

Development and Implementation of a Corruption Risk Assessment Methodology in the National Revenue Agency of the Republic of Bulgaria

Final Report (Deliverable 7)

Technical Support Instrument

Supporting reforms in 27 Member States



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1. Overview

This document constitutes the Final Report for the project **Development and Implementation of a Corruption Risk Assessment Methodology at the National Revenue Agency of the Republic of Bulgaria** under contract REFORM/SC2021/112 between ASCENT consortium and DG REFORM. It is prepared by the ASCENT team (represented by ICF, Vitosha Research EOOD (CSD Group) and Strategma) and is to be submitted to NRA and DG REFORM. The project itself is managed by the Project Manager (Ruslan Stefanov, Vitosha Research/CSD) who coordinated the day-to-day tasks, ensured the timely and quality delivery of outputs, and communicated and reported to the client and beneficiaries. As planned, the project manager was supported in quality assurance by a Senior Expert on QA (Fabrizio Costantino) and a Senior Expert on Methodology and Training (Todor Galev). The official submission of this report will certify the project closure. As per the approved Inception report (Deliverable 1) it includes four sections:

- **Description of the performed activities** and the relationship with the relevant stakeholders, contacted during the project. The section highlights the work carried out and the difficulties found, either in the design of the project or in its execution.
- **Lessons learned** – this section shares the main conclusions and recommendations for the development, pilot implementation and evaluation of results of the corruption risk assessment methodology at the NRA.
- The third section includes **evaluation of results** from the development and pilot implementation of the methodology, incl. conclusions from the training, as well as recommendations for further improvements.
- **Annexes** - this section includes all technical annexes prepared within the framework of the project deliverables.

2. Deliverables: Description and contents

The current Final Report describes in detail the activities performed and the lessons learned throughout the project design and execution, the collection of information, and the relationship with the relevant stakeholders involved. The purpose of this first section is to highlight the work carried out and the difficulties found with the hope to serve as learning for future projects.

As initially planned seven deliverables were completed within the project framework:

- **Deliverable 1: Inception Report** – the report marked the inception phase of the study which ensured a shared understanding of the context, priorities and expected results.
- **Deliverable 2: Analytical Report of the Current Situation** – during the second phase of the action was conducted an as-is analysis of the law and practice in Bulgaria that is relevant to corruption risk assessment. The structure and work of the Bulgarian National Revenue Agency was also studied and described.
- **Deliverable 3 – Comparative Benchmark Analysis** – during this stage of the project was produced a comparative benchmark of the best practices of the development and implementation of a corruption risk assessment methodology, focusing on seven preselected European revenue administrations.
- **Deliverable 4: Common Methodology Framework Against Corruption Risk at NRA** - the team of experts dedicated to the project produced a methodology to identify, assess and address corruption risk at NRA. The methodology was piloted in selected structural units of all Territorial Directorates and the Central Management Department of the NRA as agreed with the Agency. Guidance notes for internal use at NRA were also produced containing practical steps for the future implementation of the corruption risk methodologies.
- **Deliverable 5: Roadmap and Implementation Plan** – the deliverable consist of a roadmap and an implementation plan for putting into practice of the common methodology framework against corruption risk at NRA
- **Deliverable 6: Training Materials and “Training of Trainers” Module** – to enhance the capacity of the NRA staff to monitor corruption and adopt anti-corruption practices, the experts produced targeted materials and conducted a training with selected NRA employees.
- **Deliverable 7: Final Report** – the current report, summarising the results of the project.

2.1. Deliverable 1: Inception Report

The Inception report was the first submitted deliverable and was designed to elaborate the Technical Offer, refining and amending it with regard to the project methodology. It completed the inception phase of the study (which included the project Kick-off meeting held on 3.12.2021 and a preliminary desk research) and consisted of:

- the Refined Analytical Framework, largely based on the Technical Offer also but considered the discussions with the beneficiaries during the kick-off meeting, the other working meetings and findings from the initial research;
- organisation of the work and resources, which distributed the efforts and the capacity of the team, the management of the interaction between the experts, DG REFORM

and the Bulgarian National Revenue Agency and the organization of the cooperation process.

The official submission of the deliverable to the Commission was on 25.05.2022.

2.2. Deliverable 2: Analytical Report of the Current Situation

The main purpose of the deliverable was to provide an as-is analysis of the current situation with the corruption risk assessment at the NRA and expected developments in the national context. The main task in this deliverable was the production of an as-is analysis of the internal (for NRA) and national regulations and practice that is relevant for corruption risk assessment.

For the purposes of the report an extensive desk research and an analysis of the collected documents was conducted. The as-is analysis produced by ASCENT covered the following topics:

- review of the relevant institutional and legal framework, covering both substantive and procedural rules;
- review and analysis of the applicable governance structure and the relevant rules, including the ones that are laid down by law as well as the ones that are internal for the NRA;
- review the existing studies and assessments that include information on corruption risks at the NRA and have been conducted among clients and employees in the last five years.
- Identification of loopholes for corruption risk assessment (including the carried out MACPI in NRA in 2020/2021 by CSD);
- recommendations for addressing deficiencies and necessary legal changes.

The official submission of the deliverable to the Commission was on 25.07.2022.

2.3. Deliverable 3 – Comparative Benchmark Analysis

This deliverable was designed to produce an analysis of best practices of the development and implementation of a corruption risk assessment methodology in other EU countries. The deliverable consisted of two sub-tasks that (1) collected information about the existing anti-corruption practices in tax/revenue administrations and other public administrations in the EU member states and (2) prepared a comparative benchmark analysis about the relevant practices.

