

**TAXPAYER COMPLIANCE AND PUBLIC REVENUE PERFORMANCE: A CASE  
STUDY OF THE MINISTRY OF FINANCE AND PLANNING, REPUBLIC OF  
SOUTH SUDAN- JUBA**

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT  
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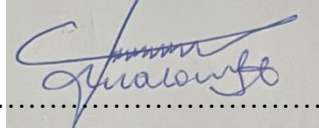
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## DECLARATION

This proposal is my original work, and it has not been presented for examination as a partial requirement for the award of a Master of Business degree from Uganda Christian University.

Signature: .....

A rectangular box containing a handwritten signature in blue ink. The signature is cursive and appears to read 'Malong Tong Akol'. Below the signature is a dotted line.

Name:

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## APPROVAL

This is to certify that this dissertation, entitled “*Tax Compliance and Public Finance Management: A Case Study of the Ministry of Finance and Planning, Republic of South Sudan– Juba,*” was written under my supervision and approval as the University Supervisor.

Henry Mugisha, PhD

Signature: ...  ...

Date: ...04/03/2025...

## **DEDICATION**

I humbly dedicate this research proposal first to God, then my dear wife, Mary Ayak Ajou, and my three beloved children, Tong Malong Tong, Kiir Malong Tong, and Diing Malong Tong, for their patience and resilience throughout my academic studies. May God bless each one of you abundantly.

## ACKNOWLEDGEMENTS

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Above all, the Almighty God who made me and gave me strength, good health, finances, ideas, wisdom, and understanding has strengthened me throughout this program, and I have flown on His wings. My love for you all is impossible to measure.

To God Be the Glory.

## ABSTRACT

This study aimed to investigate the effect of tax compliance on public revenue performance in the Republic of South Sudan, specifically focusing on the Ministry of Finance and Planning in Juba. The key objectives were to examine the impact of timely tax filing, voluntary tax payment, and financial reporting on public revenue performance. A correlational research design was employed, using a mixed methods approach to gather both qualitative and quantitative data. The study population consisted of 180 employees from the Ministry, with a sample size of 123 respondents selected through both probability and non-probability sampling techniques. Data was collected using structured questionnaires and interviews and analyzed through content analysis for qualitative data and descriptive, correlation, and regression analysis for quantitative data. Findings revealed that timely tax filing (TTF) has a weak positive correlation with public revenue performance, with a Pearson correlation coefficient of 0.324, significant at the 0.01 level. However, its impact is minimal, accounting for only 3.79% of the variation in public revenue performance. Voluntary tax payment (VTP) shows a weak positive relationship with public revenue performance, with a Pearson correlation coefficient of 0.315, significant at the 0.01 level. VTP has a significant positive effect, indicating that higher voluntary tax payments contribute substantially to improved public revenue performance, accounting for 32.9% of the variation. Financial reporting (FR), on the other hand, exhibits a weak negative correlation with public revenue performance, with a Pearson correlation coefficient of -0.475, significant at the 0.01 level. FR has a significant negative impact, suggesting that improved financial reporting practices are associated with decreased public revenue performance. The study concludes that while timely tax filing is associated with better public revenue performance, its effect is relatively small and statistically insignificant. Encouraging voluntary tax compliance is crucial, significantly enhancing public revenue performance. Conversely, better financial reporting practices are linked with decreased revenue performance, likely due to inefficiencies or complexities in the reporting process. To improve the effect of timely tax filing on public revenue performance, it is recommended to implement more user-friendly e-filing systems, conduct educational campaigns, and introduce incentives for early filers. Enhancing voluntary tax payment requires strengthening trust in tax authorities, simplifying tax payment processes, promoting tax education, and recognizing consistent taxpayers. Addressing the negative impact of financial reporting involves simplifying reporting requirements, modernizing financial reporting systems, providing training and support to taxpayers, and conducting regular audits with feedback to identify and mitigate issues hindering revenue performance.

## TABLE OF CONTENTS

Table of Contents	
<b>DECLARATION</b> .....	ii
APPROVAL.....	iii
DEDICATION.....	iv
ACKNOWLEDGEMENTS.....	v
ABSTRACT.....	vi
TABLE OF CONTENTS.....	7
CHAPTER ONE.....	12
INTRODUCTION.....	12
1.0 Introduction.....	12
1.1 Background to the Study.....	12
1.2 Statement of The Problem.....	16
1.3 Purpose of The Study.....	17
1.4 Objectives of the Study.....	17
1.5 Research Questions.....	18
1.6 Conceptual Framework.....	18
1.7 Scope of The Study.....	19
1.7.1 Content Scope.....	19
1.7.2 Geographical scope.....	19
1.7.3 Time scope.....	19
1.8 Justification.....	20

1.9 Significance of the study .....	20
CHAPTER TWO .....	21
LITERATURE REVIEW .....	21
2.0 Introduction.....	21
2.1 Theoretical Review .....	21
2.2 Empirical Review.....	22
2.2.1 Timely tax filing on public revenue performance .....	22
2.2.2 Voluntary tax payment on public revenue performance.....	24
2.2.3 Accurate financial reports and public revenue performance.....	28
2.3 Literature Summary .....	30
CHAPTER THREE .....	32
METHODOLOGY .....	32
3.1 Introduction.....	32
3.2 Research design .....	32
3.3 Area of study.....	32
3.4 Target Population .....	33
3.5 Sample Size Determination.....	34
3.6 Sampling Procedure .....	35
3.7 Data Collection Methods and Tools.....	35
3.7.1 Data Collection Methods .....	35
3.7.2 Data Collection Tools.....	35

3.8 Variable Description.....	36
3.9 Measurement of variables .....	36
3.9 Data Analysis Procedures .....	36
3.10 Anticipated ethical issues .....	38
CHAPTER FOUR.....	39
PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS .....	39
4.0 Introduction.....	39
4.1 Response Rate Calculation .....	39
4.2 Demographic Characteristics of the Respondents .....	40
4.2.1 Age of the respondents.....	40
4.2.2 Gender of the respondents .....	41
4.2.3 The education level of the respondents.....	41
4.2.4 Experience based on the years worked .....	42
4.3 Descriptive Statistics.....	43
4.3.1 Timely Tax Filing Practices .....	43
4.3.2 Voluntary tax payment .....	45
4.3.3 Financial Reports Practices .....	49
4.3.4 Public Revenue Performance .....	52
4.4 Pearson Correlation Coefficient.....	56
4.4.1 Public Revenue Performance (PRP) and Financial Reporting (FR).....	56
4.4.2 Public Revenue Performance (PRP) and Voluntary Tax Payments (VTP).....	57

4.4.3 Public Revenue Performance (PRP) and Timely Tax Filing (TTF).....	58
4.4.4 Interrelationships Among Independent Variables .....	58
4.5 Multiple Regression Analysis .....	59
4.5.1 Effect of financial reporting practices on public revenue performance.....	60
4.5.2 Effect of timely filing on the public revenue performance.....	61
4.5.3 Effect of voluntary tax payments on public revenue performance .....	62
CHAPTER FIVE .....	63
SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS .....	63
5.1 Introduction.....	63
5.2 Summary of Findings.....	63
5.3 Discussion of Key Findings .....	64
5.3.1 The effect of financial reporting practices on public revenue performance .....	64
5.3.2 The effect of voluntary tax payment on public revenue performance .....	64
5.3.3 The effect of timely tax filings on public revenue performance.....	66
5.4 Conclusions.....	66
5.5 Recommendations.....	67
REFERENCES .....	69

## LIST OF TABLES

Table 4. 1: Response Rate Calculation .....	39
Table 4. 2: Age of the respondents.....	40
Table 4. 3: The education level of the respondents.....	42
Table 4. 4: Timely tax filing practices .....	43
Table 4. 5: Summary statistics for voluntary tax payment.....	47
Table 4. 6: Summary statistics for financial reports practices .....	50
Table 4. 7: Summary statistics for Public Revenue Performance .....	53
Table 4. 8: Pearson Correlation Coefficient.....	56
Table 4. 9: Multiple Regression Analysis .....	59

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

The dissertation is about the effect of tax compliance on public finance management in the Ministry of Finance and Planning, Republic of South Sudan. This chapter presents the background of the study, the statement of the problem, the objectives of the study, research questions, significance of the study, scope of the study, and conceptual framework.

#### **1.1 Background to the Study**

Tax collection in Africa is low; in 2018, Sub-Saharan African countries collected 14% of their taxes as a share of GDP. However, upper-middle-income countries like Seychelles, Namibia, and South Africa have rates as high as 28–33%. In contrast, low-income countries like Chad, the Democratic Republic of Congo and Ethiopia have rates as low as 7%. In contrast, the Europe and Central Asia region has the highest rate of 32% (Fabrizio, 2023).

The government needs to perform political, social, and economic duties to maximise social and economic welfare. According to (Dackehag, 2012), to perform these duties and functions, the government requires many resources. To meet the demands of the nation, the government derives revenue from the public in different ways. The standard ways to raise resources are taxes, prices, fees, fines and penalties, gifts, grants, and special assessments.

Effective institutions and systems of public financial management play a critical role in implementing government policies and sound economic management. Public solid finance management (PFM) systems are required to maximise the efficient use of resources, create the highest transparency and accountability in government finances, and ensure long-term

economic development. If it is done well, Public Finance Management shall ensure that revenue is collected efficiently and used appropriately and sustainably (PEFA,2016). Public revenue is a lever to broader country development, raising revenues effectively, planning and executing budget decisions reliably and transparently, and building trust for donors and investors and the entire citizenry (IMF, 2019).

CIPFA (2009) defines ‘Public financial management practices as the system by which the financial aspects of the public services’ business are directed, controlled and influenced to support the delivery of the sector’s goals.

It’s important to note that dysfunctional Public Financial Management will not guarantee proper public revenue collection and public expenditure that is done according to the law, hence leading to poor service delivery. The most evident signs of bad Public Finance Management are persistent budget deficits and large differences between approved budgets and actual expenditures.

A well-designed and well-functioning financial management system is an essential prerequisite for effective state and development outcomes. Public financial management (PFM) aims to provide services to citizens. It refers to a set of laws, rules, processes, and systems deployed by central and subnational governments to mobilize revenue, allocate public funds, undertake public spending, and account for public funds by auditing results (IMF, 2013).

Robinson (2012) states that taxing fairly, efficiently, and responsibly is essential for statehood. These are essential traits of "inclusive" governmental structures that foster trust, encourage creative energies, and permit communities to prosper. According to IMF (2013), increasing a public finance management system's effectiveness may result in significant and long-lasting

advantages, which in turn may support broader societal shifts toward inclusive institutions and, as a result, stronger states, lower rates of poverty, greater gender equality, and balanced growth. Public finance management is crucial because tax-paying citizens expect their money to be utilized wisely, deliver high-quality services, and create a safe and stable societal environment. According to Fawcett (2018), Strong public financial management is crucial since it increases public trust in the government.

The researcher emphasized further that public finance management ensures that scarce resources are used to their fullest potential and allocated where they are most needed. (Raini, 2019)urges that the two most important components of financial management are accounting and budgeting. Ineffective procedures and monitoring in either of these areas can result in many difficulties, too much debt, a failure to raise enough money, and poor service delivery to stakeholders.

Ojede &Yamarik (2012) define Taxation as the imposition of compulsory levies on individuals or entities by the government to raise revenue for government expenditures, although these levies also serve other purposes. The state and the central government have undertaken various policy reforms over the last two years to streamline the taxation process and ensure transparency in the country.

