STRATEGIC PLAN

South African Revenue Service
2020/21 – 2024/25

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Minister's statement

SARS presents its plans in difficult and challenging times for the country. South Africa continues to face a challenging fiscal and economic outlook. Government spending continues to outpace revenue and economic projections continue to indicate a subdued outlook in the short to medium term. The country is also dealing with increasing social tensions.

Given this difficult context, I applaud the efforts demonstrated by SARS in this plan, to rebuild its capabilities, address taxpayer and trader needs, grow the taxbase and secure the revenue. The clear objectives, key results and actions included in this plan are a demonstration of SARS' commitment to emerge from its recent past that was characterised by maladministration, poor performance and lack of governance.

This will not be an easy undertaking but a well-functioning and efficient SARS is crucial to building a capable state and to Government's fiscal needs being met.

TT Mboweni, MP
MINISTER OF FINANCE

Commissioner's statement

In reflecting on our privileged work at the South African Revenue Service (SARS), we are mindful that *"Our work enables Government to build a capable State, to foster sustainable economic growth and social development that serves the wellbeing of all South Africans".* This is the true reason for our existence and the Higher Purpose we serve.

The legal mandate of the SARS is clearly set out in law, viz.: to collect tax revenues, ensure a culture of taxpayer compliance and facilitate trade across our borders. However, how effectively we deliver on this mandate depends on a few other factors. Key factors for SARS include: its technical competence to administer the relevant acts; how it conceptualizes a Compliance Programme; and its ability to understand and respond to attendant risks. This Strategic Plan, which covers the next 5 years presents an opportunity for SARS to clarify how it plans to approach its work, as well as the key results for which it ought to be held accountable.

The Strategic Plan 2020 - 2024 presents an inspirational vision to build *"a smart modern SARS, with unquestionable integrity, trusted and admired".* It sets out a clear Strategic Intent *"to follow the internationally recognized approach of Voluntary Compliance"*, and further translates this intent into 9 clear strategic objectives.

Our Strategic Objectives are:
1. Provide Clarity and Certainty for taxpayers and traders of their obligations.
2. Make it easy for taxpayers and traders to comply with their obligations.
3. Detect taxpayers and traders who do not comply, and make non-compliance hard and costly.
4. Develop a high performing, diverse, agile, engaged and evolved workforce.
5. Increase and expand the use of data within a comprehensive knowledge management framework to ensure integrity, derive insight and improve outcomes.
6. Modernize our systems to provide digital and streamlined online services.
7. Demonstrate effective resource stewardship to ensure efficiency and effectiveness in delivering quality outcomes and performance excellence.
8. Work with and through stakeholders to improve the tax ecosystem.
9. Build public trust and confidence in the tax administration system.

A set of sub-objectives, each with clear key results are set out against which progress can be measured, and accountability maintained.

During the initial period covered by this Strategic Plan we will focus on:
» addressing institutional capability and integrity at leadership level.
» nurturing an acceptable level of employee morale and engagement.
» ensuring an appropriate organizational arrangement to implement this strategic plan.
» focusing on short/medium term revenue recovery projects.
» reviewing and improving the overall governance framework.

The Strategic Plan also informs the Annual Performance Plan (APP) that SARS will submit in this coming year and subsequent years covered by the Plan.

We value the support of the Standing Committee on Finance, to whom we account, as well as the trust placed in us by the Minister of Finance, Hon. Mboweni, under whose policy guidelines we work. We are deeply appreciative to our colleagues in National Treasury with whom we work to ensure a credible National Tax Revenue Fund that funds the Programmes undertaken by Government.

Edward Chr Kieswetter
SARS COMMISSIONER

Official sign-off

It is hereby certified that this Strategic Plan:

» was developed by the management of SARS, under the guidance of the Minister of Finance, Hon. Mboweni.

» takes into account all relevant policies, legislation and other mandates for which SARS is responsible.

» accurately reflects the impact and outcomes which SARS will endeavour to achieve over the period.

Yolande van der Merwe
Chief Financial Officer

Katiso Tabe
Head official facilitating enterprise strategic planning

Edward Chr Kieswetter
Accounting Officer

Approved by TT Mboweni: Minister of Finance

PART A: SARS MANDATE

Legislative and policy mandates

The SARS Act, 1997, enables SARS to:
» collect all revenue due
» ensure optimal compliance with Tax and Customs legislation
» provide a Customs service that optimises revenue collection, protect our borders and facilitate legitimate trade.

The primary legislation that SARS administers includes:
» Income Tax Act, 1962
» Customs and Excise Act, 1964
» Value-Added Tax Act, 1991
» Tax Administration Act, 2011
» Employment Tax Incentive Act, 2013

How we fulfill our mandate

SARS Compliance Theory and Philosophy
In our context, **Compliance** refers to the degree to which taxpayers and traders fulfill their tax obligations required in law (namely registration, filing, declaration, payment and deregistrations), when and as required. This includes making requisite disclosures and payments fully and honestly.

In the fulfillment of our legislative mandate, the main work of SARS is to ensure taxpayer and trader compliance. This is expressed as the **SARS Compliance Programme** which we review and prepare as part of our **Annual Performance Plan**.

Our aim is to engage with society in a way that earns public confidence and trust, while fostering a willingness to fulfill its obligations. **Voluntary Compliance** refers to society fulfilling their obligations with minimal prompting by SARS. We achieve this when we believe that most taxpayers and traders are honest and simply want to fulfil their obligations with the least amount of effort and cost. We therefore, strive to promote a culture where compliance is viewed as a positive social contribution.

The behaviour of taxpayers and traders may range from willing and intentional compliance to non-compliance largely because of a lack of knowledge or means. We are also aware though, that some taxpayers and traders consciously choose not to comply, and will engage in aggressive planning or even criminal behaviour.

SARS is of the view that at the extremes, a certain number of people will always do the right thing, whilst a certain number will always do the wrong thing. Most people fit between these two extremes, in that they will do the right thing if the circumstances are right for them, but will choose not to comply if they believe they would get away without consequence. SARS will, therefore, seek to move as many taxpayers and traders as possible, up the continuum to be more willing to comply voluntarily.

We will achieve voluntary compliance when everyone is aware of their tax obligations **(clarity and certainty)**, it is reasonably easy and less costly to meet these obligations **(ease of compliance)**, and when there's a credible threat of detection and consequences for those who do not to comply with their obligations **(detection and costly non-compliance)**. To deliver this, we need to build administrative and institutional capability that has integrity and serves the public beyond reproach.