The benchmarking was elaborated against the UN state of the art theoretical model and allowed the ASCENT team to identify best practices and the proposed adaptable practices and approaches for the NRA corruption risk assessment methodology. The report summarises the results of the comparative benchmarking analysis, focusing on two aspects:

- Analysis of practices in selected Member States, including implementation modalities and identification of conditions for success;
- Analysis of the feasibility of the best solutions for the NRA, including options and constraints, taking into account legal and institutional opportunities for adaptation, possible assessment of costs of adaptation, time and human resource and the implementation timetable constraints.

During the preparation of the report, information was collected about 17 countries and their respective tax institutions. In four cases, these are institutions that combine tax and customs functions (Estonia, Hungary, Ireland, the Netherlands). On the basis of the information and data collected and after consultation with the Client and the Beneficiary at a workshop held on 17.03.2022, it was decided to analyse the best practices in the following two groups of countries: the Czech Republic, Italy, Romania and Slovenia - having a specific methodology for CRA applied at institutional level and France, Hungary and Latvia - applying more general guidelines but without having developed a comprehensive methodology. For each of the seven countries, a detailed profile has also been prepared, containing a description and references according to a standardized structure of the relevant documents collected and analysed in the framework of this assignment. The profiles are presented in Appendix to the report.

The official submission of the deliverable to the Commission was on 12.08.2022.

2.4. Deliverable 4: Common Methodology Framework Against Corruption Risk at NRA

The report described a methodology to identify, assess and address corruption risk at NRA. It consisted of four sub-deliverables that correspond to the respective tasks:

- *Sub-Deliverable 4.1. Methodology to identify, assess and manage corruption risk at NRA*

The outcome of this specific task was the elaboration of a methodology and specific guidance notes (guide book) to identify, assess and manage corruption risk at NRA that set up the sequence of actions to be implemented in order to identify, assess and manage a wide range of corruption risks. The task also included the conduction of interviews with specific employees in different positions and performing different functions, as well as an anonymous quantitative online survey among NRA employees from all territorial directorates and the NRA Central Management department, following in advance elaborated list of identified organisational units. A quantitative survey among the clients of the Agency (legal entities and natural persons) was also successfully conducted. The produced outcome included all the necessary research instruments (e.g. guide for interviews, survey questionnaires, templates for collecting and evaluating information and data, etc.) and a draft methodological guideline for implementation.

The official submission of the deliverable to the Commission was on 11.08.2022.

- *Sub-Deliverable 4.2. Methodology for addressing corruption risks at NRA*

This task produced a general framework for addressing the corruption risk at NRA. More specifically, it focused on (1) the monitoring and control of corruption risk through identification of the risks and assessment of existing or elaboration of new mitigation measures (development and implementation of the corruption risk mitigation management plan); and (2) other solutions that prevent corruption or otherwise limit its spread.

The official submission of the deliverable to the Commission was on 05.01.2023.

- *Sub-Deliverable 4.3. Pilot project to test the methodology. Structure for a quantitative research report*

This task was designed to provide an assessment of the newly developed methodology through practice-oriented trials aimed to test their feasibility. The pilot was decided to cover all structural units that would be included in the application of the methodology for the NRA as a whole, i.e. excluding only units that were assessed as either too small (according to the number of employees) and would therefore violate the principle of anonymity or units that were seen as unimportant in terms of potential corruption risks. Additionally, the pilot implementation focused on all functions of the Agency that were assessed as relevant for assessing potential corruption risks, instead of only one main function or area of its activity. After the results from the employees' and clients' survey were processed and analysed, ASCENT and NRA also decided to include the identified as both high-risk and medium-risk activities in the next steps of the analyses thus the final version of the Methodology includes measures for 10 out of the 21 activities examined.

The outcome of the task, the Sub-Deliverable 4.3, was lately formulated as *Table Report with results*. This document was created to serve as a template for a report based on data from the quantitative surveys of NRA employees and clients and should be used as an example upon which to build over time depending on the needs of the NRA, current research issues and any updates to the questionnaires among Clients and/or Employees. In addition, the Table Report was developed as a training tool for the purposes of the training of NRA employees conducted under the project.

The official submission of the deliverable to the Commission was on 05.01.2023.

- *Sub-Deliverable 4.4. Practical guidance for officials at NRA*

This task produced the guidance notes containing practical steps for the implementation of the corruption risk assessment methodology. These practical notes are for internal use at NRA.

The official submission of the deliverable to the Commission was on 05.01.2023.

2.5. Deliverable 5: Roadmap and Implementation Plan

This task produced a guide for putting into practice of the elaborated corruption risk assessment methodology at the NRA. The Roadmap and the Implementation Plan provide recommendations and practical guidelines on objectives, expected intermediate and final results, outputs, resources needed for their implementation, and a timeline. Where possible, the proposed activities are spread over three timescales - up to one year, up to three years and up to five years. These time periods were assessed as sufficient to achieve the short, medium and long term objectives in order to distinguish between activities that could have immediate results and longer term developments that need more time to produce tangible results.

The implementation plan for putting into practice the corruption risk assessment methodology describes the concrete steps to implement the common methodological framework, taking into account the results of the pilot project. The implementation plan aims to ensure that the organisation plans and commits to provide sufficient time and resources to implement the activities envisaged.

The official submission of the deliverable to the Commission was on 07.01.2023.

2.6. Deliverable 6: Training Materials and “Training of Trainers” Module

Deliverable 6: Training Materials and “Training of Trainers” module, consists of the following two components:

- Task 6.1: Training materials

Under this task were developed training materials, aiming at providing a selected team of NRA staff with the relevant skills to apply the common corruption risk assessment methodology. The training materials covered the following sections: a) identifying, assessing and managing corruption risks; b) managing corruption risks; and c) applying and updating the corruption risk methodology.