According to the Uganda Revenue Authority (2021), the economy has generally performed below potential due to inefficiencies in revenue collection over the last ten years. For example, net revenue collections for the financial year 2019/2020 were 16,751.64 billion, which fell short of the projected target of 20,344.13 billion. The performance was 82.34%, and the deficiency was 3,592.49 billion dollars. All citizens in a country must pay taxes according to the law. These is the relevant provisions of the Constitution and can be regarded as a constitutional basis, but such provisions are very general and have no more detailed content. Tax compliance

involves complying with the tax rules and regulations, encompassing filing, reporting, and paying taxes.

Tax compliance occurs when individuals pay their “legally due tax liabilities” (Alm, 2019). Allingham and Sandmo (1972) analysed individual taxpayers’ economic perspectives and how the risk of punishment would affect compliance. Their findings suggested that tax rates, penalty rates, and expenditures on the investigation would affect tax compliance. Tax evasion can be defined as “the illegal concealment of a taxable activity” (Hashimzade, 2012). It is synonymous with Tax avoidance, which refers to the legal attempt to reduce one’s tax payments through the exploitation of tax loopholes (Kirchler, 2003). Tax loopholes can significantly impact revenue generated, which challenges public finance management.

Aboagye (2020) urges that tax revenues are the main source of financing and development of service delivery systems in most countries. Although taxes are known as important economic tools for policymakers to improve public services, the taxes on harmful goods and measures in Iran are not very significant and effective.

The government’s purpose of specific taxes is primarily to discourage the consumption of unhealthy products, and then to generate revenue. Taxes and subsidies are considered in health policies, because unhealthy products are not economically affordable by increasing the price, and as a result, the incentive to consume these products reduces, or by decreasing the price of healthier products, their consumption becomes economically affordable and increases.

The European Commission (2013) reported that Corruption within the Revenue Authorities remains a significant concern in many countries. This may involve bribery by the taxpayer to understate liability or avoid registration or extortion from them by the threat of over-assessment. The damage to revenue, compliance, and respect for the wider tax system can be chronic,

affecting revenue performance.

Taxation brings major benefits to the development of all sectors of the economy; for example, establishing a health system based on tax revenues can guarantee equal and equitable access to healthcare facilities and services by all segments of society. Regulating the tax collection and management of developing industries is of great significance for improving the tax collection and management system and promoting better service delivery based on prudent financial management. Akileand (2020) revealed that Upon South Sudan's 2011 independence, the legislation that governs how taxes are assessed and collected includes the 2016 Taxation Amendment Act, the 2011 Interim Constitution, the 2009 Local Governance Act and the 2019/20 Finance Act. Rules for budget execution and control are detailed in the 2011 Public Finance Management and Accountability Act.

However, while annual budgets in many parts of the world are reasonably reliable, in South Sudan they are widely viewed with suspicion because of the perceived lack of transparency over the country's budgeting, reporting, and auditing processes. Based on this background, the current study shall assess tax compliance and public finance management, a case study of the Ministry of Finance and Planning, Republic of South Sudan –Juba.

## **1.2 Statement of The Problem**

Public revenue performance is essential for governments to fund public services, drive economic development, and maintain fiscal sustainability. However, in South Sudan, significant challenges, including untimely tax filings, low voluntary tax compliance, and inadequate financial reporting, have undermined the effective mobilisation and management of public revenues. These issues have constrained service delivery, exacerbated budgetary deficits, and increased reliance on external borrowing (World Bank, 2019).

In Juba, the capital of South Sudan, the problem is particularly evident. While the Taxation Act of 2009 aimed to formalise revenue collection and improve efficiency, its implementation has faced systemic challenges (Agak-Achuil, 2023). Untimely tax filings delay revenue inflows, disrupting the government's ability to execute planned expenditures. Voluntary tax compliance remains low, with enforcement mechanisms consuming significant administrative resources and further weakening the efficiency of revenue collection (Akol, 2018). Moreover, inadequate and unreliable financial reporting continues undermining transparency and accountability, limiting the government's ability to make informed fiscal decisions (World Bank, 2019).

The Ministry of Finance and Economic Planning, responsible for overseeing public spending and ensuring fiscal discipline, faces significant pressure to address these persistent issues. This study investigates how timely tax filing, voluntary tax payment, and reliable financial reporting impact public revenue performance in Juba, South Sudan. By examining these factors, the research offers actionable recommendations for strengthening tax compliance, enhancing revenue mobilization, and improving public financial management in South Sudan's evolving economy.

### **1.3 Purpose of The Study**

The study investigates the effect of tax compliance on public revenue performance in the Republic of South Sudan.

### **1.4 Objectives of the Study**

- i. To examine the effect of timely tax filing on public revenue performance in Juba, South Sudan.
- ii. To establish the effect of voluntary tax payment on public revenue performance in Juba, South Sudan.
- iii. To examine the effect of financial reports on public revenue performance in

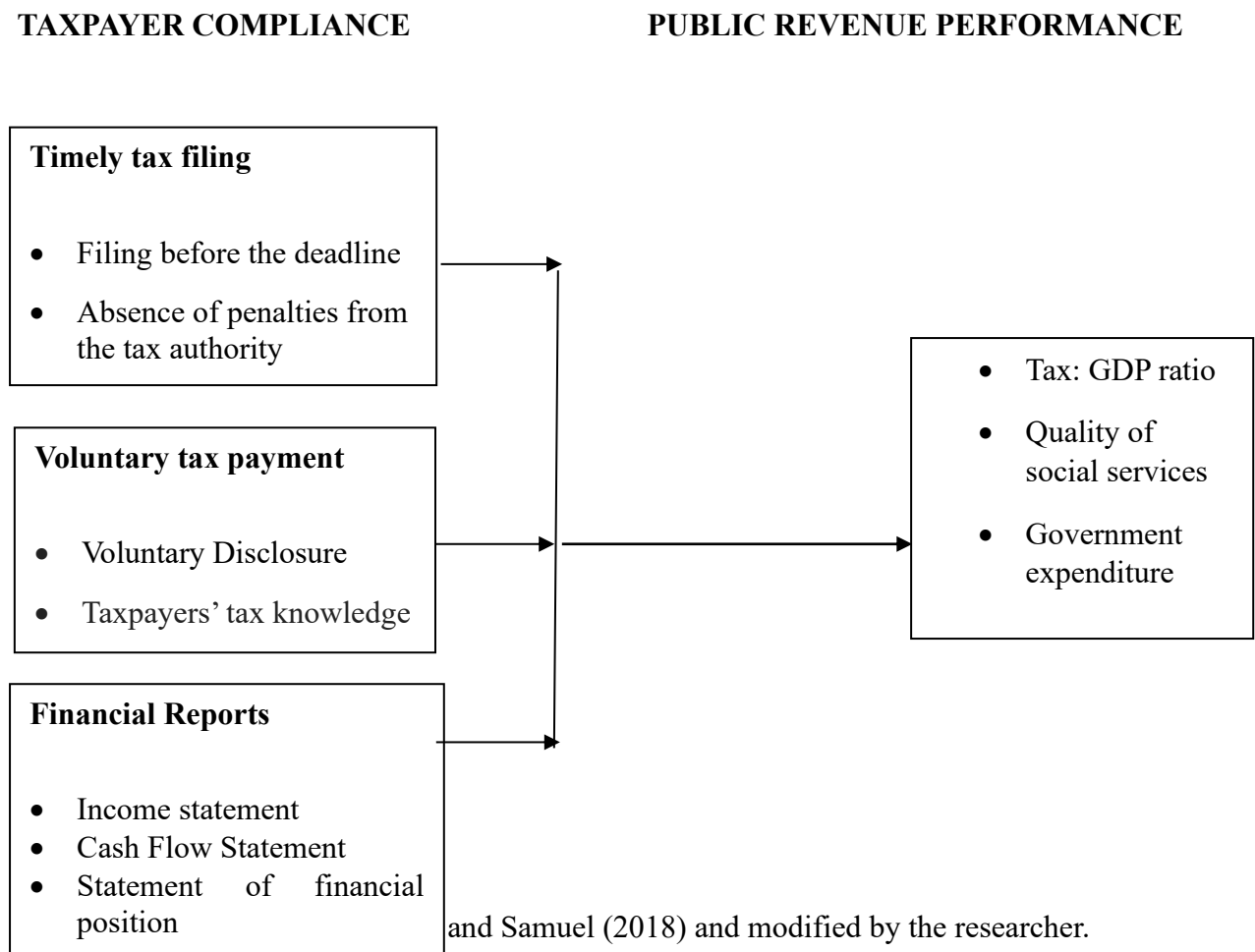
Juba, South Sudan.

### 1.5 Research Questions

- i. How does timely tax filing affect public revenue performance in Juba, South Sudan?
- ii. What is the effect of voluntary tax on public revenue performance in the Ministry of Finance and Planning, Juba, South Sudan?
- iii. What is the effect of financial reports on public revenue performance in Juba, South Sudan?

### 1.6 Conceptual Framework

**Figure 1:** Conceptual framework showing the relationship between tax compliance and public finance management.



The conceptual framework (figure 1 above) demonstrates the link between tax compliance as the independent variable in the form of timely tax filing, voluntary tax payment and accurate financial records, and public revenue performance, which shall be assessed in terms of tax to GDP ratio, quality of social services, government investment and government expenditure. Non-compliance with taxes can result from a lack of awareness on the part of taxpayers. It is assumed that the citizens will comply with tax payments if the public finance management is effective in budgeting (execution and appropriation process) alongside equitable public spending. However, this relationship can be affected by the legal and institutional framework because non-compliance has no strong legal effect.

## **1.7 Scope of The Study**

The scope of the study will be presented in three sub-themes, as shown below:

### **1.7.1 Content Scope**

The study will focus on establishing the effect of timely tax filing, voluntary taxation, and financial reports on public revenue performance in Juba, South Sudan. It will also establish the effect of government regulations on this performance management.

### **1.7.2 Geographical scope**

The study will be conducted at the Ministry of Finance and Planning headquarters in Juba City, Republic of South Sudan.

### **1.7.3 Time scope**

The time scope is from 2018 - 2021. The period is considered because many cases of underfunded government projects and activities were reported in most parts of the country.

## **1.8 Justification**

The rationale behind the choice of this study is to empirically establish the effect of tax compliance on public finance performance in the Ministry of Finance and Planning in South Sudan. The results of this study will contribute positively to public finance management and effective service delivery to taxpayers.

## **1.9 Significance of the study**

The National Revenue Authority of South Sudan: The findings from this study may establish the bottlenecks in revenue collection mechanisms and solutions to eliminate the shortcomings in revenue collection.

The findings of this research may add to the existing knowledge of tax compliance in South Sudan, which may further guide the Ministry of Finance and Planning in developing strategies to strengthen tax collection in the country.

Researchers and Academia: The research will immediately benefit researchers and academics working in public finance. It shall document good practices and challenges of public financial management emanating from tax compliance and performance.

General Public: The study findings could enable the public to be given adequate, balanced, and objective information on matters of public financial management and the performance of county governments through the concept of public participation.

While the research findings remind the government to collaborate with the public in decision-making, they also empower the public to be involved in all development activities, such as Budget making, law-making and legislation, policymaking and development planning, and monitoring and evaluation of development programs.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter provides an overview of the literature related to the study. The literature review will provide a framework for establishing the study's importance and a benchmark for comparing the study's results with those of other researchers so that the researcher establishes study gaps and adopts appropriate concepts. The chapter starts with a theoretical review followed by an objective scholarly review.

