regulations related to tax inspection is, the better the result of tax inspection will be (+).

H2: The more sufficient information of the taxpayer's database is, the better the results of tax inspection will be (+).

H3: The clearer the process and the method of inspection are, the better the tax inspection results will be (+).

H4: The more sufficient, effective and appropriate supervision procedures for tax inspection activities are, the better the tax inspection results will be (+).

H5: The better the capacity and quality of the inspector are, the better the tax inspection results will be (+).

H6: The more complete, modern and sufficient supporting tools and facilities for tax inspection activities are, the better the result of tax inspection will be (+).

H7: The more appropriate the remuneration for the inspector is, the better the result of tax inspection will be (+).

H8: The more frequent and effective in coordination among units in the tax agency is, the better the result of tax inspection will be (+).

H9: The closer the taxpayer's cooperation is, the better the tax inspection result will be (+).
H10: The closer and more effective the coordination among related parties is and tax authorities, the better the result of tax inspection will be (+).

2.3. Methodology

Exploratory factor analysis tools (EFA) with the 10 independent factors (26 observed variables are opinions in the questionnaire) and dependent variables. According to Cattell [12], the number of samples for exploratory factor analysis is at least 4 to 6 times the total number of observed variables. Based on the number of observed variables in the study, the number of respondents could be 250. Authors allocated the respondents according to the number of staff working at the Department of Taxation and Sub-Department as follows [13]: Department of Taxation of Lao Cai province: 47 respondents; Bao Thang: 28; Bac Ha: 30; Bao Yen: 32; Bat Xat: 28; Muong Khuong: 22; SaPa: 25; Si Ma Cai: 23; Van Ban: 22. To achieve the research goals, qualitative methods were used together with quantitative methods. Qualitative methods were done through expert interviews on factors affecting tax inspection results to develop, adjust and arrange questionnaires. The quantitative method is the EFA and multi-variable regression model using SPSS 22.0 software.

3. Results and discussion

3.1. Features of the study area

Lao Cai is a highland border province, located between the Northeast and Northwest regions of Vietnam, 296 km from Hanoi by railway and 265 km by road with natural area of 6,383.88 km² (accounting for 2.44% of the country's area, the 19th largest area out of 64 provinces in Vietnam) [14]. Along with the re-establishment of Lao Cai province, department was established under Decision No. 335TC/TCCB on 3/08/1991 of the Ministry of Finance. Tax inspection departments under Department of Taxation of Lao Cai province has task to inspect taxpayers' compliance with tax laws, to settle denunciations about tax evasion and frauds related to taxpayers within the scope of taxation department.

3.2. Situation of the tax inspection at the Department of Taxation of Lao Cai province

The current status of tax inspection planning at the Department of Taxation of Lao Cai province is shown in Table 1. According to Table 1, the number of tax inspection plans increased from 113 in 2018 to 123 in 2020, however, the percentage of inspected enterprises compared to total enterprises decreased from 8.38% to 6.32%.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Comparison 2018</th>
<th>Comparison 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval plans</td>
<td>113</td>
<td>113</td>
<td>123</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Increase Adjustment</td>
<td>20</td>
<td>17</td>
<td>17</td>
<td>-3</td>
<td>0</td>
</tr>
<tr>
<td>Decrease Adjustment</td>
<td>5</td>
<td>9</td>
<td>10</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Inspected Enterprises/ Total</td>
<td>8.38</td>
<td>7.17</td>
<td>6.32</td>
<td>-1.21</td>
<td>-0.85</td>
</tr>
</tbody>
</table>

| Source: Tax Inspection Department – Department of Taxation of Lao Cai province [8] |

The main mistakes during tax inspection at the Department of Taxation of Lao Cai province are shown in Table 2. According to Table 2, the mistake that had the highest percentage in 2018 was accounting books, in 2019 was Financial statement footnotes and Looking up information at the tax agency in 2020. By 2020, the main mistakes have all tended to decrease. It means that enterprises have received feedback from tax authorities.
Table 2. The main mistakes during tax inspection