As initially planned and agreed in the Inception Report, the materials include the UN's ideal process for assessing corruption risk at a state-of-the-art technical level, practical advice from other Member States on challenges and solutions, guidance from the pilot implementation of the risk assessment methodology, and guidance on how to integrate corruption risk management into the strategic context and how to update and improve the methodology.

These training materials aimed to further improve the capacity of NRA staff to implement the requested measures. They contributed and will continue to contribute in the future to building the capacity of NRA staff to prevent and mitigate the impact of corrupt practices in all NRA administration structures. All developed materials were made available to the NRA.

- Task 6.2: “Training of trainers” module

The training module were designed according to the "training of trainers" approach. Within the framework of the Training of Trainers module, a training of the Agency's employees was held between 28.11.2022 and 01.12.2022 on "Introduction of a Corruption Risk Assessment Methodology in the National Revenue Agency". For the purpose of the training, a pilot programme was developed consisting of four training sessions followed by practical exercises and Q&A sessions for each section. The module was conducted in Bulgarian by experts from the ASCENT project team who have considerable experience in delivering training to public administration and different target groups. The training was organised in an online format. The developed training program included the following:

- Review and preparation of the conceptual framework for the development of the Corruption Risk Assessment Methodology;
- Preparing, conducting the necessary research and analysing the results to identify and prioritise risks. Development of risk management measures;
- Specialised training for specific technical tasks related to the preparation and execution of the studies and the analysis of the results collected.

The official submission of the deliverable to the Commission was 05.01.2023.

2.7. Deliverable 7: Final Report

The current document constitutes the Final Report for the project “Development and Implementation of a Corruption Risk Assessment Methodology at the National Revenue Agency of the Republic of Bulgaria”.

3. Lessons learned

The aim of the current “lessons learned” chapter is to identify what worked well and less well during the execution of the project and to collect some main conclusions and recommendations for future reform support at the NRA.

The complex and difficult subject matter of this project and the collaborative work of a large team of people have posed some challenges. However, in conclusion, it can be agreed that **the project has been completed successfully and the set objectives have been met, if not exceeded**. However, it is important to highlight the following observations:

- **Planning the project activities.** Accurate planning and implementation of activities accordingly from the outset is very important for the success of every project. The delays allowed by the Contractor in this project in the first half of the project timeline resulted in difficulties in catching up and required more active work at certain time periods (including on annual leaves season), but the teams managed to catch up. The responsiveness and deep engagement of the NRA team played an important role in overcoming this difficulty.
- **Complex institutional structure.** The large and complex structure of the Agency and in this case – studying most of its units created difficulties in implementing the pilot methodology. The established good communication with the NRA team and their willingness to collaborate helped to overcome the obstacle relatively easily. In the future, this should be taken into account when re-implementing the anti-corruption methodology.
- **Response rate.** The project team expected that the response rate from the Agency’s staff would be high, and although it turned out to be satisfactory, it was lower than expected. Particular reason for this could be the timing, as the online survey among the employees was conducted during the summer holiday season due to initial delay in the implementation of the project tasks. On the contrary, despite the holiday season, the team received an extremely high response rate from the Agency’s clients (at 3% standard expectation, 10% of contacted persons actually responded according to the results). The experts' hypothesis is that corruption is an issue that directly concerns the NRA clients and accordingly they were proactive with the idea that this would effectively improve anti-corruption measures and have a positive effect on themselves. In terms of future implementation of the methodology, the lessons from the pilot implementation should be twofold: on one side – more efforts should be put to reach higher response rate of the employees’ survey in order to maximise the follow-up analyses of different sub-groups among the employees; on the other hand – the clients’ willingness to respond could be used to extend some topics (i.e. questions concerning a particular NRA activities of interest).
- **Regular meetings.** Although the project started in a COVID-19 environment and for imperative reasons the collaborative work was conducted online, the regular weekly online meetings continued to the very end and allowed the work to proceed very well and smooth. This provided detailed feedback and allowed collaborative and timely decisions to be made between the ASCENT and NRA teams. The serious engagement from the Beneficiary with

extensive discussions, practical questions and detailed notes resulted in very high quality outcomes.

- **In-depth interviews.** While conducting the in-depth interviews with the Agency staff, the effect of “socially acceptable” responses was observed in about half of the cases. Despite this, the interviews collected useful insights for all of the activities. For that reason, for certain activities concerning sensitive topics it is sometimes recommended to use external people to conduct the interviews, focus groups, etc. This measure reduces the effect of “socially acceptable” responses to a great extent. At the same time there were cases of employees, genuinely concerned about the integrity, that gave frank answers, which helped to build a realistic picture of potential corrupt practices in some of the Agency's activities.

4. Evaluation of results

A total of seven Deliverables were successfully implemented and completed under this project and most of them were **highly evaluated by the project beneficiary**. In this section of the current report are included general remarks of the results from the development and pilot implementation of the methodology, conclusions from the training, as well as recommendations for further improvements.

According to the approved Inception Report (Deliverable 1), the pilot implementation of the *Deliverable 4.1 Methodology for Identify, Assess and Manage Corruption Risk at NRA* was to take place in one or two selected structural units of the Agency and to focus on one main function or area of activity. During the implementation of the project and after discussion with the NRA team and approval by DG REFORMS, two key decisions were taken that significantly increased the scope of the project and also led to substantive changes in the planned activities, including the next deliverables, as it was described above.

This resulted in two main consequences, worth mentioning:

- The developed Methodology covers half of the NRA activities, that were identified for the purposes of the current Methodology as liable to corruption, subject to corruption risk assessment (i.e. 10 out of total 21) and thus, the set of anti-corruption risk measures **may lose its specific focus**.
- The significant increase of the scope of the Methodology makes it **unfeasible** to develop risk mitigation measures in high details as they could be elaborated if only few (1-2) activities and corresponding measures were taken into consideration.