Clarity and certainty
Taxpayers and traders that are aware, clear and certain of their rights and obligations are more likely to comply voluntarily. To the greatest extent possible we endeavour to administer tax and customs laws in a manner that is sufficiently simple, clear and easily understood and applied by taxpayers and traders. We will provide easy to understand and easy to access clarity and guidance to taxpayers and traders, and provide certainty and consistency through prompt rulings, interpretation notes and explanatory guidelines. We will provide leveraged products such as advance pricing agreements and advance rulings to certain segments of taxpayers and traders. We will use the facilities and institutions available to us and the rest of the State to educate taxpayers

and traders about their rights and obligations. Educational and awareness offerings will be attuned to the needs and behaviours of groups of taxpayers and traders based on observations and insights drawn from data. We will pay particular attention to the work we do with and through intermediaries, opinion-makers, influencers, professional bodies and other stakeholders to provide clarity and certainty for taxpayers and traders.

We will reach out to future entrants by collaborating with the Department of Basic Education and Department of Higher Education for tax education.

Ease of Compliance

We recognise that providing an easily accessible, professional and efficient service promotes voluntary compliance. Our service must enable taxpayers and traders, throughout their life-cycle, to meet their obligations in as fair, easy, cost effective and convenient manner possible. We will provide equitable access to service channels, and a seamless service from registration, filing, declaration, payment and deregistration to taxpayers and traders, using mainly our online self-service digital channels. Service offerings will be attuned to the needs and behaviours of groups of taxpayers and traders, and where appropriate we will use intermediaries (accredited, certified or trusted) to provide services that enable taxpayers and traders to meet their obligations with least effort and cost.

Detection and Costly non-compliance

The aim of our enforcement activities is to promote fairness and deter non-compliance with tax and customs laws by creating an environment where a taxpayer and trader's compliance is consistently monitored. Our actions will be proportional to the level of non-compliance behaviour detected, moving through a continuum of "soft" enforcement to "hard" enforcement. We will build sufficient capabilities and resources (data, intelligence, skills, people, systems) to detect and investigate non-compliance early, and communicate promptly with taxpayers and traders when non-compliance is detected. We will give non-compliant taxpayers and traders reasonable time and clear guidance to respond and correct non-compliance, and when this fails, we will have sufficient tools to respond.

We will embark on enforcement campaigns, where we have detected widespread non-compliance in particular forms of economic activity, to create leverage. We will use our compliance programme (which is all the themes, aspects and areas we choose to focus on for a particular planning period, in order to leverage our resources and to create clarity, certainty and transparency for taxpayers and traders) as a tool to communicate to taxpayers and traders at large, our observations regarding their compliance behaviours and how we plan to address them.

In time, for the non-compliant taxpayer, the cost of non-compliance must outweigh the benefit of non-compliance.

Institutional integrity and capability (effective administration)

The bedrock of voluntary compliance is an efficient, capable and disciplined administration that adheres to the highest standards of integrity and governance. An effective administration comprises of system integrity, transactional integrity, adequate financial resources, prudent management of resources, and people integrity (adequately skilled and resourced people, who behave professionally and ethically).

Our system integrity will include trustworthy taxpayer and trader records, unbiased dealings with taxpayers and traders, a transparent governance system with appropriate checks and balances, and value for money spending. We will expand the use of data and data analytics and artificial intelligence to improve integrity, risk management, derive critical insights and improve outcomes.

With regards to our interactions with taxpayers and traders, we will do everything permissible, in a fair and courteous manner, to enable them to meet their obligations with much ease. We will ensure that adequate measures are taken to ensure efficiency and fairness of our actions, in recognition of the potentially intrusive nature of our enforcement actions. We will ensure that we manage exceptions in a transparent and fair manner.

To live up to our constitutional obligations and our legal mandate, we seek to maximize our performance through prudent and

ethical management and deployment of our resources (people, financial, intellectual, manufacturing, natural capital, social and relational) to deliver quality and measurable outcomes. At the heart of our People Philosophy is the recognition that we serve the public collectively through the role we play in the country's fiscal management, and serve the public individually through the day-to-day interactions that we have with them.

In other words – **we do privileged work!**

Section 195(1) of the Constitution states, amongst other things, that public administration must exhibit "a high standard of professional ethics", must provide services "impartially, fairly, equitably and without bias", must be "accountable" and must be "broadly representative of the South African people".

We want our employees to be highly skilled at addressing and resolving taxpayer and trader queries and disciplined in maintaining organisational processes. We want SARS to be a great place to work, where employees express their aspirations and the values they cherish so dearly. We will build and maintain a working environment that supports employee growth and development, by providing employees with the tools and skills they need to do their jobs within a context of an evolving environment. We will continue to identify, recruit and train the right people to maintain excellence in our operations, drive our innovation, and enable implementation of future strategies.

Institutional policies and strategies over the five year planning period

Policies

The National Development Plan (NDP) 2030, later broken down into smaller five-year implementation plans, continues to shape Government's policy framework. Government's policy directions as outlined in the NDP, the Medium-Term Strategic Framework (MTSF) and other State policy documents, provide the policy framework for how SARS carries out its mandate. As one of the critical organs of State, SARS will continue to diligently carry out its mandate of collecting the revenue required by government to fund critical Government programmes. We will continue to promote and facilitate legitimate trade through the country's borders, to help grow the economy and protect it from harmful and illicit trade activities.

Strategy over the five year planning period

SARS Higher Purpose
Our work enables Government to build a capable State, to foster sustainable economic growth and social development, that serves the wellbeing of all SOUTH AFRICANS.

Our Strategic Intent
Our mandate is to collect all revenue due; ensure optimal compliance with tax and customs legislation; provide a customs service to optimise revenue, border protection and facilitate legitimate trade.

To give effect to our mandate, our Strategic Intent is to *develop a Tax & Customs system based on Voluntary Compliance.*

It is our Vision to build a smart modern SARS with unquestionable integrity that is trusted and admired.

Our Strategic Objectives

In support of our Strategic Intent and to give effect to our compliance philosophy, we have identified and committed to achieving nine Strategic Objectives to guide and inform our efforts and decisions and focus our resources over the course of this planning cycle.