#### 2.1 Theoretical Review

The study was guided by the Theory of Optimal Taxation as proposed by Frank in 1927. According to Demartini and Otley (2020), the optimal tax theory posits that a tax system should be chosen to maximize a social welfare function subject to constraints. According to the theory, a sound tax system should meet five basic conditions: fairness, adequacy, simplicity, transparency, and administrative ease (Mathirai, 2020). One of the criticisms of optimal tax theory, which, among other things, prescribes that each good in an economy should be taxed at a separate rate, higher for necessities and lower for things with good substitutes, is that it ignores the administrative costs of the tax. According to (Del-Giudice, 2020), the theory assumes that the government sets commodity taxes to maximize the utility of a single consumer subject to the chosen taxes generating required tax revenue. According to Mankiw (2009), the general principle is that a person who contributes more to society deserves a higher income that reflects those higher contributions. The theory is relevant to the study because its tenets are centered on ideal factors for a tax system that can contribute to tax compliance by eligible taxpayers.

The Theory of Optimal Taxation, as proposed by Frank (1927), has significantly influenced the design of tax systems by advocating for principles such as fairness, adequacy, simplicity, transparency, and administrative ease ([Mathirai, 2020](#)). However, the theory has notable limitations. One primary criticism is its disregard for administrative costs; while prescribing different tax rates for various goods, it overlooks the practical complexities and expenses associated with implementing such a system. Additionally, the theory assumes that governments aim to maximize the utility of a single representative consumer while ensuring sufficient revenue (Del-Giudice, 2020), which oversimplifies the diverse preferences and needs within a population. Another critique, highlighted by Mankiw (2009), questions the theory's fairness, suggesting that income distribution should reflect individuals' societal contributions, which the theory does not explicitly address. Despite these criticisms, the theory remains relevant to this study as it emphasizes the core elements of a sound tax system, which are critical for promoting tax compliance.

## **2.2 Empirical Review**

### **2.2.1 Timely tax filing on public revenue performance**

The Addis Tax Initiative Report 2019 revealed that corporate income tax, personal income tax, value-added tax, or General Sales Tax, and a high on-time filing rate are indicative of effective compliance management and, along with high on-time payment rates, provide a good measure of voluntary compliance in the tax system.

According to the Federal Inland Revenue Service Report 2016, Filing tax returns for various taxes with the Tax Authority is a legal obligation that every taxpayer must fulfill. A taxpayer must file tax returns as required under a specified tax law. The law specifies the type of returns, the nature of information required as well as the frequency and manner in which the returns should be filed. Mathirai (2020) argues that the Tax Authority must facilitate the process of

filing tax returns by providing a taxpayer with standardized forms, guidelines, and procedures. Therefore, timely tax filing prevents taxpayers in a given county from penalties and fines.

Mathirai (2020) investigated the impact of filing returns on tax revenue. The findings revealed that compulsory online payments or e-filing of tax revenue and several taxpayers who return income tax could increase public revenue. They further revealed that the impact of tax amount was tax revenue collected from the various sectors. It's, therefore, clear that modern tax filing methods like e-filing could quicken public revenue collection in South Sudan.

Raphael (2017), utilized the decomposed theory of planned behavior with factors adjusted specifically for South Africa as a developing country to identify the possible determinants of user acceptance of the e-filing system among taxpayers. This exploratory study was conducted using a questionnaire survey. It was revealed that for taxpayers using the manual method, lack of facilitating conditions such as access to computer and internet resources was the most significant barrier to e-filing usage, while taxpayers using the electronic method reported perceived usefulness as the primary determinant in their decision to use e-filing.

A tax return is a legal way of reporting your income, expenses, and other pertinent tax information. According to Uganda Revenue Authority (URA) report 2022, Tax returns are filed with the Uganda Revenue Authority (URA). Provisional returns must be submitted between 1<sup>st</sup> July – 30<sup>th</sup> December of the financial year, and final returns must be submitted before the 30<sup>th</sup> of June every financial year. It lets you analyze your tax liability and generate and schedule tax payments. In Uganda, tax returns must be filed annually for an individual with a business or company. Accounting for your income, interest, dividends, and profits.

All legally registered businesses, companies, or organisations operating in South Sudan require a TIN. The South Sudan Revenue Authority (2024) reported that a business will be issued with a new TIN. The National Revenue Authority will then reconcile old records under the new TIN.

A notification will be shared through the provided phone number or email address once the process is complete.

Young, (2021) reported that Taxpayers in South Sudan have historically faced challenges meeting their tax obligations in time due to the current manual system of tax administration. To address these challenges, the NRA adopted technology and introduced an e-tax portal through which taxpayers could declare and file returns, make tax payments, and access tax-related services, including applying for a tax compliance certificate.

According to Bigirwa (2009), Revenue performance is reflected in the tax collected and shows the compliance of taxpayers. He further noted that without funds from taxes, local authorities would virtually grind to a halt if the central government failed to provide substitute funds. The objective of raising taxes is to raise revenues for the government so that it can undertake its various policy measures concerning society as a whole ((Ayoki, 2005). Therefore, tax revenue collectors ought to be facilitated with equipment that enables them to execute their duties efficiently and effectively. Personnel ought to be empowered to rightly assess, collect and remit tax revenue to the treasury. Gupta, (2007) explains that the amount collected in tax revenue will depend on how well-equipped the tax personnel are.

### **2.2.2 Voluntary tax payment on public revenue performance**

Tax awareness is a very important determinant of tax compliance. Agumas (2024) examined the factors influencing voluntary tax compliance among large taxpayers in Ethiopia based on the theoretical foundation of tax compliance. This study used an ordinary logic regression model, a closed-ended questionnaire with 1550 taxpayers, and quantitative data analysis. The regression analysis shows that tax compliance behavior is positively and significantly influenced by government trust, taxpayers' tax knowledge, tax system fairness, and rewards. However, compliance costs negatively and significantly affect tax compliance. To improve

voluntary tax compliance, the government and tax authorities need to be more open and responsible. Therefore, tax awareness among taxpayers should be increased through websites, seminars, and the media.

According to Kagan (2020), voluntary compliance refers to the principle that citizens will cooperate with their government by filing honest and accurate annual returns. He revealed that the U.S. income tax system operates under this assumption, though not without checks and balances. Voluntary, in this case, implies that the individual taxpayer will prepare and file a return without proactive action by the government. Payment of income taxes is mandatory. However, the burden of reporting income falls upon each taxpayer. The U.S. government discovered early on that auditing every individual tax return is impossible. Therefore, it must be assumed that taxpayers will voluntarily comply to the best of their abilities. Since auditing every individual taxpayer is impossible it is paramount that individuals voluntarily pay taxes.

The Uganda Revenue Authority report (2023) described Voluntary tax payment as a process where the taxpayer discloses information related to tax liabilities, misstatements or omissions of his or her tax declarations to the Uganda Revenue Authority (URA) without being prompted by any action or threat of action by URA. Such actions include the initiation of a tax investigation, a request for tax information, a tax advisory letter, a tax health check/review, a Notice of audit, a tax query or a compliance visit by URA officers.

Voluntary Disclosure also covers persons engaged in income-generating activities who are not yet registered or whose registration details are inaccurate. Those who voluntarily register for taxes can apply and will be required to pay only the principal tax due for the period of their non-compliance. For example, a taxpayer whose VAT books of accounts are being audited for the FY 2020/2021 may still make a valid voluntary disclosure of income tax liability for the same financial year or VAT for the previous FY 2019/2020. The URA report further revealed

that the main reason for the Voluntary Disclosure Program is to enable the taxpayer to return to full compliant status concerning legal obligations.

Taxpayers need to declare their true income for the proper growth of the economy. James and Matthias (2020) assert that the central concern of policymakers is the effect of taxation on income distribution. However, when individuals and firms cheat on their tax obligations, these actions alter the true effects of taxation, especially the effects on income distribution and social service provision.

Tax evasion leads to financial instability. Ozilli (2018) explored the association between tax evasion and financial instability. The discussion showed that tax evasion could reduce the tax revenue available to governments to manage the economy and can weaken the government's ability to promote stability in financial systems; on the other hand, taxpayers who evade taxes feel they can use the evaded tax money to rather improve their financial stability.

A study by Erstu (2021) investigated the factors influencing taxpayers to engage in tax evasion. The researcher used a descriptive and explanatory research design and followed a quantitative approach from the target population of 4,979 by using a stratified and simple random sampling technique, 370 respondents were selected. The study established that the relationship between the independent variables with the dependent variable was positive and statistically significant. The regression analysis also indicated that tax fairness, tax knowledge, and moral obligation significantly influenced taxpayers to engage in tax evasion. Toder et al. (2014) argue that besides its effects on private agents, voluntary tax payment also affects the economy through changes in public finances. If the change is revenue-neutral, there is no issue with financing effects, since there formed system would raise the same amount of revenue as the existing system.

However, any tax cut must be financed by some combination of future spending cuts or future tax increases with borrowing to bridge the timing of spending and receipts. A study by Garang (2016) reported that in recent years there have been substantial modifications to the South Sudanese tax structure. The Two levels of government, the national government and the local government enforce taxes. Taxes are typically acknowledged by the taxpayers as significant economic development factors in a country. If the taxpayers acknowledge taxation as a necessity for economic growth and development, then they will voluntarily pay taxes.

Information technology integration in the tax system would influence voluntary tax collection. With the development of information technology, the tax collection and management mode can improve the mode of tax service (Fan, et al, 2014). The advantage is that it would accelerate the speed of tax collection and administration in China. However, taxpayers will also show various tax avoidance behaviors through technical means, which makes the work of the tax administration department more difficult.

Studies by Oludele (2023) revealed that the adoption of technology in the taxation system can reduce tax evasion through the exchange of information across the different tax systems within and outside

The continent. The low uptake of technology in tax mobilization is partly due to budgetary constraints. Furthermore, the restricted availability of internet connectivity has hindered technology adoption for tax payments, particularly in rural regions. Adoption of technology would lower tax evasion and enhance tax revenue mobilization via the use of standard tax software to collect and share companies' financial records, electronic invoicing, and automated reporting. A study at a university in Argentina found that tax evasion is perceived as sometimes ethical or as rarely ethical depending on the case (McGee & Rossi, 2006). The view that tax could be considered as never ethical in Argentina was a surprise as they were in the midst of

an economic crisis at the time of data collection. This contradicted previous research findings suggesting low tax morale during economic crises or low government confidence. Previous research has found that in an economic crisis, tax morale is lower (Heinemann, 2011).

### **2.2.3 Accurate financial reports and public revenue performance**

Carnahan (2015) Financial reports are formal records of the financial activities and position of a business, person, or other entity. Various types of financial reporting and analysis can serve different purposes. However, some of the most common ones include Income Statements. Also known as profit and loss, an income statement is a financial analysis report showing the company's income and expenses over a given period, focusing on four key elements: revenue, expenses, gains, and losses. The main goal of this statement is to understand if the business is making money. The report subtracts the revenue from all expenses to understand how much profit (or loss) the business had.

Balance Sheet: It provides a detailed overview of a company's assets, liabilities, and stockholders' equity. A balance sheet summarises the business's economic health at a given point, usually monthly or quarterly, and can be used for internal or external purposes. On the one hand, it can be reviewed internally by any stakeholder, such as managers or employees, to understand if the company is going in the right direction.

Cash Flow Statement: A cash flow statement shows the amount of cash the company generates and the costs for which the cash is being spent. It contains elements of the income

Financial statements and the balance sheet are critical to successfully managing a business. A cash flow statement is usually divided into 3 different areas that classify all the cash received and paid. First, we see the operating cash flow, which shows revenue, expenses, gains, and losses, and then we have the investing one, which shows the cash from debt and equity

purchases and sales. Lastly, we have the financial one, which reports on long-term liabilities such as loan payments and equity items such as the sales of company stock.

