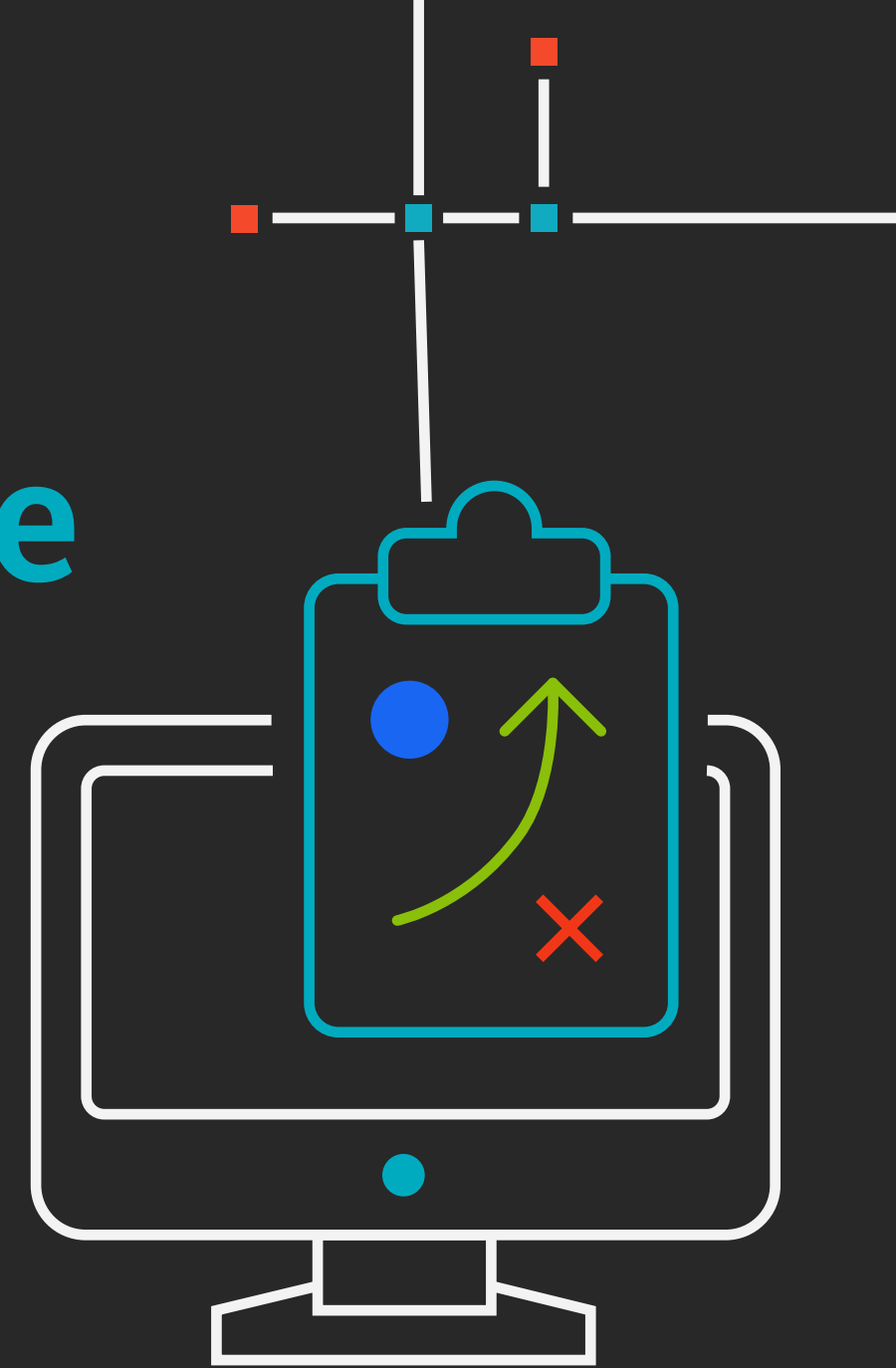


3 Risks that Could Undermine the Digital Transformation of Your Tax Administration



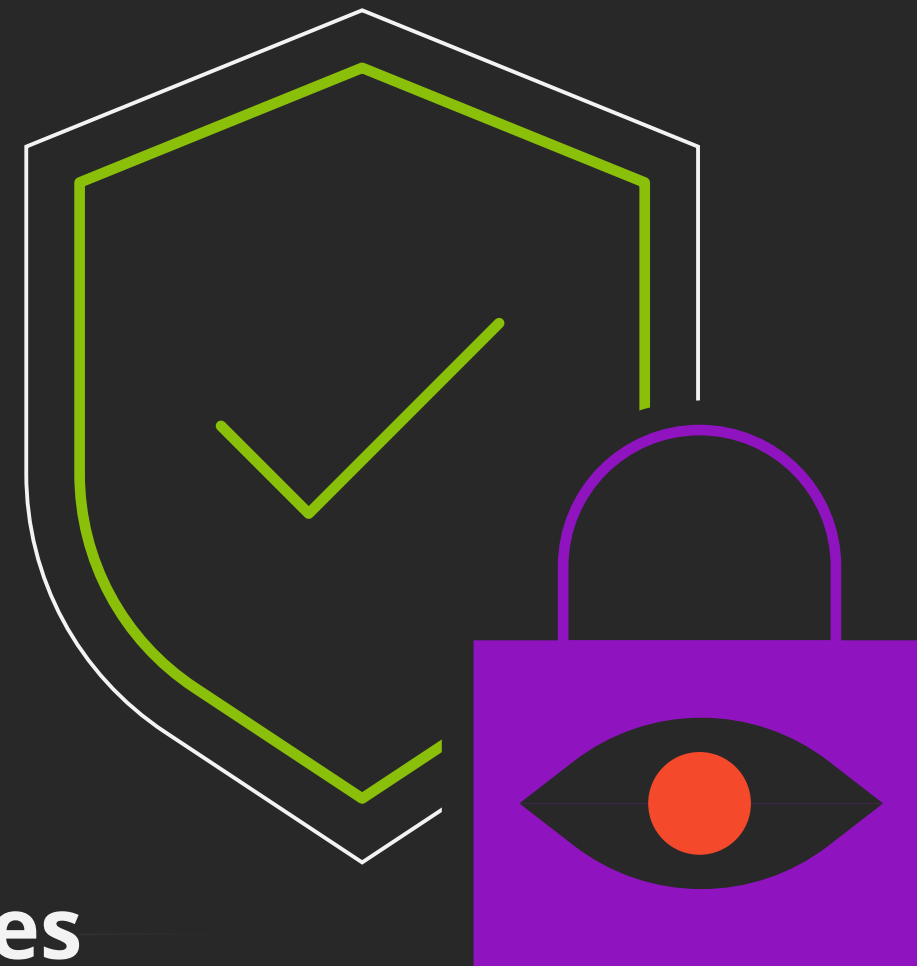
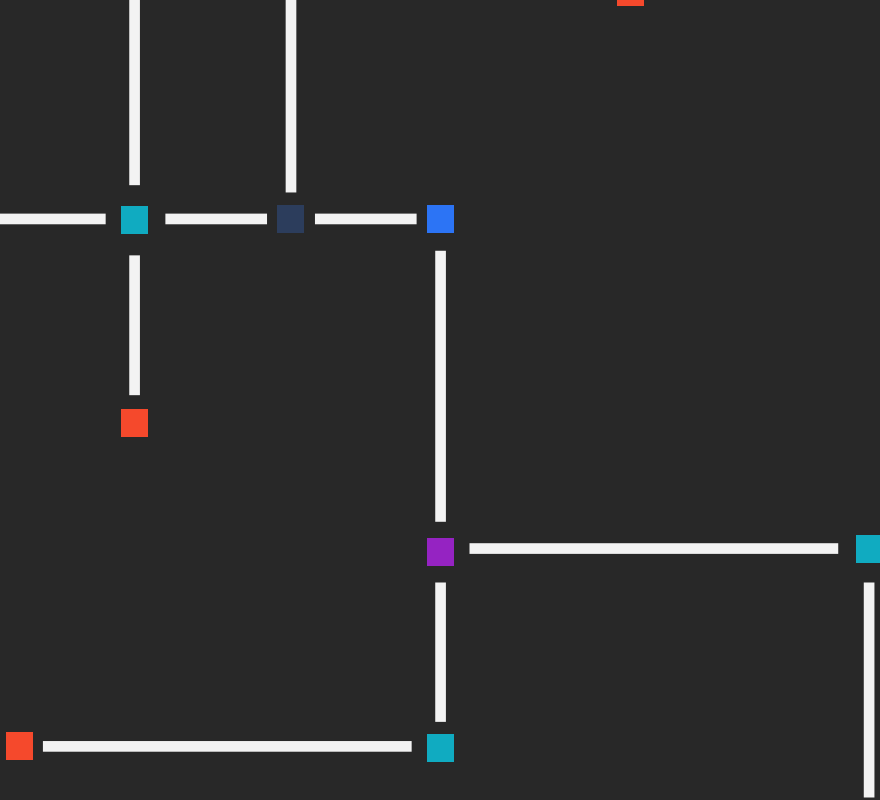
1. A piecemeal digital strategy

Risk

When the digital transformation is poorly designed and implemented piecemeal, it results in systems that aren't properly connected or designed to function in the long term. There's also a lower user adoption rate and insufficient data to support data analytics and other processes.