The training *Introduction of Corruption Risk Assessment Methodology in the National Revenue Agency*, held in the period 28.11.2022 - 01.12.2022 **was considered very successful by the beneficiary**. Participants left positive feedback. In addition to the training materials used and made available to the NRA (including templates with formulas), video recordings of the training sessions were made with the consent of all participants to be used in the future and to ensure sustainability of knowledge transferred. ASCENT experts will remain available beyond the end of the project for advice and technical assistance on the implementation of the methodology.

5. Annexes

This section includes the technical annexes prepared within the framework of the project deliverables. The annexes complement the deliverables themselves and contain all the necessary information to implement the actions and recommendations detailed in the second part of the report. The following annex are included below:

1. Questionnaire for a quantitative survey of NRA employees, 2022 (online survey).
2. Questionnaire for the Survey of Individuals and Legal Entities to Assess the Potential Corruption Risk in the NRA, 2022.
3. In-depth interview guide.
4. Sampling methodology for the survey among NRA clients

The practical materials produced within the project also include the training materials used in the framework of the training *Introduction of Corruption Risk Assessment Methodology in the National Revenue Agency*, part of *Deliverable 6 Training materials and “train the trainers” module*. They are available only in Bulgarian language (as per the Inception Report) and are available electronically: Video recordings of the training sessions for each of the four training days:

- [\[Link\]](#)
- Presentations for each program topic that can be used in future training with support materials included:
 - [\[Link\]](#)

Deliverable 4 Practical guidance for officials at NRA itself is also part of the practical materials (stand-alone document, not attached here).

5.1. Questionnaire for a quantitative survey of NRA employees (online survey)

Home screen

Dear colleagues,

The National Revenue Agency is implementing a project of the European Commission's Directorate General Reforms, which aims to **identify areas with potential corruption risks** in the Agency's activities. The survey is carried out by a team of CSD in compliance with European and national requirements and ethical rules for social research and preserving the anonymity of respondents.

This is an **anonymous survey**, your answers do not contain any personally identifiable information. The results of the survey will only be used for statistical analysis and will only be presented in summary form.

The questionnaire will take between 15 and 30 minutes to complete depending on the activities you are responsible for.

It is preferable to complete it in one go, but if you need to interrupt, it is possible to continue from where you left off, but only if you are using the same computer and browser.

It is recommended that the survey be answered on a laptop or desktop computer rather than a mobile phone for the sake of correctly displaying the explanatory notes

For contacts and further information:

.....

Questionnaire

Question 1. You are an employee of:

(only one answer)

1. NRA Headquarters	Moving on to Question 2.
2. Territorial Directorate of the NRA (Large Taxpayers and Insurers, Sofia, Burgas, Varna, Veliko Tarnovo, Plovdiv)	Moving on to Question 3.

(Filter: Visualized and filled only by those who answered 1. to Question 1)

Question 2. To which of the following directorates in the Central Directorate of the NRA do you work:

(only one answer)

1. Security Directorate
2. Information Systems and e-Government Directorate
3. Directorate for Supervision of Gambling and Gambling Activities
4. Human Resources Management Directorate

5. Legal Directorate
6. Logistics Directorate
7. Tax and Insurance Methodology Directorate
8. Directorates for Appeals and Tax and Social Security Practice (Sofia, Plovdiv, Varna, Burgas, Veliko Tarnovo)
9. Risk Management Directorate
10. Control Directorate
11. Special Case Investigation Directorate
12. Directorate General "Fiscal Control"
13. Directorate for Selection and Follow-up
14. Operational Activities Directorate
15. Service Directorate
16. Collection Directorate
17. Directorate "State Receivables"
18. Directorate "Supplementary compulsory pension insurance"
19. Inspectorate

(Filter: Visualized and filled only by those who answered 2. to Question 1)

Question 3. In which NRA structure do you work?

1. Territorial Directorate "Large Taxpayers and Insurers"	Moving on to Question 5.
2. Directorate "Average Taxpayers and Insurers" (at the Regional Directorate of NRA Sofia)	
3. Control Directorate at Territorial Directorate	Moving on to Question 4.
4. Collection Directorate in the Territorial Directorate	
5. Service Directorate at the Territorial Directorate	
6. "Service" offices in Territorial Directorate	
7. Appeals Department at the Territorial Directorate	
8. State Receivables Department at the Territorial Directorate	Moving on to Question 5.
9. Legal Department at Territorial Directorate	
10. Human Resource Management Department" at Territorial Directorate	

(Filter: Visualized and filled in only by those who answered Q3-7.)

Question 4. To which of the following Territorial Directorate of the NRA do you work:

1. Territorial Directorate of NRA Sofia
2. Territorial Directorate of NRA Burgas
3. Territorial Directorate of NRA Varna
4. Territorial Directorate of NRA Veliko Tarnovo
5. Territorial Directorate of NRA Plovdiv

(To be completed by all)

Question 5. Which of the following activities are you directly involved with in your work:

(Please tick all activities you are involved in)

1. Client service in territorial directorates and offices of the NRA
2. Client service related to carrying out inspections (for registrations and deregistrations under the VAT Act, verification of facts and circumstances checks, offsetting and refund checks, etc.), incl. subsequent drawing up of an administrative offence certificate (AOC)
3. Collection of public claims (e.g. taxes and social security contributions, incoming control and coordination)