Statement of shareholder equity: This report shows the changes in shareholders' equity from the beginning to the end of an observed accounting period, typically a year. It gives investors transparency regarding their equity, how it fluctuates, and what business activities are responsible for those changes. It calculates the difference between the company's assets and liabilities, constituting a key part of a balance sheet. However, big corporations might generate it as a separate statement.

Statement of retained earnings: Connected to the previous report type, the statement of retained earnings shows the accumulated profit of a business after net income has been summed and dividends paid to shareholders. It shows how much earnings a company has made during an observed period and helps owners and decision-makers assess the business's financial situation and evaluate potential reinvestments or growth opportunities based on the retained earnings left for the coming accounting period.

Once a business has well prepared and maintained its balance sheet, cash flow statement, statement of shareholder equity, and statement of retained earnings, the revenue authorities can clearly assess taxpayers, hence contributing to better revenue performance in the Republic of South Sudan. (Yuh, 2013) points out that the main group users of financial statements include investors, employees, customers, the government and the public. They include the following:

Employees: It is encouraging to note that some companies produce a separate employee report. Employees and their representatives require information on business performance for two principal reasons: For wage and salary negotiation

Customers: This group is interested in the business's short—and long-term financial stability and its potential to supply quality goods and services. They may also be interested in the business's environmental policy. Governments: The government department uses financial statements for taxation, which is the company's taxation and VAT. The governments, therefore, are decision-makers, and their forward economic plan is influenced by the performance of all businesses within the various sectors of the economy.

A study by Porter (2014), revealed that Groups in the USA regarded financial statements as the most important source of information for investment decisions and taxation. In the United Kingdom, only institutional investors made that judgment. Extensive studies were conducted on two categories of investors: individual investors and institutional investors. Both individual investors and investors regarded long-term capital gains as more important than dividend income, which is more important than short-term capital gains.

According to Choi (2021), there was massive debate about the role of financial statements in decision-making and their responsibilities in the concussions faced by global companies. However, after each hit a major company, it was noted that the fingers were pointed either covertly or explicitly at the role of financial statements. There is no doubt that the financial statement takes a major responsibility in this regard, however it has been said that the profession of accounting and monitoring disappointed beneficiaries of financial reports after these shakes because of its negative repercussions and the weakening of the global economy.

### **2.3 Literature Summary**

Scholars such as Carnahan (2015), Porter (2014) and Yuh (2013) point out that financial reporting can help businesses of all sizes build trusted relationships with tax authorities. Regulatory institutions such as tax authorities use financial statements for tax assessment. Tax agents and various governmental entities also gather financial information to monitor that

businesses comply with tax regulations. They also identified the common financial reports as Income Statements, Balance Sheets, Cash Flow Statements, Statements of shareholder equity and Statements of retained earnings. The government department uses financial statements for the purposes of taxation.

According to Kagan (2020), Voluntary compliance refers to the principle that citizens will cooperate with their government by filing honest and accurate annual returns. He revealed that the U.S. income tax system operates under this assumption, though not without checks and balances. Voluntary, in this case, implies that the individual taxpayer will prepare and file a return without proactive action by the government. Payment of income taxes is mandatory. But the burden of reporting income falls on individual taxpayers. The U.S. government discovered early on that auditing every individual tax return is impossible. The importance of the taxpayers declaring their true income for the proper growth of the economy was also highlighted by several scholars. However, when individuals and firms cheat on their tax obligations these actions alter the true effects of taxation, especially the effects on income distribution and social service provision as well as financial instability of nation.

Furthermore, the government uses regimes of laws, administrative rules, judicial rulings, and practices that constrain, prescribe, and enable effective revenue collection. Therefore, the legal framework of laws norms, and standards are used by the government to influence public revenue performance.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

The present study investigates the effect of tax compliance on public revenue performance in South Sudan. This methodology is organized as follows, the research design, the study area, the population, sample, and participants, the data collection instruments, variables, and materials, variable descriptions, data analysis techniques, and ethical considerations.

#### **3.2 Research design**

According to Kothari (2004), it refers to the setup of parameters for data collection and analysis to balance procedural economy with relevance to the study objectives. According to Creswell and Creswell (2017), is a plan or proposal that combines certain methodologies, philosophies, and inquiry strategies. This study will adopt a concurrent mixed methods procedure. In concurrent mixed methods procedures, the researcher thoroughly examines the study problem by combining quantitative and qualitative data (Creswell & Creswell, 2017). With this design, the researcher simultaneously gathered both types of data and combined the information when interpreting the final findings.

#### **3.3 Area of study**

Officially known as the Republic of South Sudan, South Sudan is a landlocked nation in East Africa that shares borders with the Central African Republic to the west, the Democratic Republic of Congo, Uganda, and Kenya to the south, Ethiopia to the east, and Sudan to the north. Juba is the capital and largest city of South Sudan, home to 12.7 million people. South Sudan's major city and capital is Juba. The city is the capital of the Central Equatoria State and is located on the White Nile. There were 525,953 people living there in 2017, making it the

most recent national capital to be designated. Its total area is 52 km<sup>2</sup>, of which 336 km<sup>2</sup> are in the metropolitan region.



### 3.4 Target Population

This refers to all items within a specific field of inquiry. It is a complete enumeration of all items in the population (Kothari, 2004). This method assumes that covering the entire population eliminates elements of chance and ensures the highest level of accuracy. However, in practice, this assumption may not hold. On the other hand, Creswell and Creswell (2017) defines it as the entirety of individuals that researchers aim to examine and make inferences on. Therefore, this study will target 180 participants, including accountants, budget officers, economists, planners, commissioners, directors, and administrators.

### 3.5 Sample Size Determination

This is the process of calculating the number of respondents to participate in a study so that the results address the study objectives. A well-determined sample size balances the need for accuracy with resource constraints, minimising errors while ensuring the validity of the study. Using the Taro Yamane formula, this study will estimate a sample of 123 from 180 individuals. The sample will comprise accountants, budget officers, economists, planners, commissioners, directors, and administrators, representing a diverse group of professionals integral to the study objectives.

$$n = \frac{N}{1 + N \times e^2}$$

$n$  = Required sample size

$N$  = Population size

$e$  = Margin of error (acceptable error level, usually 5% or 0.05 for 95% confidence level).

Therefore, using a finite population of 180, and a margin of error of 5%, the study yielded the following sample size.

$$n = \frac{180}{1 + 180 \times (0.05)^2} = 123$$

Using the Taro Yamane formula, with a 5% margin of error and a 95% confidence level, a sample size of 123 was selected from a population of 180. This sample included key stakeholders such as accountants, budget officers, economists, planners, commissioners, directors, and administrators, ensuring diverse perspectives relevant to the study objectives.

### **3.6 Sampling Procedure**

These are techniques and processes utilized to select a sample from a larger population. According to Kothari (2004), sampling procedures are essential for obtaining representative data from a population while saving time and resources. Creswell (2014) defines it as a structured procedure ensures generalizability of findings. Sampling methods are broadly categorized into probability and non-probability techniques, each with specific strategies based on the study purpose. This study employed both probability and non-probability sampling methods. To be particular, a simple random sampling technique was employed for the quantitative data while purposive sampling was employed for the qualitative data.

### **3.7 Data Collection Methods and Tools**

#### **3.7.1 Data Collection Methods**

This study employed a survey method, interviewing, and observation methods for data collection. The survey design involved seeking data from the administrators while the interviewing approach allowed the collection of the data from the budget officers, economists, planners, commissioners, and directors.

#### **3.7.2 Data Collection Tools**

A structured questionnaire was vital for quantitative data. The interview guide was useful for collecting qualitative data and observation guide respectively. The questionnaire was selected due to its diverse ability to collect multiple data for both open and closed-ended questions to offer a glimpse of both quantitative and qualitative responses for the study.

### 3.8 Variable Description

The study focused on public revenue performance as the main outcome, with timely tax filings, voluntary tax payments, and financial reports as the independent variables. Timely tax filings referred to taxpayers meeting submission deadlines, voluntary tax payments indicated taxpayers' willingness to pay without enforcement, and financial reports involved the accuracy and transparency of financial disclosures by entities. The study aimed to analyze how these factors influenced public revenue performance.

### 3.9 Measurement of variables

Mugenda and Mugenda (2003) supported the use of nominal, ordinal, and Likert-type rating scales during questionnaire design and measurement of variables. The nominal measured such variables as gender and marital status, among others. The ordinal scale shall be employed to measure such variables as age, level of education, and years of experience, among others. The five-point Likert type scale (1 strongly disagree, 2 disagree, 3 not sure, 4- agree, and 5 strongly agree) was used to measure the independent variable and the dependent variable.

### 3.9 Data Analysis Procedures

This study performed data analysis at three different levels. The univariate, bivariate, and multivariate level data analysis. A Pearson correlation model was employed to assess the measures of association between variables as in the equation:

$$r = \frac{\sum(x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum(x_i - \bar{x})^2 \sum(y_i - \bar{y})^2}}$$

The equation calculated the magnitude and direction of the correlation between the independent variables, such as timely tax filings, voluntary tax payments, and financial reports, and the

dependent variable, public revenue performance. A multiple regression model was also used to predict public revenue performance based on timely tax filing, voluntary tax payments, and financial reporting. The model equation was as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$$

Where  $Y$  = public revenue performance.  $X_1$ - $X_3$  are independent variables comprising timely tax filings, voluntary tax payments, and financial reports.  $\beta_1$ - $\beta_3$  are the coefficients of the independent variables/slope parameter.  $\beta_0$  is the constant term measuring the value of public revenue performance while all the independent variables are continuous.  $\varepsilon$  is the error term. Therefore, using the unstandardized coefficients from Table 4.9, the estimated regression model can be written as follows. Substituting the coefficient estimates gives the following regression equation.

$$\mathbf{PRP} = 3.750118 - 0.431325(\mathbf{FR}) - 0.052014(\mathbf{TTF}) + 0.3291597(\mathbf{VTP}) + \varepsilon$$

Where:

- PRP = Public Revenue Performance
- FR = Financial Reporting
- TTF = Timely Tax Filing
- VTP = Voluntary Tax Payment
- $\varepsilon$  = Error term (residual)

### **3.10 Anticipated ethical issues**

Confidentiality was maintained by using the collected data solely for research purposes and not for any administrative actions. Anonymity was safeguarded by omitting respondents' names and titles from all research tools to protect their privacy. Participation was entirely voluntary, respecting respondents' rights and allowing them to answer questions freely and without coercion. To uphold originality and academic integrity, the researcher appropriately acknowledged all sources and cited authors using the APA format.

## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

#### 4.0 Introduction

This chapter presents data from a study using questionnaires and interviews, analyzed using SPSS and Excel software. Results are presented in frequencies, percentages, and mean, with quantitative data from the questionnaire and qualitative data from interviews.

#### 4.1 Response Rate Calculation

The table shows how well different groups of respondents participated in the study compared to the original plan.

**Table 4. 1: Response Rate Calculation**

<b>Respondent category</b>	<b>Planned</b>	<b>Actual</b>	<b>Percentage (%)</b>
Accountants	25	18	14.63
Budget officers	12	9	7.32
Economists	25	20	16.26
Planners	19	14	11.38
Commissioners	6	5	4.07
Directors	4	4	3.25
Administrators	32	24	19.51
<b>Total</b>	<b>123</b>	<b>94</b>	<b>76.42</b>

Source: Primary Data, 2025

Among accountants, 18 out of 25 took part, making up 14.63% of the total responses. Budget officers had a slightly lower turnout, with 9 of the 12 planned respondents participating, contributing 7.32%. Economists showed strong engagement, with 20 out of 25 responding, accounting for 16.26%. Planners followed closely, with 14 out of 19 planned participants taking

part, making up 11.38%. Commissioners and directors both had high participation rates relative to their small, planned numbers, with commissioners contributing 4.07% (5 out of 6) and directors 3.25% (all 4 planned respondents). Administrators represented the largest single group, with 24 of the planned 32 participants, contributing 19.51% to the total.