Our nine strategic objectives are:

1.	**Provide CLARITY and CERTAINTY for taxpayers and traders of their obligations** The overall taxpayer and trader experience is empowering and enabling. Taxpayers and traders proactively receive clarity guidance, and where required, have easily accessible additional customized support. Certain segments of taxpayers and traders may also access leveraged products such as advance pricing agreements, advance rulings (inclusive of VAT rulings and Binding General Rulings) and cooperative compliance programmes.
2.	**Make it EASY for taxpayers and traders to comply with their obligations** Engagements by taxpayers and traders in the fulfillment of their obligations will be mainly on-line, intuitive and self-managed, with minimal face-to-face visits. For standard taxpayers (largely non-provisional taxpayers), the fulfillment of their registration, filing, declaration and payment obligations will be seamless. Exceptions will be resolved with ease and minimal intervention. Complex taxpayers (largely provisional taxpayers - individuals and entities), as well as their intermediaries, will experience engagements customised to their specific needs. Increasingly, trusted intermediaries will be empowered and enabled as authorized agents acting on our behalf.
3.	**DETECT taxpayers and traders who do not comply, and make non-compliance HARD and COSTLY** Taxpayers and traders who negligently, deliberately, aggressively, or criminally stay out of the tax system, or do not comply, will be detected. They will experience a response appropriate to the nature and degree of their non-compliance, which progressively, may include friendly reminders to more intrusive and investigative engagements that enforce compliance. Where necessary, hard enforcement may include court action, asset seizure and criminal prosecution. Non-compliant taxpayers and traders may under certain circumstances be named and shamed. The costs for non-compliance will be high and severe.
4.	**Develop a HIGH performing, DIVERSE, AGILE, ENGAGED and EVOLVED workforce** Our employees consider us to be an Employer of Choice and are engaged to deliver the best taxpayer and trader experience, characterised by professionalism and actions that are beyond reproach. Tasks have become less administrative, and more analytical and service oriented. Our employees easily collaborate to leverage their combined strengths, and we invest in them appropriately and provide them with the right tools for the job. They are able to respond to future demands of the work environment, and the changing needs of taxpayers and traders with ease.
5.	**Increase and expand the use of DATA within a comprehensive knowledge management framework to ensure integrity, derive insight and improve outcomes** By expanding and increasing the use of data, data analytics and artificial intelligence, we create the capability to understand the compliance behaviour of taxpayers and traders, to provide clarity and certainty where it is needed, an easy and seamless service that fosters voluntary compliance, and timely/early detection of risks, trends and instances of non-compliance that enable us to enforce responsibly. We have incorporated data into a comprehensive system of knowledge management. The composite effect of the expanded and increased use of data must substantively support our strategic intent of voluntary compliance.
6.	**Modernise our systems to provide DIGITAL and STREAMLINED online services** Our digital platforms will provide reliable and secure services to all our constituencies. Specifically, for taxpayers and traders, to enable them to meet their obligations simply, easily and anywhere. For our employees, enable them to deliver world-class and best-in class taxpayer and trader experience, and to ensure performance excellence. For our stakeholders, provide reports and analysis that enable them to hold us accountable.
7.	**Demonstrate effective resource stewardship to ensure efficiency and effectiveness in delivering quality outcomes and performance excellence** We steward the limited resources entrusted to us in a manner that creates value to achieve quality outcomes and performance excellence. The way we organise ourselves reflects agility and responsiveness to deliver the best experience for all our constituencies. We demonstrate a high work ethic, strive for performance excellence and achieve the most with the least effort and cost, and best-in class innovations that enable us to achieve our strategic intent.

8.	**Work with and through Stakeholders to improve the tax ecosystem**
	We have effective and beneficial partnerships with all Stakeholders in the tax ecosystem which benefit the taxpayers, Government and the public. We leverage each other's strengths to resolve tax administration challenges and improve voluntary tax compliance. Our interactions and exchanges are formal, professional, and transparent. Intermediaries experience their engagement with us as empowering and enabling mainly through on-line digital services.
9.	**Build PUBLIC TRUST and CONFIDENCE in the tax administration system**
	The public is confident that our stewardship of the country's tax system is professional, unbiased and fair; we always act and do the right things all the time; we maintain the highest standards of integrity and ethics; we have transparent governance systems and processes, and we have capable and trustworthy leaders. We accept that ultimately, we are accountable to taxpayers, traders, and their representatives, the general public, as well as elected public office bearers, whose trust we must earn.

We will ensure accountability for the delivery of all nine Strategic Objectives by identifying key result and the associated indicators and measurable targets for each. We will track and monitor these quarterly, annually and at the end of the term of this strategic plan. We have also identified and developed a number of sub-objectives and short-term key results/milestones to support the achievement of the nine Strategic Objectives, to help us define our journey in more granular steps and to measure our progress appropriately.

PART B: SARS STRATEGIC FOCUS

OUR VISION

A smart, modern SARS with unquestionable integrity, trusted and admired.

Internally, this aspiration implies that we
» Engage our stakeholders ethically and beyond reproach
» Use technology and data to build an intelligent organization
» Evolve our staffing model towards high value knowledge & service work
» Become an Employer of Choice with a high performing and engaged workforce

Externally, this aspiration implies that we
» Achieve substantially our strategic intent of voluntary compliance
» Benchmark well against the best among our peers internationally
» Regain public trust and confidence
» Provide the financial resources for Government to deliver

OUR MISSION

To ensure that the Tax and Customs revenues due to the state are collected when it becomes due by building a high level of taxpayer compliance, facilitating legitimate trade and building public confidence in SARS through a strong service ethos, and professional integrity.

OUR VALUES

Endeared by a sense that we serve a Higher Purpose in the service of South Africans, and committed to the fulfillment of our Mission & Mandate, we hold the following values dear:
1. Uncompromising regard for Taxpayer Confidentiality
2. Unquestionable Integrity, Professionalism and Fairness
3. Exemplary Public Service
4. Incontestable insights from Data & Evidence

Situational analysis

Key external environmental factors and our approach

Environmental factors	Relevant strategic objective/s (SO)	Our approach
Economy The continued lackluster performance of the economy impacts negatively on tax revenue collections with year-on-year revenue collection targets becoming more challenging to meet.	All	» Continue to improve our efforts in areas within our control and we have started to address many weaknesses in our administration. » Diligently pursue areas contributing to the tax gap, and we have identified compliance initiatives that will result in additional revenue. » Continue to refine our revenue forecasting models.
Public confidence Research and empirical evidence show that taxpayer attitudes towards compliance and their willingness to comply are influenced by how they perceive taxes to be utilised by Government. Loss of public confidence due to concerns about corruption in the public sector and poor service delivery, has the potential to undermine and make it difficult for SARS to increase voluntary compliance.	SO: 8 and 9	» Continue to work with all our Stakeholders to improve outcomes. » Address the aspects that could influence public perception, such as swift responses to recommendations in the report "Commission of Inquiry into Tax administration and Governance by SARS".
Illicit economic activities The illicit economic activities continue to pose a serious threat to South Africa's growth, revenue base, prosperity and stability.	SO: 3 and 5	» Expand and improve the use of data, data analytics and artificial intelligence (AI) capabilities to enable SARS to detect non-compliance and illicit economic activities that previously went undetected, and enforce accordingly. » Collaborate across the whole of Government and with other stakeholders locally and internationally to address illicit trade risks across different sectors of society. » Build SARS capacity and capability to respond comprehensively to illicit economic activities.