4. Seizure and enforcement of public claims
5. Collection of private State claims
6. Dealing with large and medium sized taxpayers (e.g. servicing, selection, control and checks etc.)
7. On-site control activities in the territorial directorates (including selections of persons for inspections, audits, inspections and audits under the Internal Revenue Code, investigation of special cases), **excluding fiscal control activities and inspections of commercial establishments**
8. Control activities for high fiscal risk goods
9. Inspections of commercial establishments
10. Establishment of administrative offences and imposition of administrative penalties under the tax laws and the laws governing compulsory social security contributions, in accordance with the Administrative Offences and Penalties Act (AOPA)
11. Processing (accounting) of the acts issued by the administration
12. Appeals and tax and social security practice
13. Representation of the NRA in court (including under the UNTRIP Act, administrative, administrative criminal, labour cases, etc.)
14. Maintenance and administration of databases and information assets
15. Use of and access to NRA information systems
16. Procurement and procurement management
17. Management of NRA movable and immovable property (incl. maintenance and accounting of facilities and assets)
18. Selection and management of staff in the relevant territorial directorate
19. Recruitment and management of staff in the Central Unit of the NRA
20. Administration of the processes and activities of licensing, servicing and control under the Gambling Act
21. Activities related to supplementary compulsory pension insurance (SCPI)
22. I am not engaged in any of the above activities **//exclusive answer//**

Question 6. Which of the following activities do you know well enough to assess their corruption risk:

(Please tick all the activities you know well enough.

If you are directly involved in any of the activities listed in your work, please go back and tick it in the previous question)

1. Client service in territorial directorates and offices of the NRA
2. Client service related to carrying out inspections (for registrations and deregistrations under the VAT Act, verification of facts and circumstances checks, offsetting and refund checks, etc.), incl. subsequent drawing up of an administrative offence certificate (AOC)
3. Collection of public claims (e.g. taxes and social security contributions, incoming control and coordination)
4. Seizure and enforcement of public claims
5. Collection of private State claims
6. Dealing with large and medium sized taxpayers (e.g. servicing, selection, control and checks etc.)
7. On-site control activities in the territorial directorates (including selections of persons for inspections, audits, inspections and audits under the Internal Revenue Code, investigation of special cases), **excluding fiscal control activities and inspections of commercial establishments**
8. Control activities for high fiscal risk goods
9. Inspections of commercial establishments

10. Establishment of administrative offences and imposition of administrative penalties under the tax laws and the laws governing compulsory social security contributions, in accordance with the Administrative Offences and Penalties Act (AOPA)
11. Processing (accounting) of the acts issued by the administration
12. Appeals and tax and social security practice
13. Representation of the NRA in court (including under the UNTRIP Act, administrative, administrative criminal, labour cases, etc.)
14. Maintenance and administration of databases and information assets
15. Use of and access to NRA information systems
16. Procurement and procurement management
17. Management of NRA movable and immovable property (incl. maintenance and accounting of facilities and assets)
18. Selection and management of staff in the relevant territorial directorate
19. Recruitment and management of staff in the Central Unit of the NRA
20. Administration of the processes and activities of licensing, servicing and control under the Gambling Act
21. Activities related to supplementary compulsory pension insurance (SCPI)
22. None of the following **//exclusive answer//**

Question 7. You are:

1. Officer with managerial functions
2. Employee without managerial functions

(Filter: Displayed and filled in only by those who indicated the activity "Client service in territorial directorates and offices of the NRA" in Question 5 and/or Question 6)

Question 8. In your opinion, what is the likelihood that corrupt relations (corrupt practices such as bribery*, abuse of power, misuse of property or conflict of interest) will arise in connection with the activity "Client Service in Territorial Directorates and Offices of the NRA"?

1. High
2. Medium
3. Low

*** Explanatory note:**

For the purposes of this study, these forms of corruption are understood to be:

Bribe - A promise or agreement to give or receive an unearned benefit (money, gifts, etc.) to a public official in order to induce the official to perform or not to perform acts related to his or her official duties.

Abuse of power by an officer of a public institution - Deliberate abuse of functions or office by the officer's doing or refraining from doing an act in breach of rules/laws with a view to obtaining a benefit for himself or another person or body.

Misappropriation of property by an employee of a public institution (which does not form part of the other cases) - Intentional misappropriation or other misuse of property, public or private funds, or stock or other securities vested in the employee by virtue of his or her office, committed by the employee for his or her own benefit or for the benefit of another person or entity.

Conflict of interest - A conflict of interest arises when a person holding public office has a private interest which results in a material or immaterial benefit to that person or to persons associated with that person and which may interfere with the impartial and objective performance of the powers or duties of the office.

Question 9. In case there is (occurs) a corrupt attitude in relation to the activity "Client Service in Territorial Directorates and Offices of the NRA", how large would be the damage (material, economic, reputational, human) that would occur?

1. High
2. Medium
3. Low

(Filter: the question is displayed and asked only for answers "high" or "medium" probability and "high" or "medium" damage for the respective activity.)

Question 10. In your opinion, what is the likelihood that any of the following corrupt relationships (corrupt practices such as bribery*, abuse of power, misuse of property or conflict of interest) will arise in connection with the activity "Client Service in Territorial Directorates and Offices of the NRA"?

(one answer per line)

	High	Medium	Low
Bribery	1	2	3
Abuse of power	1	2	3
Misuse of property	1	2	3
Conflict of interest	1	2	3

** Explanatory note:*

For the purposes of this study, these forms of corruption are understood to be:

Bribe - A promise or agreement to give or receive an unearned benefit (money, gifts, etc.) to a public official in order to induce the official to perform or not to perform acts related to his or her official duties.

Abuse of power by an officer of a public institution - Deliberate abuse of functions or office by the officer's doing or refraining from doing an act in violation of rules/laws with a view to obtaining a benefit for himself or another person or entity.

Misappropriation of property by an employee of a public institution (which does not form part of the other cases) - Intentional misappropriation or other misuse of property, public or private funds, or stock or other securities vested in the employee by virtue of his or her office, committed by the employee for his or her own benefit or for the benefit of another person or entity.