## 4.2 Demographic Characteristics of the Respondents

### 4.2.1 Age of the respondents

The table shows the distribution of respondents by age category. The data reveals a diverse age range among the participants, with the largest group being those above 40 years old, making up 38.3% of the total.

**Table 4. 2: Age of the respondents**

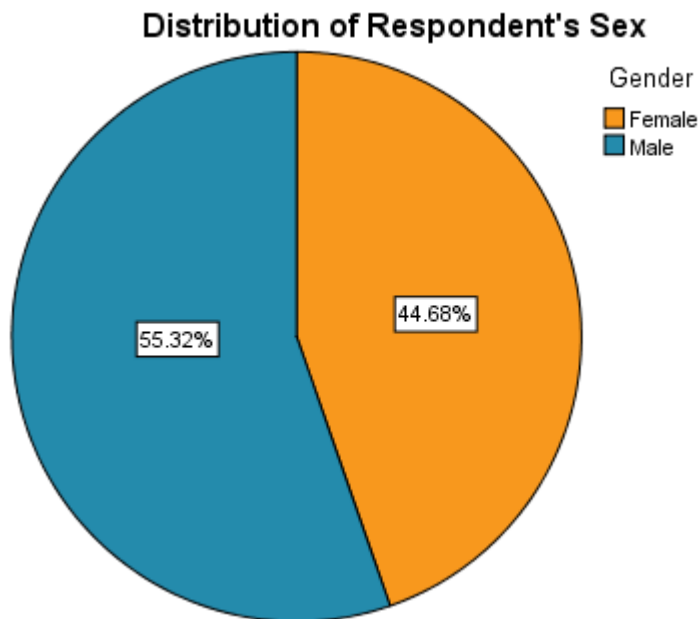
Age Category	Frequency	Percentage (%)
Below 30 years	28	29.8
31-40 years	30	31.9
Above 40 years	36	38.3
<b>Total</b>	94	100.0

Source: Primary Data Analysis, 2025

Among the participants, 28 individuals (29.8%) were below 30 years old, while 30 respondents (31.9%) fell within the 31-40 years age group. The largest age group consisted of those above 40 years, with 36 respondents, making up 38.3% of the total. This indicates a significant representation of older individuals in the study. The next largest group is those aged 31-40 years, comprising 31.9% of the participants. This suggests a balanced middle-aged demographic. Lastly, the group below 30 years old accounts for 29.8% of the participants, showing a relatively younger segment.

### 4.2.2 Gender of the respondents

The Figure 4.1 illustrates the gender distribution among respondents. The gender distribution among respondents, as illustrated by the pie chart, reveals a relatively balanced representation, with 55.32% male and 44.68% female participants.



**Figure 4. 1: Distribution of respondent's sex**

Figure 4.1 above shows that the largest proportion (55.32%) of the participants were male, while 44.68% were female. This indicates a relatively balanced gender representation, with males slightly outnumbering females ensuring inclusive perspectives in the study.

### 4.2.3 The education level of the respondents

This distribution indicates that the majority of respondents have pursued higher education, which likely enhances the reliability and depth of their responses. The presence of advanced qualifications suggests that the participants were well-informed and capable of responding appropriately.

**Table 4. 3: The education level of the respondents**

<b>Education Level</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Degree	37	39.4
Post Graduate Diploma	25	26.6
Masters	32	34.0
<b>Total</b>	<b>94</b>	<b>100.0</b>

Source: Primary Data Analysis, 2025

The highest percentage (39.4%) held a degree qualification, followed by 34.0% who had attained a master’s degree. Additionally, 26.6% of the respondents had completed a postgraduate diploma. This distribution indicates that the respondent group was well-educated, with a significant proportion holding advanced qualifications, which likely contributed to the reliability and depth of their responses.

#### **4.2.4 Experience based on the years worked**

Table 4.4 outlines the respondents' levels of professional experience. The experience distribution among the participants shows a balanced mix of early-career, mid-career, and highly experienced individuals.

<b>Experience</b>	<b>Frequency</b>	<b>Percentage (%)</b>
1-5 years	29	30.9
6-10 years	29	30.9
Above 11 years	36	38.3
<b>Total</b>	<b>94</b>	<b>100.0</b>

Source: Primary Data Analysis, 2025

A significant portion, 30.9%, had 1-5 years of experience, matched by another 30.9% who had 6-10 years. The largest group, comprising 38.3%, had over 11 years of experience. This diverse

range of experience levels shows a wide range of insights from individuals with a plethora of experiences regarding the tax system of South Sudan.

### 4.3 Descriptive Statistics

The summary of descriptive statistics was performed on the three independent variables focusing on the mean and standard deviations for the scores in each item.

#### 4.3.1 Timely Tax Filing Practices

The analysis suggests that timely tax filing practices such as on-time submissions, receiving confirmations, and imposing penalties positively influence public revenue performance by enhancing compliance and administrative efficiency. The findings of this objective were gathered from questionnaires and respondents' views on timely tax filing practices. The variable was measured using 7 items scored on five five-point Likert scales of 5=strongly Agree, 4= Agree, 3=Not Sure, 2=Disagree, 1= strongly disagree.

**Table 4. 4: Timely tax filing practices**

Code	Timely tax filing practices	Agree	Not sure	Disagree	Std	Mean
TTF01	Taxpayers file their taxes before the deadline	76 (80.8%)	0(0.0%)	18 (19.1%)	1.436	3.88
TTF02	Taxpayers Receive Confirmation upon tax payment from the revenue authority	66 (70.2%)	16(17.0%)	12(12.8%)	0.9	3.76
TTF03	Taxpayers Pay estimated taxes accurately to avoid underpayment penalties	25 (26.6%)	66(70.2%)	3(3.2%)	0.793	3.39
TTF04	Most taxpayers receive penalties from the tax authority for late filing or late payment on their accounts.	78(83%)	0(0.0%)	16 (17.1%)	1.381	3.91
TTF05	Taxpayers Receive notification from the tax authority that their tax returns have been accepted without issues.	65(69.2%)	28(29.8%)	1(1.1%)	0.712	3.86
TTF06	Taxpayers have Ensured that all necessary forms, schedules, and documentation are accurately completed.	32(34.0%)	43(45.7%)	19(20.2%)	0.727	3.14
TTF07	Taxpayers, on most occasions, request for extension of payment deadlines	44(46.8%)	6(6.4%)	44 (46.8%)	1.476	2.84

Source: Primary Data Analysis, 2025

Tax Filing Before Deadlines (TTF01): A majority (80.8%) agreed that taxpayers file their taxes on time, with a high mean score of 3.88 and a standard deviation of 1.436, indicating significant agreement but with some variability. Timely filing ensures revenue flows into the government system as planned, reducing delays in budget implementation.

Confirmation Upon Payment (TTF02): Approximately 70.2% of respondents agreed that taxpayers receive confirmation after payment, with a mean score of 3.76 and low variability (SD = 0.9). This practice enhances transparency and trust, encouraging compliance and consistent revenue collection.

Accurate Estimated Tax Payments (TTF03): Only 26.6% agreed that taxpayers accurately pay estimated taxes, while 70.2% were unsure, leading to a moderate mean of 3.39 and SD of 0.793. Inaccuracies in estimated tax payments could hinder optimal revenue collection, as underpayments may require additional enforcement efforts.

Penalties for Late Filing or Payment (TTF04): A significant 83% agreed that penalties are imposed for late filings or payments, with a mean of 3.91 and SD of 1.381. These penalties act as a deterrent against delays, positively affecting revenue performance by promoting timely compliance.

Notifications of Accepted Returns (TTF05): About 69.2% of respondents agreed that taxpayers receive notifications confirming their returns are accepted, with a mean score of 3.86 and low variability (SD = 0.712). These notifications improve administrative efficiency and encourage taxpayer confidence, which supports consistent revenue collection.

Accurate Documentation (TTF06): Only 34% of respondents agreed that taxpayers ensure all necessary forms and documentation are completed, with 45.7% unsure and 20.2% disagreeing

(mean = 3.14, SD = 0.727). Errors or incomplete documentation can delay processing and reduce revenue collection efficiency.

Requests for Payment Extensions (TTF07): Responses were evenly split, with 46.8% agreeing and 46.8% disagreeing that taxpayers frequently request extensions. The mean score of 2.84 and high variability (SD = 1.476) suggest mixed views, reflecting a potential challenge in maintaining timely revenue inflows when extensions are common.

One of the respondents said, *“Some eligible taxpayers do not file returns in time. They tend to make private arrangements with domestic tax officers so that they can delay filing their returns, and some even tend to avoid taxes completely.”* (R1)

Another respondent interviewed said, *“According to the reports that we normally receive from the tax authority out of the total number of eligible taxpayers in the Republic of South Sudan, those in busy towns and strategic business locations file taxes in time, others do business in hiding though by law they qualify to be taxpayers.”*

In an interview, another respondent said, *“Late filing of returns in this country is embedded in several things, at times, the cash inflows into clients’ businesses are too low, making the taxpayer delay to raise the tax fees. Hence late filing of returns, on the other hand, political interferences are also among the influencers. When revenue officers demand clients to file taxes, they receive phone calls from high-profile politicians warning them to treat clients fairly.”*

#### **4.3.2 Voluntary tax payment**

The results in Table 4.5 indicate that respondents generally recognize the importance of voluntary tax payment in influencing public revenue and economic performance. The findings

on voluntary tax payment practices reveal that a majority of taxpayers (66.0%) independently file their returns and calculate their tax liability, though some still rely on assistance. More detailed interpretation can be seen at the bottom of the Table 4.5 below.

**Table 4. 5: Summary statistics for voluntary tax payment**

Code	Voluntary tax payment practices	Agree	Not sure	Disagree	Std	Mean
VTP01	Taxpayers file their tax returns and calculate their tax liability independently	62(66.0%)	0(0.0%)	32(34%)	1.334	3.06
VTP02	Taxpayers register voluntarily and often always keep adequate taxable records	35(37.2%)	39(41.5%)	20(21.3%)	0.752	3.16
VTP03	Tax evasion can influence financial instability	41(43.6%)	17(18.1%)	36(38.3%)	1.140	2.89
VTP04	The burden of reporting taxable income falls upon each taxpayer	20(21.3%)	70(74.5%)	4(4.3%)	0.478	3.17
VTP05	Taxpayers whose VAT books of accounts are being audited may still make a valid voluntary disclosure of income tax liability for the same financial year	44(46.8%)	0(0.0%)	50(53.2%)	1.440	2.95
VTP06	Tax evasion can reduce the tax revenue available to governments to manage the economy	31(33.0%)	9(9.6%)	54(57.4%)	1.273	2.40
VTP07	Voluntary tax payment affects the economy through changes in public revenue	68(72.3%)	12(12.8%)	14(14.9%)	0.825	3.54

Source: Primary Data Analysis, 2025

Independent Tax Returns and Liability Calculation (VTP01): A majority (66.0%) agreed that taxpayers independently file their returns and calculate their tax liability, while 34% disagreed. The mean score of 3.06 and standard deviation (SD) of 1.334 indicate moderate agreement but significant response variability, suggesting some taxpayers might still rely on assistance or non-compliance.