Environmental factors	Relevant strategic objective/s (SO)	Our approach
Emerging technologies The emergence and evolution of new technologies such as 5G, Block-Chain, Artificial Intelligence and Cloud Computing will transform the way we carry out the SARS mandate. Taxpayer and trader interactions will be different and will reduce the compliance burden. We also anticipate a big impact on our employees as current roles will most certainly evolve from largely administrative functions to more analytical work and this will have implications for our staffing model and resource mix.	SO: 4, 5, 6 and 7	» Invest in new systems and digital processes to create a seamless taxpayer and trader experience when meeting obligations. » Build the required new skills, capability and capacity to complement the new technological developments.
Political environment In 2017, President Cyril Ramaphosa found it necessary to institute a Commission of Inquiry into Tax Administration and Governance at SARS due to serious governance failures and a decline in public confidence in SARS. The Nugent Commission, in its deliberations and final report, highlights the risks that arise and the damage that can be caused if political interference is allowed. Political interference in SARS can seriously undermine public confidence in SARS and consequently efforts to improve voluntary compliance.	SO:9	» In carrying out our mandate we will always be factual, objective, and we will act without fear or favour. It shouldn't matter who is in power. » Our autonomy and independence should be supported and protected by ensuring that we have the resources to pursue our mandate. » Engage with all sectors of society to listen to their concerns and provide credible responses that engenders trust.
Changing Demographics Changing Demographics South Africa is a country of young people as recent statistics released by StatsSA indicate. The same is true for our current individual tax base. The high (and growing) unemployment rate amongst the youth is a serious threat to the tax base and the overall integrity of the tax system. It has become a serious constraint to revenue growth, and will cause further strain on Government to increase spending on social benefits.	SO: 1,2 and 3	» Adopt a segmentation approach to take account of all societal segments, but pay particular attention to the social-demographic structure of our society. This influences how we develop our compliance programme, engage with communities, but also how we shape our workforce.

Environmental factors	Relevant strategic objective/s (SO)	Our approach
Social media Social media is pushing many boundaries and has brought about new ways of communicating and interacting between taxpayers and tax authorities. It can help SARS to learn more about taxpayers, and can be used to support and improve our services, and compliance efforts. It has also brought with it risks such as false/fake news which can quickly spread.	SO 4,5 and 6	» Proactively use social media platforms to inform, engage and promote voluntary compliance. » Continue to seek ways to improve the integrity of our systems.

Key internal environmental factors and our approach

Environmental factors	Relevant strategic objective(s)	Our approach
Governance and leadership failures The Commission of Inquiry into Tax Administration and Governance at SARS has been concluded. The findings from the Commission highlighted a "massive" failure in integrity and governance within SARS, which significantly contributed to the failure of SARS to meet its revenue targets.	SO: 9	» Continuing to implement recommendations from the Nugent Report. » Rebuild key capabilities that were deliberately hollowed out, and restore internal trust and confidence amongst staff. » The Commissioner will continue to lead efforts to regain public trust and confidence, as well as to improve tax morality.
Staff morale SARS experienced a decrease in the levels of employee engagement during 2017 and this was likely influenced by the changes that took place as a result of the "new operating model" which, according to Nugent, was driven by a desire to deliberately break down the organisational integrity.	SO: 4	» We have already started initiatives to ensure that employees regain their confidence by ensuring that they engage in meaningful work. » Our new employee value proposition will include an evolved job profile that will, in the future, move people away from doing largely administrative work to more analytical and service roles. » Develop new digital tools to create an enabling environment for our employees » Be transparent regarding issues affecting employees, and seek to build consensus with all stakeholders.
Evolving modes of work Technological changes and evolving taxpayer and trader needs are influencing the broader world of work, including the structure of the work environment and the way people work.	All	» Our human capability must evolve to complement the increasing levels of automated processing and artificial intelligence enabled by data, super computers and real-time connectivity (Internet of things).

PART C: MEASURING SARS' PERFORMANCE

Institutional Performance Information

SARS STRATEGIC INTENT: *To Develop a Tax & Customs system based on Voluntary Compliance.*

Our key actions, to ensure that we achieve our strategic intent are captured under each of the strategic objectives and supporting sub-strategic objectives. We will know we are making progress towards the achievement of our strategic intent and our vision of becoming a smart modern SARS with unquestionable integrity, respected and admired, when we achieve the following overall key results:

Key results	Baseline	Five-year target 2024/25
Printed revenue estimates are met and/or exceeded	2019/20 actual revenue performance	Target as announced by Minister
Voluntary compliance has increased as measured by a credible voluntary compliance index	67.20%	83.00%
We have reduced the tax gap significantly – *total tax gap as a percentage of total revenue due*	New measure	Between 10% - 15% (OECD 11% - 13%)
We have substantially met or exceeded our performance targets based on our plans	65.00%	85.00%

Strategic objective 1: Provide clarity and certainty for taxpayers and traders of their obligations

The overall taxpayer and trader experience is empowering and enabling. Taxpayers and traders proactively receive clarity guidance, and where required, have easily accessible additional customised support. Certain segments of taxpayers and traders may also access leverage products such as advance pricing agreements, advance rulings (inclusive of VAT rulings and Binding General Rulings) and cooperative compliance programmes.

Sub-strategic objectives
» Enable clarity and certainty across the entire value chain, from policy formulation to outcomes and impacts.
» Provide timely, easily accessible and understandable guidance to society on their tax and customs obligations.
» Achieve greater certainty through the use of leverage products.

Our key actions

To achieve this objective, we will:
» Conduct regular research to gauge taxpayer, trader and public perceptions of clarity and certainty of tax laws to inform us of their needs.
» Influence tax policy to improve clarity and certainty in legislative drafting, and to ensure consistency in interpretation and application.
» Provide clarity of legal obligations, to ensure consistency of legal obligations as well as certainty and predictability, through outreach, engagements, education, awareness, advance rulings, advance pricing agreements, interpretations note, and explanatory guidelines.
» Provide information to taxpayers and traders that is easily accessable through our digital platforms and channels.
» Expand our footprint by using facilities and institutions available to us through the rest of the State and private sector partners/stakeholders.
» Develop a comprehensive taxpayer and trader engagement programme as part of our Compliance Programme.