Conflict of interest - A conflict of interest arises when a person holding public office has a private interest which results in a material or immaterial benefit to that person or to persons associated with that person and which may interfere with the impartial and objective performance of the powers or duties of the office.

(Filter: Question is previewed and completed only by non-managerial employees who answered 2. to Question 7)

Question 11. In your opinion, what is the likelihood that the management officials related to the activity "Client Service in territorial directorates and offices of the NRA" are pressured to engage in corrupt relations?

1. High
2. Medium
3. Low

Question 12. In your opinion, how effective would the following types of measures be in counteracting possible corrupt relations related to the activity "Client service in territorial directorates and offices of the NRA"?

(one answer per line)

	Very effective	Medium Effective	Little effective	Ineffective	I can not judge
1. Improving the regulatory framework	1	2	3	4	99

2. Stricter imposition of sanctions	1	2	3	4	99
3. More controls by internal control bodies	1	2	3	4	99
4. New methods and intra-procedural rules of operation	1	2	3	4	99
5. Employee training	1	2	3	4	99
6. Control over employees' income and assets	1	2	3	4	99

(Filter: It is displayed and filled in only by those who have indicated the activity "Client service related to carrying out checks (for registrations and deregistrations under VAT Act, PFSA, PPV, etc.), incl. subsequent drawing up of an administrative offence certificate (AOC)")

Question 13. ... Repeat questions 8 to 12 for the next activity on the list

5.2. Questionnaire for the Survey of Individuals and Legal Entities to Assess the Potential Corruption Risk in the NRA, 2022.

Home screen

Dear Madam / Dear Sir,

The National Revenue Agency is implementing a project of the European Commission's Directorate General Reforms, which aims to **identify areas with potential corruption risks** in the Agency's activities. The survey is carried out by a team of CSD in compliance with European and national requirements and ethical rules for social research and preserving the anonymity of respondents.

We would be grateful if you could take 10-15 minutes and answer the questions below.

This is an **anonymous survey**, your answers do not contain any personally identifiable information. The results of the survey will only be used for statistical analysis and will only be presented in summary form.

Sincerely:

NRA Information Centre

Questionnaire

(Filter: Question 0 is a service question that is not displayed to survey participants, but is automatically filled in via the submitted link)

Question 0. Service question.

1. NRA Sofia
2. Territorial Directorate of NRA Burgas
3. Territorial Directorate of NRA Varna
4. Territorial Directorate of NRA Veliko Tarnovo
5. Territorial Directorate of NRA Plovdiv
6. Territorial Directorate "Large taxpayers and insurers"

Question 1a. How familiar are you with the following NRA activities?

(one answer per line)

1. *I am not at all familiar with this activity*
2. *I am rather unfamiliar with this activity*
3. *I am rather familiar with this activity*
4. *I am very familiar with this activity*

1. Servicing of clients in territorial directorates and offices of the NRA (e.g. related to filing/receiving documents, issuing certificates, payment of taxes and other obligations, registration and deregistration under the VAT Act, checks of individuals, drawing up of AUPs, etc.).
2. Control activities, on-site inspections in **retail outlets**, except for the control of goods with high fiscal risk
3. Control activities (inspections and audits) of **natural and legal persons**, with the exception of control of goods with high fiscal risk
4. Control and checks in relation to the movement /transport/ of **goods with high fiscal risk**
5. Administrative appeals against acts and actions of the revenue authorities **before the Territorial Directorate** (e.g. acts/actions and omissions of public executors and tax

authorities, objections to administrative offence certificates, objections to audit reports, etc.).

6. Administrative appeals against issued acts and actions of the revenue authorities **before the Directorate for Appeals and Tax and Social Security Practice** (e.g. audit acts, AUPD, etc.).
7. **Collateralisation and enforcement of public and private state claims**
8. Gambling licensing, servicing and control activities under the Gambling Act.

Question 1. Which of the following NRA activities have you had direct experience with in the last two years?

(please tick all activities you have direct experience with)

1. Servicing of clients in territorial directorates and offices of the NRA *(e.g. related to filing/receiving documents, issuing certificates, payment of taxes and other obligations, registration and deregistration under the VAT Act, inspections of individuals, drawing up of AUPs, etc.)*.
2. Control activities, on-site inspections in **retail outlets**, except for the control of goods with high fiscal risk
3. Control activities (inspections and audits) of **natural and legal persons**, with the exception of control of goods with high fiscal risk
4. Control and checks in relation to the movement /transport/ of **goods with high fiscal risk**
5. Administrative appeals against acts and actions of the revenue authorities **before the Territorial Directorate** (e.g. acts/actions and omissions of public executors and tax authorities, objections to administrative offence certificates, objections to audit reports, etc.).
6. Administrative appeals against issued acts and actions of the revenue authorities **before the Directorate for Appeals and Tax and Social Security Practice** (e.g. audit acts, AUPD, etc.).
7. **Collateralisation and enforcement of public and private state claims**
8. Gambling licensing, servicing and control activities under the Gambling Act .
88. I have had no direct experience with any of the above activities. *(Excluding answer)*

(Filter: Questions 2-4 are previewed and completed only by those who indicated activity "1. Client service in territorial directorates and offices of the NRA related to filing documents, issuing certificates, payment of taxes and other obligations, registration and deregistration under the VAT Act and checks of individuals")

Question 2_1. In your opinion, what is the likelihood that corrupt relations (corrupt practices such as bribery*, abuse of power, misuse of property or conflict of interest) will arise in connection with the activity "Client service in territorial directorates and offices of the NRA (e.g. related to filing/receiving documents, issuing certificates, payment of taxes and other obligations, registration and deregistration under the VAT Act, checks on individuals, drawing up of AOU's, etc.)"?