Voluntary Registration and Record Keeping (VTP02): About 37.2% agreed that taxpayers voluntarily register and maintain taxable records, while 41.5% were unsure and 21.3% disagreed. The mean score of 3.16 and low SD of 0.752 reflect moderate agreement with limited variability, highlighting inconsistency in record-keeping practices.

Tax Evasion and Financial Stability (VTP03): While 43.6% agreed that tax evasion influences financial instability, 38.3% disagreed, and 18.1% were unsure. The mean score of 2.89 and SD of 1.140 indicate mixed opinions and variability in how tax evasion is perceived to impact financial stability.

Responsibility for Reporting Taxable Income (VTP04): A significant proportion (74.5%) were unsure whether the responsibility for reporting taxable income lies with the taxpayer, while 21.3% agreed and 4.3% disagreed. The mean score of 3.17 and low SD of 0.478 suggest general agreement but a lack of strong consensus.

Voluntary Disclosure During Audits (VTP05): Nearly half (46.8%) agreed that taxpayers audited for VAT may still voluntarily disclose income tax liability, while 53.2% disagreed. The mean score of 2.95 and SD of 1.440 reflect divided opinions and significant variability.

Tax Evasion and Government Revenue (VTP06): A large proportion (57.4%) disagreed that tax evasion reduces government tax revenue, while 33.0% agreed and 9.6% were unsure. The mean score of 2.40 and SD of 1.273 indicate overall disagreement with high variability, reflecting skepticism about the link between tax evasion and government revenue.

Voluntary Tax Payment and the Economy (VTP07): A majority (72.3%) agreed that voluntary tax payment affects the economy through changes in public revenue, with 12.8% unsure and 14.9% disagreeing. The mean score of 3.54 and low SD of 0.825 suggest strong agreement with minimal variability.

To complement the quantitative findings, the interviewed respondents shared insights on voluntary tax payments and compliance:

One of the respondents highlighted issues with tax evasion, stating, *“Tax evasion is a common phenomenon in this country; some of the potential taxpayers do not want to disclose their genuine business status. They pay less tax than what they qualify for according to the volume of their income, and they take advantage of the limited number of employees in the domestic revenue offices.”* (R1)

Another respondent emphasized the importance of taxpayer sensitization and its connection to public service delivery, saying, *“There is a need to sensitise the eligible taxpayers on the need to voluntarily declare their financial positions and tax compliance before actions are taken against the offenders; the Ministry of Finance and Planning is failing to finance education and health sectors in time due to budget challenges. The money to finance services needed by citizens is raised through taxes but if taxpayers do not comply, we cannot provide quality services to the citizens.”* (R2)

A third respondent elaborated on how lack of voluntary tax payment affects the economy, stating, *“Voluntary tax compliance remains a challenge because taxpayers often lack trust in how their taxes are used. When citizens see poor infrastructure and inadequate social services, they are reluctant to comply voluntarily, which directly impacts revenue collection and hinders economic development.”* (R3)

### **4.3.3 Financial Reports Practices**

Findings in the Table 4.6 show that financial reporting practices in South Sudan are inconsistent. Nearly half (47.8%) of respondents agree that accurate income statements are prepared, while 46.8% disagree, indicating significant variability.

**Table 4. 6: Summary statistics for financial reports practices**

<b>Code</b>	<b>Financial reports practices</b>	<b>Agree</b>	<b>Not sure</b>	<b>Disagree</b>	<b>Std</b>	<b>Mean</b>
FR 01	Taxpayers prepare accurate Income Statement	45(47.8 %)	5(5.3%)	44(46.8%)	1.223	3.20
FR02	Taxpayers use Balance Sheets to provide a detailed overview of a company's assets and liabilities	22(23.4%)	45(47.9%)	27(28.7%)	0.724	2.99
FR03	Taxpayers present genuine Cash Flow Statement to revenue authorities	31(33.0%)	47(50.0%)	16(17.0%)	1.011	2.99
FR04	Financial statement is used by revenue officers to assess the taxpayer's capacity	31(36.2%)	28(29.8%)	32(34.1%)	1.27	2.69
FR05	Tax agents gather financial information to monitor that businesses comply with tax regulations	45(47.9%)	49(52.1%)	0(0.0%)	0.758	3.65
FR 06	Companies and enterprises use financial reports as open Communication with their tax agents about earnings and investment activities.	12(12.8%) 4(4.3%)	16(17.0%)	28(29.8%) 34(36.2%)	1.339	2.28

Source: Primary Data Analysis, 2025

The responses from participants in South Sudan, including accountants, budget officers, economists, planners, commissioners, directors, and administrators, provide a mixed picture of financial reporting practices in the country. Regarding the preparation of accurate income statements, nearly half (47.8%) of the respondents agreed, while 46.8% disagreed, indicating

significant inconsistency in this critical financial practice. When asked about the use of balance sheets to detail a company's assets and liabilities, only 23.4% of respondents agreed, and almost half (47.9%) were unsure, suggesting a lack of awareness or application of this essential tool.

The presentation of genuine cash flow statements was similarly uncertain, with only 33% agreeing and 50% unsure, reflecting scepticism about the authenticity of these reports submitted to revenue authorities. On whether financial statements are used to assess taxpayers' capacity, opinions were divided: 36.2% agreed, 34.1% disagreed, and 29.8% were unsure, indicating limited confidence in the effectiveness of these documents for compliance assessments.

A brighter note emerged regarding tax agents, with 47.9% agreeing that they actively gather financial information to ensure businesses comply with tax regulations. This finding highlights the role of tax agents as key players in promoting compliance. However, only 12.8% of respondents believed that financial reports are used for open communication between companies and tax agents, while 36.2% disagreed, pointing to challenges in fostering transparency and collaboration.

The qualitative findings from the respondents provided rich insights that complemented the quantitative results, shedding light on key challenges and opportunities in financial reporting and tax compliance in South Sudan.

One respondent highlighted the pervasive challenge of tax assessment among small-scale entrepreneurs, stating, *"The assessment of taxpayers in this country is a challenge. Most of the small-scale entrepreneurs do not keep financial records, and they normally under-declare their revenues, making tax determination a problem."* This underscores a fundamental issue in

record-keeping among small businesses, which complicates accurate tax assessments and contributes to revenue leakage.

Another respondent elaborated on the reluctance of business owners to embrace professional financial practices, remarking, *“Most of the citizens of this country engaged in business ventures do not keep accurate financial statements, and they are not comfortable with employing skilled bookkeepers and accountants. All they are up to is pleading to be awarded the lowest tax, yet they are making substantial profits. These scenarios have affected revenue performance negatively.”* This statement highlights a lack of investment in professional financial management as a key obstacle, with significant implications for both compliance and public revenue.

A more optimistic perspective came from another respondent, who emphasized the role of accurate financial reporting in enhancing tax assessment and revenue performance, stating, *“Good financial reports from taxpayers provide the tax assessors with accurate information for tax assessment, which positively influences public revenue performance. In our country, public awareness needs to be created among taxpayers if we are to achieve an ideal state of public revenue performance.”* This respondent called for targeted public awareness campaigns to educate taxpayers on the value of proper financial documentation and its impact on the national economy.

#### **4.3.4 Public Revenue Performance**

The summary statistics output for the public revenue performance of South Sudan reveals a mixed perception of public revenue performance in South Sudan. While some indicators, such as tax-to-GDP ratio, are viewed positively, there are significant concerns about government expenditure alignment, oversight, and public service satisfaction.

**Table 4. 7: Summary statistics for Public Revenue Performance**

Code	Public revenue performance	Agree	Not sure	Disagree	Std	Mean
PRP01	The tax: GDP for the country is high	76(80.9%)	0(0.0%)	18(19.1%)	1.097	4.04
PRP02	The country's tax-GDP ratio is low	56(59.6%)	19(20.2%)	19(20.2%)	0.806	3.39
PRP03	The government provides quality education services to the citizens	37(39.4%)	43(54.7%)	14(14.9%)	1.102	3.57
PRP04	The quality of health services offered by the government meets the needs of the citizens	35(37.2%)	59(62.8%)	0(0.0%)	0.486	3.37
PRP05	Government expenditure is in line with the needs of the public	22(23.4%)	18(19.1%)	54(57.4)	1.083	2.44
PRP06	Government expenditures are effectively monitored and controlled	19(20.2%)	12(12.8%)	63(67%)	1.204	2.03
PRP07	At the Ministry of Finance and Planning there are persistent budget deficits	65(69.1%)	1(1.1%)	28(29.8%)	1.396	3.55
PRP08	The public is satisfied with the quality of government services.	18(19.1%)	43(45.7%)	34(35.1%)	0.99	2.66

Source: Primary Data Analysis, 2025

PRP01 - Tax-to-GDP ratio for the country is high:

A majority of respondents (80.9%) agreed that the tax-to-GDP ratio in the country is high, while 19.1% disagreed, with no respondents unsure. The mean score of 4.04 and a standard deviation (SD) of 1.097 indicate strong agreement, though with some variability. This suggests a perception that the country generates substantial revenue relative to its GDP, even if there are differing views.

PRP02 - The country's tax-to-GDP ratio is low:

More than half (59.6%) agreed that the tax-to-GDP ratio is low, while 20.2% were unsure, and another 20.2% disagreed. The mean of 3.39 and a low SD of 0.806 reflect moderate agreement, with limited variability. These contrasting responses to PRP01 and PRP02 might indicate a perception of inefficiencies in certain revenue streams despite overall high revenue levels.

PRP03 - The government provides quality education services:

About 39.4% of respondents agreed, while 54.7% were unsure, and 14.9% disagreed. The mean score of 3.57 and SD of 1.102 suggest moderate agreement but high uncertainty. This reflects mixed views on the quality of education services, with many respondents appearing undecided.

PRP04 - The quality of health services meets citizens' needs:

Only 37.2% agreed that the government's health services meet the needs of citizens, while 62.8% were unsure, and no respondents disagreed. The mean of 3.37 and SD of 0.486 indicate moderate agreement but a significant level of uncertainty. This suggests that while health services are somewhat satisfactory, there is considerable room for improvement.

PRP05 - Government expenditure aligns with public needs:

Only 23.4% agreed that government expenditures are in line with public needs, while 19.1% were unsure, and 57.4% disagreed. The mean score of 2.44 and SD of 1.083 reflect low agreement, with substantial dissatisfaction. This highlights a perception that public spending does not adequately address the priorities of citizens.

PRP06 - Government expenditures are effectively monitored and controlled:

Only 20.2% agreed, while 12.8% were unsure, and a majority (67%) disagreed. The mean score of 2.03 and SD of 1.204 indicate strong disagreement and high variability. This reflects a prevalent belief that there are significant weaknesses in the oversight and control of government spending.

PRP07 - Persistent budget deficits at the Ministry of Finance and Planning:

A large majority (69.1%) agreed that the Ministry of Finance and Planning faces persistent budget deficits, while 1.1% were unsure, and 29.8% disagreed. The mean score of 3.55 and SD of 1.396 suggest strong agreement but with notable variability, reflecting concerns about financial management and sustainability.

PRP08 - Public satisfaction with the quality of government services:

Only 19.1% agreed that the public is satisfied with government services, while 45.7% were unsure, and 35.1% disagreed. The mean score of 2.66 and SD of 0.99 indicate low agreement, reflecting dissatisfaction and significant uncertainty regarding service quality.

During interviews, respondents provided valuable insights that supplemented the quantitative findings, shedding light on the challenges and dynamics of public revenue performance in South Sudan.