Managing our performance - Key results and milestones

We will know we are making progress when:

Key results	Baseline	Five-year target 2024/25
The majority of taxpayers, traders and public surveyed perceive the guidance SARS provides as clear, unambiguous and easy to comply with – *% of taxpayers and traders that are satisfied with the clarity and certainty of the guidance provided by SARS based on an annual survey (clarity survey)*	New measure	80.00% of taxpayers and traders
There are fewer taxpayers and traders that need SARS to help them resolve their tax and customs queries – *reduction in the number of taxpayer and traders requiring to visit a SARS branch office (% of base)*	11 million inbound currently	60.00% reduction in inbound volumes relative to base
We have a continuous downward trend in overall disputes - *% reduction in the number of disputes lodged with SARS*	New	» Simple taxpayers (PIT) disputes to largely disappear by 2024/25 » Provisional taxpayer disputes to significantly decrease by 2024/25 » VAT disputes to significantly decrease by 2024/25

Strategic objective 2: Make it easy for taxpayers and traders to comply with their obligations

Engagements by taxpayers and traders in the fulfillment of their obligations will be mainly on-line, intuitive and self-managed with minimal face-to-face visits. For standard taxpayers (largely non-provisional taxpayers), the fulfillment of their registration, filing, declaration and payment obligations will be seamless. Exceptions will be resolved with ease and minimal intervention. Complex taxpayers (largely provisional taxpayers- individuals and entities) as well as their intermediaries, will experience engagements customized to their specific needs. Increasingly, trusted intermediaries will be empowered and enabled as authorized agents acting on our behalf.

Sub-strategic objectives
» Ensure that anyone can access SARS from anywhere and at anytime.
» Provide differentiated service and interaction across all channels.

Our key actions:

To achieve this objective, we will:
» Provide a seamless registration, filing, declaration and payment experience for standard taxpayers and traders.
» Provide services that are accessible, simple and easy to use for complex taxpayers and traders to fulfill their obligations,
» Provide a seamless omni-channel experience through our various service offerings.
» Provide an intuitive service aligned to the needs and behaviours of taxpayers and traders.
» Provide a single view of taxpayers and traders.
» Engage with intermediaries and service providers who are certified and accredited.

Measuring our performance – Key results and milestones

We will know we are making progress when:

Key results	Baseline	Five-year target 2024/25
Standard taxpayers are auto assessed by SARS – *% of standard taxpayer returns auto assessed by SA*RS (individual taxpayers)	New	95.00% auto assessment of standard taxpayers
Increase the number of taxpayers and traders using digital platforms – *% of taxpayers and traders using digital platforms to interact with SARS*	75.00%	85.00%
All standard taxpayers are auto registered without the need for them to come to SARS – *Proportion of standard taxpayers auto-registered*	New	95.00% auto-registration of taxpayers and traders by SARS
Significant improvements in the ease of doing business with SARS– *upward movement in the ranking by the World Bank Study*	84	Top quartile ranking in the World Bank Study
When taxpayers and traders are satisfied with SARS as evidenced by - *Net Easy Score*	New	Net Easy Score of greater than 70.00%

Strategic objective 3: Detect taxpayers and traders who do not comply, and make non-compliance hard and costly

Taxpayers and traders who negligently, deliberately, aggressively, or criminally stay out of the tax system, or do not comply, will be detected. They will experience a response appropriate to the nature and degree of their non-compliance, which progressively may include friendly reminders to more intrusive and investigative engagements that enforce compliance. Where necessary, hard enforcement may include court action, asset seizure and criminal prosecution. Non-compliant taxpayers and traders may under certain circumstances be named and shamed. The costs for non-compliance will be high and severe.

Sub-strategic objectives
» Develop and implement an enhanced methodology to detect and select non-compliance.
» Develop and implement a comprehensive set of responses for every form of non-compliance.
» Review the current capability to respond to all forms of non-compliance.

Our key actions

To achieve this objective, we will:
» Improve our capabilities to detect and profile cases, then select, assign and manage appropriate interventions.
» Make it difficult, inconvenient and costly for taxpayers not to comply, by ensuring that the total cost of non-compliance outweighs any benefit derived from it.
» Actively work with other Stakeholders to ensure that we successfully deal with non-compliance.

Measuring our performance: Key results and milestones

We will know we are making progress when:

Key results	Baseline	Five-year target 2024/25
SARS interventions achieve intended outcomes - *% of interventions that yield the intended results*	Customs 13.00% Core taxes 30.00%	90.00% overall success
We achieve a high success rate in the number of cases we take to court (via NPA) for prosecution – *% success (conviction) rate of cases referred for prosecution*	90.00%	95.00%

Strategic objective 4: Develop a high performing, diverse, agile, engaged and evolved workforce

Our employees consider us to be an Employer of Choice and are engaged to deliver the best taxpayer and trader experience characterised by professionalism and actions that are beyond reproach. Tasks have become less administrative, and more service oriented. Our employees easily collaborate to leverage their combined strengths, and we invest in them appropriately and provide them with the right tools for the job. They are able to respond to future demands of the work environment and changing needs of taxpayers and traders with ease.

Sub-strategic objectives
» Review and improve employee engagement of our staff.
» Build a future workforce to respond to the evolving work environment.

Our key actions

To achieve this objective, we will:
» Ensure that we have the caliber of managers that can manage competently, professionally and ethically.
» Assess and develop the competencies required to meet the future mode of work.
» Review and enhance the employee engagement model to achieve performance excellence.

Measuring our performance: Key results and milestones

We will know we are making progress when:

Key results	Baseline	Five-year target 2024/25
Employee Engagement Index	New	Top Quartile in market
Employer Brand (Employer of Choice Rating)	New	Top Tercile in the market (top 10 %)
Diversity and Employment Equity: Racial Equity Gender Equity Disability	Racial equity – 76.31% Gender - 49.14% Disability – 2.16%	Racial equity – 84.00% Gender – 53.46% Disability – 4.75%

Strategic objective 5: Increase and expand the use of data within a comprehensive knowledge management framework to ensure integrity, derive insight and improve outcomes

By expanding and increasing the use of data, data analytics and artificial intelligence, we create the capability to understand the compliance behaviour of taxpayers and traders to provide clarity and certainty where it is needed, an easy and seamless service that fosters voluntary compliance, and timely/early detection of risks, trends and instances of non-compliance that enable us to enforce responsibly. We have incorporated data into a comprehensive system of knowledge management. The composite effect of the expanded and increased use of data must substantively support our strategic intent of voluntary compliance.