Countermeasure

The digital transformation strategy needs to start with clearly defined objectives and should encompass all systems to ensure interconnectivity. Future-proofing renders the digitalised tax system more useful in the long term.



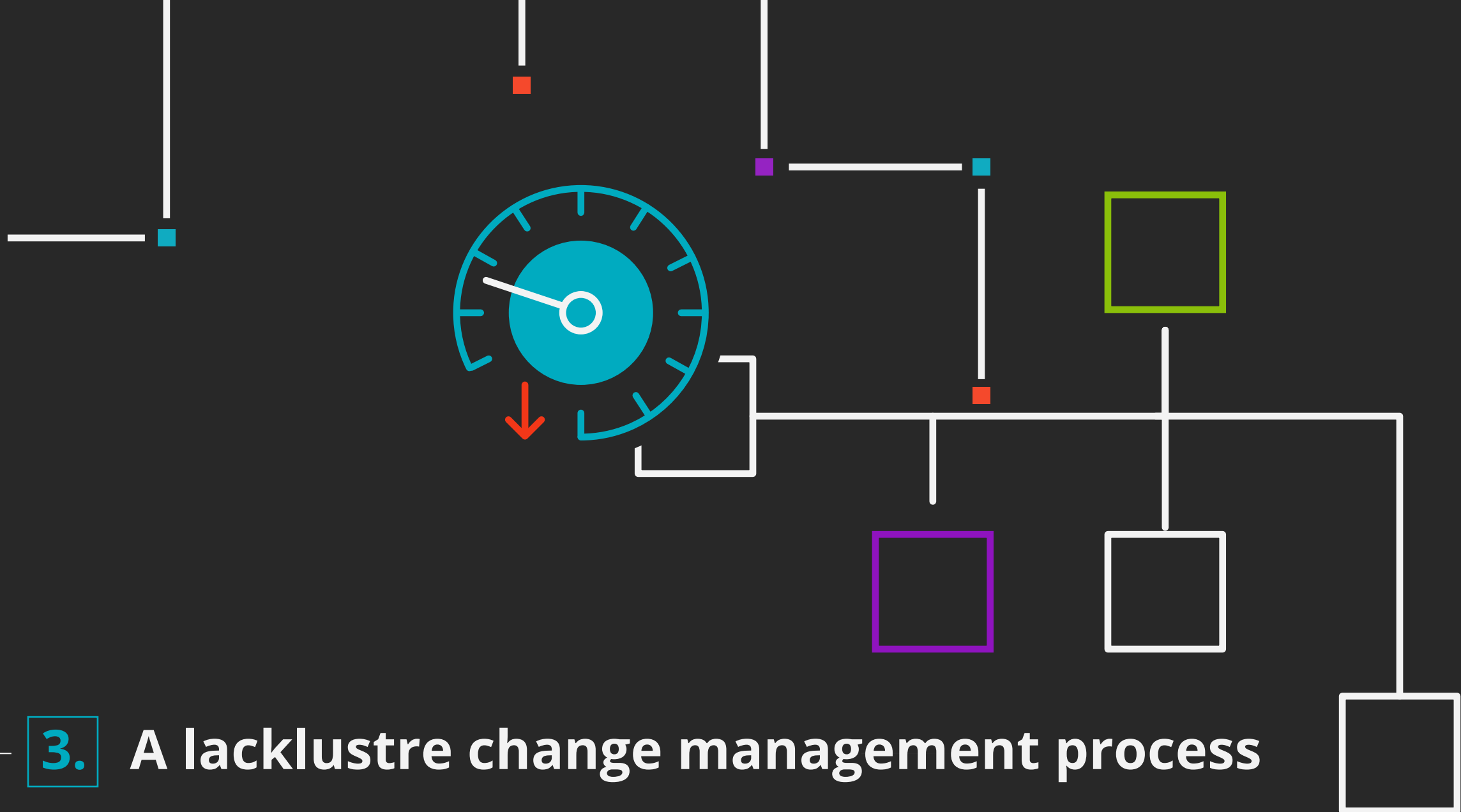
2. Security and privacy issues

Risk

As tax authorities shift to using data-gathering platforms to collect sensitive data, the greater the security and privacy risks. Digitisation also allows governments to access more private information and use analytics and AI to draw conclusions from this data.

Countermeasure

Cybersecurity measures need to be enforced. Strict legal restrictions should also be implemented to prevent unethical access to private information.



3. A lacklustre change management process

Risk

The new system isn't fully adopted and utilised by its practitioners because a proper change management process wasn't executed.

Countermeasure

A robust change management process needs to be executed. Key stakeholders should be encouraged to participate in every stage of the digital transformation journey to ensure long-term adoption and success.