1. High
2. Medium
3. Low

** Explanatory note:*

For the purposes of this study, these forms of corruption are understood to be:

Bribe - A promise or agreement to give or receive an unearned benefit (money, gifts, etc.) to a public official in order to induce the official to perform or not to perform acts related to his or her official duties.

Abuse of power by an officer of a public institution - Deliberate abuse of functions or office by the officer's doing or refraining from doing an act in breach of rules/laws with a view to obtaining a benefit for himself or another person or body.

Misappropriation of property by an employee of a public institution (which does not form part of the other cases) - Intentional misappropriation or other misuse of property, public or private funds, or stock or other securities vested in the employee by virtue of his or her office, committed by the employee for his or her own benefit or for the benefit of another person or entity.

Conflict of interest - A conflict of interest arises when a person holding public office has a private interest which results in a material or immaterial benefit to that person or to persons associated with that person and which may interfere with the impartial and objective performance of the powers or duties of the office.

Question 3_1. In case there is (arises) a corrupt attitude in connection with the activity "Client service in territorial directorates and offices of the NRA (for example, related to the submission/receipt of documents, issuance of certificates, payment of taxes and other obligations, registration and deregistration under the VAT Act, checks on individuals, drawing up of AOU, etc.)", how big would be the damage (material, economic, reputational, human) that would occur?

1. High
2. Medium
3. Low

(Filter: the question is previewed and asked for answers "high" or "medium" probability and "high" or "medium" damage for the respective activity OR for a combination of answers "high probability-low damage" or "low probability-high damage".)

Question 4_1. In your opinion, what is the likelihood that any of the following corrupt relationships (corrupt practices such as bribery*, abuse of power, misuse of property or conflict of interest) will arise in connection with the activity "Client service in territorial directorates and offices of the NRA (e.g. related to filing/receiving documents, issuing certificates, payment of taxes and other obligations, registration and deregistration under the VAT Act, inspections of individuals, drawing up AOU, etc.)"?

(One answer per line)

	High	Medium	Low
Bribery	1	2	3
Abuse of power	1	2	3
Misuse of property	1	2	3
Conflict of interest	1	2	3

* Explanatory note:

For the purposes of this study, these forms of corruption are understood to be:

Bribe - A promise or agreement to give or receive an unearned benefit (money, gifts, etc.) to a public official in order to induce the official to perform or not to perform acts related to his or her official duties.

Abuse of power by an officer of a public institution - Deliberate abuse of functions or office by the officer's doing or refraining from doing an act in breach of rules/laws with a view to obtaining a benefit for himself or another person or body.

Misappropriation of property by an employee of a public institution (which does not form part of the other cases) - Intentional misappropriation or other misuse of property, public or private funds, or stock or other securities vested in the employee by virtue of his or her office, committed by the employee for his or her own benefit or for the benefit of another person or entity.

Conflict of interest - A conflict of interest arises when a person holding public office has a private interest which results in a material or immaterial benefit to that person or to persons associated with that person and which may interfere with the impartial and objective performance of the powers or duties of the office.

(Filter: Only visible and filled in by those who indicated activity "2. Control activities, on-site inspections in commercial establishments, except for control of goods with high fiscal risk")

Question 2_2. ... Repeat questions 2 to 4 for the next activity on the list until the activities are exhausted.

....

(Filter: Visualized and filled in only for activities mentioned in question 1.)

Question 5. When contacting NRA staff for any of the following activities in the last two years, have you ever been asked for "something" (money, gift, service) in order to get a better, faster or more relevant service?

(One answer per line)

	Yes	No
1. Servicing of clients in territorial directorates and offices of the NRA (e.g. related to filing/receiving documents, issuing certificates, payment of taxes and other obligations, registration and deregistration under the VAT Act, inspections of individuals, drawing up of AUPs, etc.).	1	2
2. Control activities, on-site inspections in retail outlets , except for the control of goods with high fiscal risk	1	2
3. Control activities (inspections and audits) of natural and legal persons , with the exception of control of goods with high fiscal risk	1	2
4. Control and checks in relation to the movement /transport/ of goods with high fiscal risk	1	2
5. Administrative appeals against acts and actions of the revenue authorities before the Territorial Directorate (e.g. acts/actions and omissions of public executors and tax authorities, objections to administrative offence certificates, objections to audit reports, etc.).	1	2
6. Administrative appeals against issued acts and actions of the revenue authorities before the Directorate for Appeals and Tax and Social Security Practice (e.g. audit acts, AUPD, etc.).	1	2
7. Collateralisation and enforcement of public and private state claims	1	2
8. Gambling licensing, servicing and control activities under the Gambling Act.	1	2

(Visualized and filled in by all)

Question 6. Have any of your friends shared with you instances where they have been asked for "something" (money, gift, service) when contacting the NRA in the last two years in order to receive a better, faster or more relevant service?

(One answer)

1. Yes
2. No

Filter: only displayed and filled in for those who answered "Yes" to the previous question.

Question 7. Do you know which of the following activities of the NRA your acquaintances have referred to when they have been asked for "something" (money, gift, favour)?

(please tick all activities where you know they have been asked for "something" (money, gift, favour)

1. Servicing of clients in territorial directorates and offices of the NRA (e.g. related to filing/receiving documents, issuing certificates, payment of taxes and other obligations, registration and deregistration under the VAT Act, inspections of individuals, drawing up of AUPs, etc.).
2. Control activities, on-site inspections in retail outlets, except for the control of goods with high fiscal risk
3. Control activities (inspections and audits) of natural and legal persons, with the exception of control of goods with high fiscal risk
4. Control and checks in relation to the movement /transport/ of goods with high fiscal risk
5. Administrative appeals against acts and actions of the revenue authorities before the Territorial Directorate (e.g. acts/actions and omissions of public executors and tax authorities, objections to administrative offence certificates, objections to audit reports, etc.).
6. Administrative appeals against issued acts and actions of the revenue authorities before the Directorate for Appeals and Tax and Social Security Practice (e.g. audit acts, AUPD, etc.).
7. Collateralisation and enforcement of public and private state claims
8. Gambling licensing, servicing and control activities under the Gambling Act.
88. I don't know specifically in which activity(s) they were asked for "something" (money, gift, favour). (*Excluding answer*)

That was all, thank you for your participation! Please click the submit button to complete the survey.