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2018 (%)</th>
<th>2019 (%)</th>
<th>2020 (%)</th>
<th>Comparison (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting books</td>
<td>26</td>
<td>25</td>
<td>21</td>
<td>-1</td>
</tr>
<tr>
<td>Accounting voucher</td>
<td>19</td>
<td>22</td>
<td>18</td>
<td>3</td>
</tr>
<tr>
<td>Financial statement footnotes</td>
<td>24</td>
<td>27</td>
<td>23</td>
<td>3</td>
</tr>
<tr>
<td>Looking up information at the tax agency</td>
<td>20</td>
<td>21</td>
<td>24</td>
<td>1</td>
</tr>
<tr>
<td>Other cases</td>
<td>27</td>
<td>25</td>
<td>28</td>
<td>-2</td>
</tr>
</tbody>
</table>

(Source: Tax Inspection Department – Department of Taxation of Lao Cai province [15])

3.3. Analyzing the factors affecting the results of tax inspection activities

Cronbach’s Alpha test was carried out to estimate the reliability, or internal consistency, of a composite score. From the results of the test, Cronbach's Alpha coefficients are both above 0.6 and Corrected Item-Total Correlation coefficients of all variables are above 0.3. As such, all items are relevant and suitable for taking the EFA analysis.

Testing the relevant of EFA

Table 3. KMO and Barlett testing

<table>
<thead>
<tr>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</th>
<th>0.800</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td></td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td>8448.685</td>
</tr>
<tr>
<td>Df</td>
<td>1035</td>
</tr>
<tr>
<td>Sig.</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Results of authors' calculations

KMO's and Barlett's test results in Table 3 show that KMO's value = 0.800 > 0.5; Thus, the exploratory factor is relevant for real data.

Test the correlation of the observed variables in a representative measure: the test Bartlet's has Sig = 0.000 <0.05, so the observed variables have a linear correlation with the representative factors.

Test the explanatory level of the observed variables for the factors: The value of variance extracted is 71.133%. This means that 71.133% change in factors is explained by observed variables.

Results of the EFA model

After rotating the factor groups, we have 10 factors: Process and method of inspection factor called F1; Monitoring procedure called F2; Legal system called F3; Qualification of inspectors called F4; Remuneration of inspector called F5; Taxpayer database called F6; Internal coordination of the tax authorities called F7; Taxpayer attitude and coordination called F8; Collaboration of stakeholders called F9; Supporting tools and facilities called F10.

Linear regression analysis

Table 4. Model summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.942*</td>
<td>0.888</td>
<td>0.883</td>
<td>0.34193958</td>
</tr>
</tbody>
</table>

Source: Results of authors' calculations

The multiple linear regression results in Table 4 show that the model has coefficient R2 (R square) as 0.888 and adjusted R2 (adjusted R square) as 0.883. Thus, the model explains 88.3%.
This means that 10 independent variables, F1, F2, F3, F4, F5, F6, F7, F8, F9, and F10 explain 88.3% of the results of tax inspection activities. Thus, the model's level of explanation is relevant.

Table 5. Analysis of variance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>221.055</td>
<td>10</td>
<td>22.106</td>
<td>189.061</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>27.945</td>
<td>239</td>
<td>0.117</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>249.000</td>
<td>249</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As per results in Table 5, the ratio Sig. <0.01, so the model is consistent with the actual data. The independent variables are linearly correlated with the dependent variable and 99% confidence level.

Results of regression analysis

Table 6. Regression results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>Constant             -3.660E-16</td>
<td>0.022</td>
<td>0.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>F1</td>
<td>0.255</td>
<td>0.022</td>
<td>0.255</td>
<td>11.771</td>
<td>0.000</td>
</tr>
<tr>
<td>F2</td>
<td>0.306</td>
<td>0.022</td>
<td>0.306</td>
<td>14.143</td>
<td>0.000</td>
</tr>
<tr>
<td>F3</td>
<td>0.331</td>
<td>0.022</td>
<td>0.331</td>
<td>15.287</td>
<td>0.000</td>
</tr>
<tr>
<td>F4</td>
<td>0.282</td>
<td>0.022</td>
<td>0.282</td>
<td>13.001</td>
<td>0.000</td>
</tr>
<tr>
<td>F5</td>
<td>0.295</td>
<td>0.022</td>
<td>0.295</td>
<td>13.619</td>
<td>0.000</td>
</tr>
<tr>
<td>F6</td>
<td>0.283</td>
<td>0.022</td>
<td>0.283</td>
<td>13.055</td>
<td>0.000</td>
</tr>
<tr>
<td>F7</td>
<td>0.317</td>
<td>0.022</td>
<td>0.317</td>
<td>14.623</td>
<td>0.000</td>
</tr>
<tr>
<td>F8</td>
<td>0.302</td>
<td>0.022</td>
<td>0.302</td>
<td>13.914</td>
<td>0.000</td>
</tr>
<tr>
<td>F9</td>
<td>0.253</td>
<td>0.022</td>
<td>0.253</td>
<td>11.666</td>
<td>0.000</td>
</tr>
<tr>
<td>F10</td>
<td>0.343</td>
<td>0.022</td>
<td>0.343</td>
<td>15.808</td>
<td>0.000</td>
</tr>
</tbody>
</table>