Sub-strategic objectives
» Identify new data sources and acquire relevant new data.
» Update data collection and retrieval.
» Build enhanced modelling, analytical and artificial intelligence (AI) capabilities.
» Ensure overall data integrity across the organisation.

Our key actions:

To achieve this objective, we will:
» Continue to define and identify new data needs and sources.
» Ensure seamless exchange of data with third-party data providers.
» Ensure that our tax register is complete and segmented by taxpayer type, product and compliance behaviour.
» Build a more advanced data management capability and capacity.
» Work towards actions and interventions that are evidence-based and informed by data, and enable seamless access by users.
» Enhance our risk profiling and case selection modelling capabilities to facilitate proactive and reactive responses to profile and select risks, trends and instances.
» Increase collaboration with the rest of Government.
» Continue to deploy new data analytics products to support organisational performance and operations.
» Establish and communicate policies and procedures for effective data management in the organisation.

Measuring our performance: Key results and milestones

We will know we are making progress when:

Key results	Baseline	Five-year target 2024/25
Risk detection, assessment and profiling is largely automated and substantively informs case selection for standard matters. Manual risk profiling and case selection is only used for complex matters	Risk engine currently using structured data, based on declaration submission.	100.00% utilization of automated risk assessment for standard taxpayers and traders 80.00% utilisation automated risk assessment for complex taxpayers and traders
Accurate and complete register of taxpayers	Register which is not reliably reflecting all taxpayers, their inter-relationships and their respective statuses (% accuracy)	Register which reliably reflects all taxpayers, their inter-relationships and their respective statuses. 90% accurate tax registers

Strategic objective 6: Modernise our systems to provide digital and streamlined online services

Our digital platforms provide reliable and secure services to all our constituencies. Specifically for taxpayers and traders they enable them to meet their obligations simply, easily and anywhere. They also enable our employees to enable them to deliver world-class & best-in class taxpayer and trader experience and to ensure performance excellence. For our stakeholders, they provide reports and analysis that enable them to hold us accountable.

Sub-strategic objectives
» Host and continually update digital information portals that are informative, easy to navigate and enables differentiated services.
» Provide innovative technologies to enable the automation and integration of business processes.
» Secure all digital platforms and interactions, and maintain the integrity of data and systems.
» Enable sourcing, processing, storage and distribution of large volumes and varied types of data.

Our key actions

To achieve this objective, we will:
» Build digital platforms that host data, and enables us to provide taxpayer and trader experiences that are seamless, secure and available everywhere 24/7.
» Build technology platforms and systems that allow us to host, and ensure data integrity and data management to respond to all our needs.
» Deploy technology that allows us to be good stewards of our people and resources, to achieve performance excellence.
» Deploy technology to enable intermediaries, through whom we work with and through, to effectively deliver on our mandate.

Measuring our performance: Key results and milestones

We will know we are making progress when:

Key results	Baseline	Five-year target 2024/25
All SARS service offerings are made available digitally – *% of SARS taxpayer and trader service offerings made available online*	New	95.00%

Strategic objective 7: Demonstrate effective resource stewardship to ensure efficiency and effectiveness in delivering quality outcomes and performance excellence

We steward the limited resources entrusted to us in a manner that creates value to achieve quality outcomes and performance excellence. The way we organise ourselves reflects agility and responsiveness to deliver the best experience for all of our constituencies. We demonstrate a high work ethic, strive for performance excellence and achieve the most with the least effort and cost, and best-in class innovations that enable us to achieve our strategic intent.

Sub-strategic objectives
» Optimally execute our mandate through the effective and efficient deployment of SARS resources.
» Maintain a strong focus on cost management, productivity gains and responsible procurement, in line with Government's transformation imperatives.
» Allocate resources with a clear "cost-benefit" mindset to ensure we deliver more and create a better experience for taxpayers and traders without sacrificing quality and excellence.
» Improve accountability and internal controls across the organisation.

Our key actions

To achieve this objective, we will:
» Develop standards to ensure productivity improvements.
» Reconfigure SARS' costs structure to align with international peers.
» Continually review and negotiate contracts with our service providers and suppliers to achieve better cost savings.
» Build an investment portfolio management approach that ensures that every prioritised investment results in an intended positive yield and/or risk mitigation.
» Achieve Government's imperatives through responsible procurement.
» Provide enabling mechanisms to achieve an optimised value chain.
» Design and implement a new SARS Objective and Key Result based (OKR) performance management system and standard.
» Conduct performance monitoring and evaluation to ensure that objectives are achieved.
» Ensure a control environment to appropriately respond to risks

Measuring our performance: Key results and milestones

We will know we are making progress when:

Key Results	Baseline	Five-year Target 2024/25
Reconfigured cost structure - *ICT investment as percentage of total grant*	5.00%	ICT investment of between 13.00% of total grant
Revenue is collected at a level in line with comparable international peers' cost – *Cost to Revenue Ratio*	0.84%	1.00%

Strategic objective 8: Work with and through stakeholders to improve the tax ecosystem

We have effective and beneficial partnerships with all Stakeholders in the tax ecosystem, that deliver maximum benefits for the taxpayers, Government and the public. We leverage each other's strengths to resolve tax administration challenges and improve voluntary tax compliance. Our interactions and exchanges are formal, professional, and transparent. Intermediaries experience their engagement with us as empowering and enabling mainly through on-line digital services.

Sub-strategic objectives
» Work with and through stakeholders to improve taxpayer and trader experience.
» Partner with international bodies to improve compliance.

Our key actions

To achieve this objective, we will:
» Ensure that our stakeholders are sufficiently empowered to help us achieve our mandate.
» Where appropriate develop and employ accreditation, certification and licensing.
» Work with stakeholders to co-design and co-create solutions to ensure their clients are able to meet their obligations with ease.
» Collaborate with other Tax and Customs agencies and multilateral bodies to improve compliance.
» Identify all our stakeholders and develop an understanding of their needs and interests.
» Co-design and co-create solutions with our stakeholders, to enable easy compliance by taxpayers and traders.

Managing our performance - Key results and milestones

We will know we are making progress when:

Key results	Baseline	Five-year target 2024/25
We have a high number of intermediaries that are satisfied with our cooperation and collaboration – *% of our intermediaries that are satisfied with our assistance*	New	70.00%
Multilateral bodies peer review assessment of our administration and engagements – *peer review score based on current multilateral agreements (example TADAT ,WCO, Global Forum on Tax Transparency and EOI, ATAF)*	New	Top quartile ranking

Strategic objective 9: Build public trust and confidence in the tax administration system

The public is confident that our stewardship of the country's tax system is professional, unbiased and fair; we always act and do the right things all the time; we maintain the highest standards of integrity and ethics; we have transparent governance systems and processes and we have capable and trustworthy leaders. We accept that ultimately, we are accountable to taxpayers, traders, and their representatives, the general public, as well as elected public office bearers, whose trust we must earn.