One respondent emphasized the inadequacy of the country's tax-to-GDP ratio in supporting economic development, stating, *"The current tax-to-GDP ratio for this country is relatively low regarding the country's economic development. It indicated that the revenue generated cannot sustain the economic growth and development of the Republic of South Sudan."* This aligns with the quantitative finding in PRP02, where respondents identified the country's low tax-to-GDP ratio as a critical issue, with a mean score of 3.39, reflecting moderate agreement. The respondent's perspective highlights the insufficiency of revenue to meet the demands of a developing economy, a view corroborated by the quantitative data.

Another respondent highlighted the financial challenges faced by government agencies and ministries due to limited funding, stating, *"The Ministry of Finance and Planning approves and finances other ministries and government agencies' budgets. The agencies and ministries that deliver various services to the citizens of South Sudan have been grappling with many undone activities due to limited finances for implementing the activities; therefore, the country's public revenue is not performing well."* This comment supports the findings in PRP05 and PRP06, where respondents expressed dissatisfaction with government expenditure alignment (mean = 2.44) and effective monitoring of expenditures (mean = 2.03). It

underscores the broader systemic issue of limited public revenue leading to underfunding of essential services and inefficient allocation of resources.

#### 4.4 Pearson Correlation Coefficient

In this study, the Pearson correlation coefficient assessed the magnitude and direction of the linear relationship between public revenue performance scores and the scores of the independent variables such as timely tax filing, voluntary tax payments, and financial reporting practices. The results are shown in Table 4.8 below.

**Table 4. 8: Pearson Correlation Coefficient**

<b>Variables</b>		<b>PRP</b>	<b>FR</b>	<b>VTP</b>	<b>TTF</b>
<b>PRP</b>	Pearson Correlation Sig. (2-tailed)	1			
<b>FR</b>	Pearson Correlation Sig. (2-tailed)	-.475** .000	1		
<b>VTP</b>	Pearson Correlation Sig. (2-tailed)	.315** .002	.364** .000	1	
<b>TTF</b>	Pearson Correlation Sig. (2-tailed) Sig. (2-tailed)	.324** .001 .004	-.268** .009 .064	.389** .000 .000	1  .000

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source:** Primary Data Analysis, 2025

#### 4.4.1 Public Revenue Performance (PRP) and Financial Reporting (FR)

There is a significant negative correlation between PRP and FR, with a correlation coefficient of -0.475 and a p-value of less than 0.01. This means that as financial reporting practices improve, public revenue performance tends to decline, or vice versa. This unexpected result may reflect inefficiencies in how financial reports are used by revenue authorities, indicating a potential gap in their effectiveness for enhancing revenue performance.

The significant negative correlation between public revenue performance (PRP) and financial reporting (FR) in this study aligns with similar findings in the literature, suggesting potential inefficiencies in the application of financial reports for enhancing revenue outcomes. A study by Lyezia and Katamba (2024) found that while efficient resource utilization positively influences public sector financial performance, the direct relationship between financial reporting quality and public financial performance was not significant, indicating gaps in leveraging financial data effectively. In a broader context, Cindea et al. (2010) highlighted that public sector financial performance is often tied to streamlined processes and accountability rather than simply the quality of financial reports. They noted that inefficiencies in using financial reporting systems can hinder the effective allocation of public resources. Additionally, Tran et al. (2020) emphasized the importance of accountability as a mediating factor between financial reporting quality and organizational performance in public entities. They found that without robust accountability systems, the impact of high-quality financial reporting on performance may remain limited.

#### **4.4.2 Public Revenue Performance (PRP) and Voluntary Tax Payments (VTP)**

The correlation between PRP and VTP is positive and significant, with a correlation coefficient of 0.315 and a p-value of less than 0.01. This suggests that higher levels of voluntary tax payments are associated with better public revenue performance. It highlights the importance of voluntary compliance in reducing enforcement costs and improving revenue collection efficiency. The positive and significant correlation between public revenue performance (PRP) and voluntary tax payments (VTP) highlights the critical role of compliance in enhancing revenue collection. This finding aligns with evidence from Cindea et al. (2010), who emphasized that efficient revenue systems rely heavily on voluntary compliance, which reduces enforcement costs and supports consistent resource inflows for public expenditures

(Mihaiu et al., 2010). Similarly, Eivani et al. (2012) pointed out that voluntary tax compliance significantly improves public financial management outcomes by increasing transparency and fostering trust between taxpayers and authorities. They stressed that when taxpayers willingly participate, the government can achieve better revenue stability and allocate resources more effectively.

#### **4.4.3 Public Revenue Performance (PRP) and Timely Tax Filing (TTF)**

A significant positive correlation is observed between PRP and TTF, with a correlation coefficient of 0.324 and a p-value of less than 0.01. This indicates that timely tax filing positively influences public revenue performance by ensuring consistent revenue inflows and minimizing delays in resource allocation. The significant positive correlation between public revenue performance (PRP) and timely tax filing (TTF) highlights the crucial role of on-time tax submissions in enhancing revenue management. This finding is consistent with insights from Biddle et al. (2009), who noted that timely compliance with tax requirements ensures steady revenue inflows, reducing administrative bottlenecks and enabling governments to allocate resources more efficiently (Biddle et al., 2009). Additionally, Verdi (2006) emphasized that timely tax compliance supports better budgetary planning and minimizes disruptions in public service delivery. Governments benefit from timely filings as they can predict revenue trends more accurately, fostering improved fiscal discipline (Verdi, 2006).

#### **4.4.4 Interrelationships Among Independent Variables**

Financial Reporting (FR) and Voluntary Tax Payments (VTP): There is a significant positive correlation between FR and VTP, with a correlation coefficient of 0.364 and a p-value of less than 0.01. This implies that better financial reporting practices are associated with improved voluntary tax payments, likely because accurate financial records facilitate compliance.

Financial Reporting (FR) and Timely Tax Filing (TTF): The correlation between FR and TTF is negative but significant, with a correlation coefficient of -0.268 and a p-value of less than 0.01. This suggests that stronger financial reporting practices may introduce complexities that hinder timely tax filing, potentially due to the additional time required for thorough reporting.

Voluntary Tax Payments (VTP) and Timely Tax Filing (TTF): There is a positive and significant correlation between VTP and TTF, with a correlation coefficient of 0.389 and a p-value of less than 0.01. This indicates that taxpayers who voluntarily comply are more likely to file their taxes on time, demonstrating a strong connection between these compliance behaviours.

#### 4.5 Multiple Regression Analysis

As seen in Table 4.9, the Ordinary Least Squares multiple linear regression model was employed to predict the effect of timely tax filing, voluntary tax payments, and financial reporting practices on public revenue performance in South Sudan. The regression model assesses how timely tax filing (TTF), voluntary tax payments (VTP), and financial reporting practices (FR) influence public revenue performance (PRP) in South Sudan. The key outputs and coefficients of the model are interpreted below.

**Table 4. 9: Multiple Regression Analysis**

		Number of observations			=	94	
				F (4, 89)	=	23.19	
<b>Source</b>	<b>SS</b>	<b>Df</b>	<b>MS</b>	Prob > F	=	0.000	
Model	2.6602778	4	0.665069448	R-squared	=	0.5103	
Residual	2.5524882	89	0.028679642	Adj R-squared	=	0.4883	
Total	5.212766	93	0.056051247	Root MSE	=	0.16935	
<b>PRP</b>	<b>Coef.</b>	<b>Std. Err.</b>	<b>T</b>	<b>P&gt;t</b>	<b>[95% Conf.</b>	<b>Interval]</b>	
<b>FR</b>	-0.431325	0.0530801	-8.13	0.000	-0.5367945	-0.3258562	
<b>TTF</b>	-0.052014	0.0452907	-1.15	0.254	-0.1420053	0.0379782	
<b>VTP</b>	0.3291597	0.0670279	4.91	0.000	0.1959767	0.4623426	
<b>Constant</b>	3.750118	0.2558526	14.66	0.000	3.241745	4.258492	

**Dependent variable: PRP**

**Source: Primary Data Analysis, 2025**

The F-test value and the R-squared value of 0.5103 indicate that 51.03% of the variation in public revenue performance is explained collectively by financial reporting, tax timely filling, and voluntary tax payments. These factors contribute to and explain a significant proportion of public revenue performance in the Ministry of Finance and Planning, Republic of South Sudan. The adjusted R-squared value of 0.4883 accounts for the number of predictors in the model and suggests a strong explanatory power. The F-statistic of 23.19 with a p-value less than 0.000 shows that the model is statistically significant overall, meaning that at least one of the predictors significantly influences public revenue performance.

#### **4.5.1 Effect of financial reporting practices on public revenue performance**

The coefficient of -0.431 indicates that for every unit increase in the quality of financial reporting practices, public revenue performance decreases by 0.431 units, holding other factors constant. This negative relationship is statistically significant, with a p-value of 0.000. The negative impact suggests that inefficiencies in how financial reports are used might outweigh their potential benefits, such as better transparency or compliance. This could reflect gaps in the practical application of financial data by revenue authorities in South Sudan. This finding is supported by Ricci and Civitillo (2018), who highlighted the limitations of relying solely on financial reporting in public administration. They argue that when financial reports are overly emphasized without integrating non-financial measures and qualitative assessments, they can lead to a narrow focus that may not align with broader public revenue goals. This misalignment can reduce the practical utility of financial reports in optimizing revenue performance (Ricci & Civitillo, 2018). However, Yamen and Can (2023) critiqued this finding, emphasizing that public governance quality plays a significant role in mediating the impact of financial reporting. Their study found that strong institutional frameworks and governance mechanisms enhance the usefulness of financial reports in driving positive outcomes. They argue that where

governance is weak, the benefits of high-quality financial reporting are diminished, leading to suboptimal results (Yamen & Can, 2023).

#### **4.5.2 Effect of timely filing on the public revenue performance**

Timely Tax Filing (TTF) has a coefficient of -0.052, indicating that for every unit increase in timely tax filing, public revenue performance decreases slightly by 0.052 units. However, this effect is not statistically significant ( $p = 0.254$ ). While timely tax filing is conceptually linked to better revenue performance, its non-significance in this model may suggest other mediating factors or data limitations in capturing its real effect. The finding that timely tax filing (TTF) has a slight negative coefficient (-0.052) with public revenue performance, though not statistically significant, can be supported by Hyseni (2015). Hyseni (2015) showed that timely tax compliance does not always directly translate into improved revenue performance, especially when tax administration systems are underdeveloped. The study emphasized that structural inefficiencies, such as weak enforcement mechanisms and outdated systems, can limit the impact of compliance behaviors like timely filing on overall revenue outcomes (Hyseni, 2015). On the other hand, Tran et al. (2020) critiqued this result by demonstrating that timely tax filing significantly enhances revenue performance when coupled with effective administrative processes. Their study on hospital financial performance showed that meeting deadlines for financial submissions and timely reporting significantly contributed to improved operational efficiency and fiscal outcomes. The authors argue that timely filing fosters predictability in revenue flows and minimizes the risk of bottlenecks, but its effects depend on robust infrastructure and governance frameworks (Nguyen et al., 2016).

### **4.5.3 Effect of voluntary tax payments on public revenue performance**

Voluntary Tax Payment (VTP) has a coefficient of 0.329, indicating that for every unit increase in voluntary tax payments, public revenue performance increases by 0.329 units, holding other variables constant. This positive relationship is statistically significant, with a p-value of 0.000.