5.3. In-depth interview guide

Note: As outlined in the Methodology, in-depth interviews are conducted with pre-selected NRA staff familiar with (and/or involved in) the identified high-risk activities or those prioritised for mitigating action.

Activity: ACTIVITY 1

Respondent: manager related to ACTIVITY 1

Approximate estimated duration: 30-40 min

Note: the interview can be conducted online using any of the existing platforms (Teams, Zoom, Skype, etc.).

1. In your opinion, how well-regulated is Activity 1?

- Are all operating procedures described in the existing regulations
- Are there frequent cases where what is regulated in the regulations cannot cover the specifics of a given situation and, consequently, the employee needs to take independent (creative) decisions?
- Are there opportunities for employees to deviate from work rules without this being identifiable/recognised/recorded

2. Does Activity 1 require highly qualified employees?

If yes:

- Are most employees highly qualified
- is it possible that mistakes are frequently made
- is it possible that mistakes are deliberate and go unnoticed

3. How is the work of Activity 1 staff monitored?

- Is the supervision meaningful, or do significant parts of the employees' work remain hidden
- What are the opportunities for staff to conceal their work (mistakes) from scrutineers
- Are employees' income and assets monitored
- In your opinion, what are the most effective and feasible measures to control employee behaviour related to Activity 2

4. Is there internal or external pressure on employees related to Activity 1?

- Is it common for colleagues or superiors to request favours from employees
- Is there interest from external parties (NRA clients) to request services from employees
- How employees can protect themselves in case of pressure - internal and external
- How often do employees report (complain) about pressure

5. How would you assess the extent to which corrupt relationships arising under Activity 1 are actually detected/recognised by the community of employees in the relevant department or directorate?

- What usually happens when corrupt relationships are recognised/suspected
- If there is an overlooking of cases of corruption, does this become an occasion for corrupt relations and pressure between employees
- What is the treatment of employees who openly report cases of corruption in relation to Activity 1

6. In your opinion, what are the most successful anti-corruption measures in relation to Activity 1?

- What makes these measures successful
- How successful measures are perceived by employees
- Are you considering stopping these measures and/or replacing them with others? If yes, why?

5.4. Sampling methodology for the survey among NRA clients

The first step in broadcasting the sample among NRA clients is to collect information about the general population, for which the table below can be used. The next step is to make a list of the individuals for whom emails are available from each group (individuals/legal entities and the corresponding TD). The lists should be cleaned of duplicate or invalid emails. . In addition, when different emails are used for the same legal entity, only the most recent (last used) is taken. The final count from each list, is the size of the general population of that type that is worked with when broadcasting the sample. For example, if there are 100 000 individuals with a unique and valid email for the NRA Burgas, the sample for the Burgas, individuals is broadcast from this list and the total number of 100 000 is set.

	Individuals (number)	Individuals for whom email is available (number)	Legal entities (number)	Legal entities for which email is available (number)
NRA Sofia				
Territorial Directorate of NRA Burgas				
Territorial Directorate of NRA Varna				
Territorial Directorate of NRA Veliko Tarnovo				
Territorial Directorate of NRA Plovdiv				
Territorial Directorate “Large Taxpayers and Insurers”				
Other (please clarify if any)				

The standard sampling design in quantitative research is simple random sampling. In simple random sampling, a random sample is drawn from the total list of clients with a unique and valid email by selecting a step N, which is equal to the total number of clients in the respective group (e.g., individuals at Territorial Directorate Burgas) divided by the target sample size. A random starting number between 1 and N is also chosen. The first employee drawn into the sample is the employee with a list number equal to the random starting number. The second is the employee with the number starting number + the step N, then the employee with the number by list starting number + 2N and so on until the list is exhausted. The recommended sample size for each group for which we want to generalize percentages (such as corruption pressure) is over 400 respondents who completed the survey. Desirable minimum size - 100 respondents.

The procedure described above can also be performed using an Excel formula template, which automatically selects the appropriate numbers from the list. The order of arrangement in the list is not essential - it can be alphabetical or in the order of entry in the list.

	A	B	C	D	E	F	G	H	I	J
1	Sample	number from the list	email	Date of sending the invitation	Date of sending of the first reminder	Date of sending of the second reminder		Teritorial Directorate	Burgas	<- Fill Here
2	14	14						Target group	Physical persons	<- Fill Here
3	43,2618	43								
4	72,5236	73						Persons with present email	146309	<- Fill Here
5	101,7854	102						Sample	5000	<- Fill Here
6	131,0472	131						Step	29.26	
7	160,309	160						Random beginning	14.00	
8	189,5708	190								
9	218,8326	219								
10	248,0944	248								
11	277,3562	277								
12	306,618	307								
13	335,8798	336								
14	365,1416	365								
15	394,4034	394								
16	423,6652	424								
17	452,927	453								
18	482,1888	482								
19	511,4506	511								
20	540,7124	541								

If there are not enough respondents, an additional sample can be drawn by selecting the next or previous client in the list.

If the sampling methodology described above is too complex to implement for practical reasons, an alternative approach is to conduct the survey exhaustively, i.e. to invite all clients to participate in the survey.

The simple random selection described above is also applicable to the survey of NRA employees.



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