Our key actions

To achieve this objective, we will:
» Review and enhance the current surveys

Measuring our performance: Key results and milestones

We will know we are making progress when:

Key results	Baseline	Five-year target 2024/25
Public opinion survey results reflect high trust and confidence in SARS	67.00%	75.00%
Sentiment analysis continuously reflects high trust and confidence in SARS	New measure	Top 3 words the public associates with SARS are all positive

Risks and mitigation

Risk Description	Mitigating Actions
Cyber Crime The escalation of large-scale cyber-attacks nationally and globally leads to SARS' vulnerability, and in the event of an attack, could result in taxpayer and trader confidentiality breaches and severe reputational damage.	» Review and implement the approved Information security strategy. » Review, implement and monitor the Cyber-security roadmap. » Develop a Data Loss Prevention program to introduce world-class capabilities for the management of electronic information and to protect against cyber-attacks.
Loss of Public Trust and Credibility Damage to the reputation of SARS due to: » Negative media reports; » Varying levels of service provided to customers and stakeholders; » SARS non-compliance to legislation and regulations, may lead to the projection of a negative perception of SARS and result in loss of public trust and credibility.	» Develop a Strategy and Framework for Reputational Risk Management, which will include a Communications and Engagement Strategy to support pro-active internal and external communication. » Reinforce the SARS core values and the SARS Code of Conduct. » Implement the approved SARS Service Charter.
Illicit trade, smuggling and criminal syndicates Sub-optimal border control leads to smuggling (narcotics and counterfeit), illicit trade, trade mispricing and illicit financial flows, whose negative socio-economic impact threatens economic growth, undermines legitimate formal business activity, job security and creation. Poor risk profiling, technology and skills lead to the inability to detect non-compliance, enforce compliance, and to poor management of the risk posed by the illicit economy and the shadow economy.	» Ensure end-to-end goods accounting through the roll out of the Reporting, Conveyances and Goods component of NCAP. » Carry out interventions through the Inter-agency workgroup on Illicit Financial Flows Strategy, and resuscitate the inter-agency workgroup on Illicit Trade in Tobacco. » Finalise and implement the Customs Risk-based client segmentation model to bolster targeted enforcement initiatives. » Refer cases to criminal investigations for prosecution. » Improve the Customs and Excise Risk Management Capabilities. » Establish structures and well-resourced specialised teams to tackle non-compliance associated with the illicit economy, such as that occurring in the tobacco, cigarette, fuel and alcohol sectors. » Continue with investigations into illicit trade and ensure that civil and/or criminal sanctions are imposed.
Increasing non-compliance by taxpayers and traders Weak case selection and taxpayer profiling, the inability to identify potential tax avoidance schemes, failed strategic enforcement projects, inadequate resources and skills needed to detect and act against sophisticated tax avoidance schemes, lead to ineffective enforcement interventions, which result in increased non-compliance and the inability to meet the revenue and duty targets required to meet fiscal demands.	» Implement the revised Compliance Programme and develop a new Compliance Programme (2018/19 - 2023/24). » Redefine the profile of human resources in case selection and audit, to ensure the right mix of knowledge, skills, and experience is present in order to competently select, profile, and audit complex and potential high-yield cases. » Develop specific and focused skills development interventions to enhance the effectiveness of human resources in case selection and audit.

Risk Description	Mitigating Actions
Business interruption The lack of an approved enterprise-wide Business Continuity Management Framework leads to an inability to plan a response to unplanned business interruptions, and in the event of an incident, results in prolonged business interruption, operational failures, and potential business failure.	» Develop a Business Continuity Management Committee structure represented by all businesses. » Develop and implement an enterprise-wide Business Continuity Management Framework (including a Disaster Recovery Plan) based on ISO 22301.
Loss and leakage of Data and Information The lack of a coordinated enterprise-wide approach to protecting and securing digital and physical information leads to fragmented and inefficient management and security controls, resulting in loss, theft, and exploitation of data and physical information.	» Develop an Integrated Security Framework to protect digital/physical data and information, people and facilities at an enterprise-level. » Develop a Data Loss Prevention program to introduce world-class capabilities for the management of electronic information, and to protect against cyber-attacks.
Non-achievement of Revenue Estimates due to less than expected revenue collections An unfavourable global and domestic economic environment contributes to the decline in business activity, profitability and reduced tax revenue, due to macro-economic factors such as the impact of lower-than-expected economic growth, new tax policies (sugar levies, carbon taxes), and national debt sustainability during different economic scenarios, and micro-economic factors including household debt sustainability, declining employment rates, and increasing business liquidations.	» Enhance segmentation of the tax base and differentiated service and compliance offerings. » Increase focus and capability on large international businesses and wealthy individuals » Revive the SARS compliance model and improve the compliance within specific industry sectors. » Utilise research based input in developing compliance improvement interventions. » Enhance the risk identification capability to influence shifts in the compliance landscape. » Develop an enterprise-wide programme for revenue management.
Workforce capacity and allocated staff budget are not aligned The lack of required funding to fully capacitate the SARS Workforce Plan results in existing staff being stretched, which impacts directly on revenue collection, delivery and the quality of SARS strategic outcomes and existing staff morale.	» Review the SARS Workforce Plan (WFP), identifying workforce requirements in all areas and levels in the organisation. » Deliver a 3 year WFP. Utilise the approved WFP to serve as the business plan for budgeting purposes and workforce funding allocation. » Enhance recruitment to address immediate WFP capacity requirements when funds are made available (recruitment focused project).