Voluntary compliance plays a vital in enhancing revenue performance by reducing enforcement costs and ensuring consistent revenue inflows. Voluntary tax payments (VTP) significantly enhance public revenue performance, as evidenced by a coefficient of 0.329 ( $p = 0.000$ ), indicating that voluntary compliance reduces enforcement costs and ensures consistent revenue inflows. This finding is supported by Cindea et al. (2010), who highlight that voluntary compliance fosters fiscal stability and reliable public revenue streams. However, Filbeck and Gorman (2004) critique that in contexts with weak regulatory oversight, reliance on voluntary compliance alone may lead to underreporting and non-compliance, undermining revenue collection. This emphasizes the need for a balanced approach, combining voluntary compliance with robust regulatory and enforcement frameworks.

## CHAPTER FIVE

### SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter concludes the report. It entails a summary of findings, conclusions, and recommendations.

#### 5.2 Summary of Findings

The study provided valuable insights into the demographics and perspectives of taxpayers in South Sudan. It found that most participants were above 40 years old, followed by those aged 31-40, while the youngest group, under 30, made up 29.8% of respondents. Gender representation was fairly balanced, with 55.32% male and 44.68% female, ensuring a broad range of perspectives. Education levels were notably high, as 39.4% held a degree, 34.0% had a master's, and 26.6% had a postgraduate diploma. When it came to work experience, respondents were almost evenly split, with 30.9% having 1-5 years, another 30.9% having 6-10 years, and the largest group (38.3%) having over 11 years of experience in the tax system.

The study also shed light on tax compliance and perceptions. A strong majority (80.8%) believed that filing taxes on time helps ensure smooth revenue inflows and prevents budget delays. Most taxpayers (66.0%) handled their tax returns independently, though some still needed assistance. However, opinions on financial reporting were divided—47.8% believed income statements were accurate, while 46.8% disagreed, highlighting a gap in trust or consistency. Lastly, a significant 80.9% of respondents felt that the country's tax-to-GDP ratio was high, reflecting concerns about the tax burden relative to national income.

## **5.3 Discussion of Key Findings**

### **5.3.1 The effect of financial reporting practices on public revenue performance**

The study found a negative relationship between the quality of financial reporting practices and public revenue performance, with improvements in reporting practices corresponding to a decline in revenue performance, holding other factors constant. This relationship was statistically significant. The findings suggested that inefficiencies in the use of financial reports may have outweighed their intended benefits, such as enhancing transparency and compliance. This could indicate gaps in the practical application of financial data by revenue authorities in South Sudan. These results aligned with Ricci and Civitillo (2018), who highlighted the limitations of relying solely on financial reporting in public administration. However, this finding has met potential criticism from various scholars, for instance, Yussuf Abdi Ali showed that the budgeting process, resource management, financial policies, and internal auditing have a positive significant effect on revenue collection in Mandera County Government, Kenya. Additionally, Yunia and Muttaqin (2022) revealed that the quality of financial reports prepared by both women and men in public sector organizations impacts their performance, with accountability moderating this relationship.

### **5.3.2 The effect of voluntary tax payment on public revenue performance**

According to this study, voluntary tax payments had a significant positive impact on public revenue performance, with increases in voluntary compliance leading to a 32% improvement in revenue outcomes, holding other factors constant. This relationship was statistically significant, suggesting that voluntary tax payments help enhance revenue performance by reducing enforcement costs and ensuring stable revenue inflows. In Russia, self-taxation by citizens is viewed as a signaling tool for enhancing the quality of local public goods, with a

positive relationship between regional co-financing and voluntary payments in local budgets (Besstremyannaya, 2019). Informal revenue generation (IRG) is prevalent in south-central Somalia, filling gaps in weak state capacity and bolstering perceptions and legitimacy of the state while causing inequitable community-level effects (Boogaard & Santoro, 2021). Efforts to reduce tax evasion significantly increase macroeconomic indicators and improve the economic development of a country (Androniceanu et al., 2019). However, the legitimacy-based model of voluntary compliance weakly supports the standard economic model of deterrence, while methodologically, there is no evidence of order effects, weak evidence of complexity effects, and suggestive evidence of missing information effects (Robbins & Kiser, 2018). In Rwanda, tax evasion negatively impacts value-added tax collection impacting economic growth and development (Pacifique & Harelimana, 2020). Nonetheless, good governance positively influences voluntary tax compliance behavior among individual taxpayers in Lagos state, Nigeria, with trust in government, transparency, and the rule of law being significant factors (Augustine et al., 2020). Furthermore, the quality of tax service positively influences Voluntary Tax Compliance among individual taxpayers in South-West, Nigeria, with trust in the State Internal Revenue Service, QTS, and employment status playing significant roles (Augustine et al., 2020). Tax compliance, taxpayer registration, and audit effectiveness significantly impact revenue performance in Nigerian local governments, enabling financing of public services and development initiatives (K. Oladimeji, 2023). The Revenue-Sharing Act of 1972 may discriminate against communities using voluntary labor in public services, as the formula may not consider the cost of inputs and opportunity cost of voluntary labor (Lederer & Badenhop, 1976). Subjective norms, tax sanctions, and taxpayer knowledge significantly influence compliance with voluntary tax disclosure programs in Kenya's southern region (Maina et al., 2024).

### **5.3.3 The effect of timely tax filings on public revenue performance**

The study found that timely tax filing did not have a significant impact on public revenue performance in South Sudan. The coefficient indicated a slight decline in revenue performance with increased timely tax filing. Although timely tax filing is generally associated with improved revenue outcomes, its lack of significance in this model may suggest the influence of other mediating factors or limitations in capturing its true effect. Contrary, Desalegn (2020) stated that tax audits through timely filings significantly improved revenue collection performance in Ethiopia, with a strong association between audit detection and tax compliance. In Nigeria, self-tax compliance through tax filings, taxpayer registration, and audit effectiveness significantly impact revenue performance in Nigerian local governments, enabling the financing of public services and development initiatives (K. A. Oladimeji, 2023). In the USA, the compliance cost of filing federal and state individual income tax returns in the U.S. in 1982 was between \$17 and \$27 billion, or 5 to 7 percent of total tax revenue, with taxpayers spending 2 billion hours on filing returns and \$3 billion on professional tax assistance (Elena et al., 2019).

### **5.4 Conclusions**

The study found a significant negative correlation between public revenue performance and financial reporting practices ( $r = -0.475$ ;  $p < 0.01$ ). This counterintuitive result suggests that as financial reporting practices improve, public revenue performance tends to decline. This may reflect inefficiencies in the practical use of financial reports by revenue authorities, highlighting gaps in their effectiveness for enhancing revenue performance in South Sudan.

In contrast, the study revealed a positive and significant correlation between public revenue performance and voluntary tax payments ( $r = 0.315$ ;  $p < 0.01$ ). This finding underscores the

importance of fostering voluntary compliance, as it reduces enforcement costs and ensures consistent revenue inflows, thereby improving public revenue performance.

Additionally, the study identified a significant positive correlation between public revenue performance and timely tax filing ( $r = 0.324$ ;  $p < 0.01$ ). This indicates that timely tax filing plays a crucial role in ensuring steady revenue inflows and minimizing delays in resource allocation, positively influencing revenue outcomes.

The regression model further supported these findings, revealing that financial reporting quality negatively predicted public revenue performance. This suggests that inefficiencies in the utilization of financial reports may overshadow their potential benefits, such as improving transparency or compliance. Timely tax filing, however, did not significantly predict public revenue performance, pointing to possible mediating factors or limitations in capturing its full impact.

Voluntary tax payments emerged as the most significant predictor of public revenue performance, reinforcing the critical role of voluntary compliance in reducing administrative burdens and ensuring reliable revenue generation. These findings highlight key areas for policy and administrative reforms to enhance revenue performance in South Sudan.

## **5.5 Recommendations**

The Government of South Sudan, through the Ministry of Finance, should enhance the capacity of revenue authorities to effectively utilize financial reports. This includes investing in training, modernizing systems, and establishing clear guidelines to ensure that financial reporting directly contributes to improved revenue performance.

Develop and implement awareness campaigns to encourage voluntary compliance by highlighting the benefits of paying taxes. Simplify tax procedures and introduce incentives, such as reduced penalties for early compliance, to foster a culture of voluntary tax payments.

Strengthen systems that promote timely tax filing by streamlining filing processes, leveraging technology for efficiency, and imposing clear deadlines with reminders to taxpayers. Support this with administrative reforms to address potential bottlenecks.

Address inefficiencies in how financial reports are used by improving data integration and accountability mechanisms within the Ministry of Finance. Adopt data-driven decision-making frameworks to maximize the value of financial reporting in enhancing public revenue.

Prioritize policy reforms that reduce enforcement costs by incentivizing voluntary tax payments. This includes establishing trust in government spending by ensuring transparency and linking tax contributions to visible public service improvements.

Enhance resource allocation mechanisms to minimize delays in utilizing revenue collected through timely tax filing. Establish contingency measures to ensure that even marginal gains from improved filing behaviors positively impact public service delivery.

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## VIVA VOCE COMPLIANCE REPORT

**Name:** Malong Tong Akol

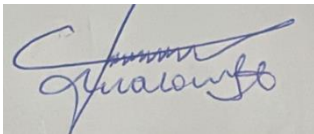
**Registration Number:** KS20M15/006

**Title:** Taxpayer Compliance and Public Revenue Performance: A Case Study of the Ministry of Finance and Planning, Republic of South Sudan- Juba.

This table summarizes how the VIVA VOCE, Internal Examiners, and External Examiner’s comments were addressed in the revised dissertation, including actions taken and page locations of revisions.

SN	Observation from VIVA VOCE, IE, and EE Reports	Action taken by the candidate	Page number in the book where the action was effected
		Approved	
1	1. Revise the background to more clearly separate conceptual, theoretical, and contextual discussions.  Revised	The background section in Chapter One was split into clearly labeled subsections: Conceptual Background, Theoretical Background, and Contextual Background. Each segment now addresses distinct aspects of the study framework.	Pages 1–18
2	2. Sharpen the problem statement with precise, Uganda-specific operational performance data.  Done	Uganda-specific WASH performance statistics from the Ministry of Water and Environment and UWASNET were inserted to clearly illustrate the operational performance problem.	Page 4
3	3. Reword and align objectives, questions, and hypotheses more precisely; explicitly present null hypotheses.	All objectives were aligned with corresponding research questions and null hypotheses (H0) were explicitly stated.	Pages 5–6
4	4. Consolidate the justification and significance sections for more concise argumentation.  Done	The sections were merged and rewritten to eliminate redundancy while enhancing focus on academic, policy, and NGO-sector relevance.	Page 7
5	5. Refine the conceptual framework diagram for clarity, academic rigor, and dynamic relationships.  Done	A revised conceptual framework was included with better-labeled variables and directional relationships explained in text.	Page 18
6	6. Deepen critical synthesis in the literature review, highlighting contradictions and gaps clearly.	Chapter Two now includes detailed critiques of theories and empirical studies, noting limitations and contradictions. Stakeholder Theory’s applicability is critically examined.	Pages 21–31
7	7. Provide stronger technical	Chapter Three contains detailed	Pages 32–38

	justifications for research design choices and data analysis methods.	methodological justifications for using a cross-sectional design, sequential explanatory mixed methods, and regression analysis.	
8	8. Report regression diagnostics (e.g., VIF, residual normality tests) to validate model robustness.	Regression diagnostics were added, including VIF for multicollinearity, Shapiro-Wilk test for residual normality, and scatterplots for homoscedasticity.	Page 59
9	9. Integrate qualitative and quantitative findings.	Chapter Four was restructured to present both quantitative results and supporting qualitative quotes under each objective with a triangulated interpretation.	Pages 39–62



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