As per results in Table 6, we have the following regression equation:

\[ Y = 0.255 F1 + 0.306 F2 + 0.331 F3 + 0.282 F4 + 0.295 F5 + 0.283 F6 + 0.317 F7 + 0.302 F8 + 0.253 F9 + 0.343 F10 + \epsilon_t \]

According to the regression results, all variables have the ratio Sig = 0.000 <0.05. This means that all the variables are statistically significant. In addition, the VIF coefficients is 1.000 <2.000, thus, there is no multicollinearity phenomenon.

3.4. Proposed solutions

Based on the standardized regression coefficient (Beta Standardized Coefficients), ranking the influence of factors on tax inspection performance by the degree of impact as follows: support tools and facilities, legal regulation system, internal coordination in tax authorities, monitoring procedures, taxpayers' attitude and coordination, remuneration for inspectors, taxpayer database, qualifications of inspectors, process and method of inspection, coordination of stakeholders.

To enhance tax inspection results, the department of Lao Cai province and the sub-departments should synchronously implement the following solutions [16], [17]:

**Firstly**, increasing the application of modern information technology in tax inspection performance to adapt to the current context of the complexity and trend of information technology application of taxpayers.

**Secondly**, enhancing the system of legal documents related to tax inspection performance.

**Thirdly**, building a completed and detailed document system, clarifying the role of the tax inspection departments to enhance internal coordination of duties. At the same time, organizing
seminars and conferences to share experiences among officers, organizing activities among members of the tax agencies for professional sharing.

Fourthly, building a system of detailed documents to guide the supervision of tax inspection activities in each steps of work to closely monitor and enhance the quality of inspection performance. Developing and applying criteria to evaluate the effectiveness of inspection work that have been implemented in practice.

The report on supervision results must be made in writing with the following contents: assessment of the situation and results performance of the inspection team, different opinions between the taxpayer and the inspection team, propose handling measures for these contents, issues that need to be learned in implemented inspection performance.

Fifthly, organizing training courses, tax competitions, and tax payers' responsibility for taxpayers to enhance awareness of the responsibility and the role of tax inspection activities, from that, there is a better cooperation attitude with the tax authorities.

Sixthly, building a better remuneration regime for inspectors such as: good salary and bonus, opportunities to enhance qualifications, promotions etc. to prevent mistakes of inspectors. This creates a spiritual comfort, not too high pressure on life therefore they are not bribed by businesses, making false conclusions affecting the state.

Seventhly, setting up a complete, accurate and up-to-date database on taxpayers to ensure that all departments in the tax agency can understand the entire process of production and business activities, tax return status and compliance history of taxpayer.

Eighthly, organizing training courses on standard programs to meet the qualifications of inspection officers as well as fully equipping the knowledge and skills for key inspectors. Organizing regular programs to support and train directly or specifically to help inspectors have the knowledge to grasp the changes in law. Enhancing the implementation of rotation, transfer and change of positions to help inspectors have the opportunity to experience and accumulate experience in the inspection field as well as other areas of management. This helps to achieve the change in personnel, creates opportunities for development, prevents negative behaviors due to long-term holding a position.

Finally, enhancing and detailing the tax inspection process and procedures. The reasonable and scientific inspection process and procedures will make the steps simple, ensure the inspection in accordance with the law, save time and costs and be convenient for tax authorities and taxpayers. Tax payment performance is transparent and clear.

4. Conclusion

In this article, the authors have studied and analyzed the factors affecting the results of tax inspection activities at the Department of Taxation of Lao Cai province through the EFA model. With the determination of the influence of these factors, the authors have proposed a number of solutions to improve the results of tax inspection activities. These solutions could suggest policies to the State and the Ministry of Finance. In addition, the synchronous implementation of the above solutions would enhance the tax inspection results at the Department of Taxation of Lao Cai province in particular and departments of others provinces in Vietnam in general.

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