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TDIs)

OVERALL INDICATORS FOR OUR STRATEGIC INTENT

1.   Printed revenue estimates are met and/or exceeded

Indicator Title	Printed revenue estimates are met and/or exceeded
Definition / Purpose	The purpose of this indicator is to track the revenue collected by SARS emanating from tax, customs and excise activities, and is one of the proxies for measuring tax compliance. This indicator takes into account all debt collected, links debt to economic activity through the level of taxes received, has consideration for changes in tax collections, and can be benchmarked against other tax administrations.
Source/Collection of data	Revenue data is extracted from Customs & Excise core systems and SARS core tax systems.
Method of calculation	Tax and customs revenue from all types of tax-generating activities
Data limitations / assumptions	Targets are set by the Revenue Analysis Working Committee (RAWC), and susceptible to economic performance, as well as a change in tariffs set by the dti in accordance with International Trade Agreements.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Revenue Management and all clusters

2.   Increase in a credible voluntary compliance index (%)

Indicator Title	Increase in a credible voluntary compliance index (%)
Definition / Purpose	This indicator tracks and monitors the compliance of taxpayers with their registration, declaration, filing and payment obligations across all major tax types. The indicator aggregates the four tax compliance clusters, and a composite score is derived therefrom. For the purposes of this indicator, voluntary compliance is defined when taxpayers and traders fulfil their obligations to register when they ought to, file/declare on time, ensure all declarations are honest and complete and pay taxes and duties when they are due. Auto registration and filing are treated as voluntary compliance for the purposes of this measure.
Source/Collection of data	Data is extracted from CEMIS.
Method of calculation	Voluntary compliance rate (%)= $\left(\dfrac{\text{Submissions received on time (v)}}{\text{Total submissions required (v)}}\right) \times 100$ *Submission = registration, declaration, filing and payment obligations submissions*
Data limitations / assumptions	Transactions that occurred in other financial years are excluded.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	All Clusters

3. % tax gap as a percentage of total revenue due

Indicator Titlew	% tax gap as a percentage of total revenue due
Definition / Purpose	The purpose of this measure is to track the extent to which SARS is directing its efforts to significantly close the tax gap. Broadly defined, the tax gap is the difference between the taxes that would be paid if all obligations were fully met in all instances, and those that are actually received and collected.
Source/Collection of data	Internal Sources: • Tax returns, Audit results, Risk Engine results, current 3rd Party Data External sources (list not exhaustive): • Stats SA SESE report • Stats SA Employment Statistics report • Stats SA Census data • CIPC • ACCA Shadow Economy report • Global Financial Integrity Illicit Financial Flows report • OECD reports/studies • World Bank studies • Other tax bodies
Method of calculation	An estimate of the tax gap will be done through a bottom-up approach, based on direct taxes such as income tax. The approach compares current tax revenues with estimates of the taxes that should be paid, the estimates being based on an estimated level of tax non-compliance in the full taxpayer population using accounting systems, risk registers, etc. This estimate of non-compliance is determined using data from audits, surveys, etc. Tax Gap % = $$\frac{\text{Value of estimated tax revenue not collected}}{\text{Total value of theoretical tax revenue}}$$
Data limitations / assumptions	Tax gap calculations are estimates. The data collected and the methodology are susceptable to inherent flaws.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	An actual achievement lower than target.
Indicator responsibility	All Clusters

4. % APP achievement – meet or exceed all performance targets (%)

Indicator Title	% APP achievement – meet or exceed all performance targets
Definition / Purpose	This indicator seeks to gauge the level of achievement on APP deliverables for the current year. The APP achievement will act as the overall achievement for SARS as a whole.
Source/Collection of data	Internally generated reports, largely monthly, quarterly and annual reports.
Method of calculation	The final performance score calculation is based on the total number of deliverables/ commitments met in the current year APP, as a percentage of total deliverables in the APP. Divisional performance reports are used to assess achievement or non-achievement of a deliverable/commitment during the period under review. A "robot" system (green, amber, red) will be used, with green being 100% achievement, and amber being 50% achievement, red being less that 50% (not achieved).
Data limitations / assumptions	No specific limitations
Type of indicator	Efficiency
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Enterprise Strategy and Planning

STRATEGIC OBJECTIVES

1. PROVIDE CLARITY AND CERTAINTY FOR TAXPAYERS AND TRADERS OF THEIR OBLIGATIONS

1.1. Tax Clarity and Certainty Satisfaction Index %

Indicator Title	Tax Clarity and Certainty Satisfaction Index %
Definition / Purpose	Measures the satisfaction of taxpayers and traders with the level of certainty and clarity SARS provides with respect to their tax obligations. Tracks whether information provided by SARS, through their engagements with taxpayers and traders, is clear and unambiguous and allows taxpayers to fulfil their tax obligations in a consistent manner.
Source/Collection of data	Tax Certainty Survey
Method of calculation	The actual calculation is done by an external service provider
Data limitations / assumptions	No specific limitations
Type of indicator	Output/Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Legislative Policy Tax, Customs & Excise and Leveraged legal products

1.2. Reduction in the number of taxpayer (and traders) requiring to visit a SARS branch office (%)

Indicator Title	Reduction in the number of taxpayer (and traders) requiring to visit a SARS branch office (%)
Definition / Purpose	Indicator measures the variation in the number of taxpayers and traders requiring to visit a SARS branch office for the resolution of tax and custom queries. A reduction in the number of visits indicates that reforms to provide certainty and clarity and making it easy for taxpayers and traders to comply with tax obligations are successful, and ultimately eliminating the need for taxpayers and traders to visit branches
Source/Collection of data	SARS core systems.
Method of calculation	Taxpayer and Trader Branch visits (%) = $$\frac{\text{\# of Branch Walk-Ins / \# of Tickets Issued (new period) -}\text{\# of Branch Walk-Ins / \# of Tickets Issued (old period)}}{\text{\# of Branch Walk-Ins / \# of Tickets Issued (old period)}}$$
Data limitations / assumptions	No specific limitations
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Digital Channels & Technology & Solutions Delivery

1.3. % reduction in the number of disputes lodged with SAR

Indicator Title	% reduction in the number of disputes lodged with SARS
Definition / Purpose	This indicator measures the variation in the number of disputes lodged between periods. The purpose of this indicator is to determine the level of misalignment between taxpayers and traders and SARS regarding the fulfilment of tax obligations. The decrease in disputes reflects the veracity of SARS' reforms in providing certainty and clarity of tax obligations
Source/Collection of data	SARS core systems
Method of calculation	% Dispute reduction = $$\frac{\text{\# of disputes lodged in new period - \# of disputes lodged in old period}}{\text{\# of disputes lodged in old period}}$$
Data limitations / assumptions	No specific limitations
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	An actual achievement lower than target.
Indicator responsibility	Legislative Policy Tax, Customs & Excise

2.   MAKE IT EASY FOR TAXPAYERS AND TRADERS TO COMPLY WITH THEIR OBLIGATIONS

2.1. % of standard taxpayer returns auto assessed by SARS

Indicator Title	% of standard taxpayer returns auto assessed by SARS
Definition / Purpose	This indicator measures the proportion of tax returns of individual taxpayers assessed automatically by SARS without requesring returns. The purpose of this measure is to determine the extent to which SARS can use data and information to assess tax returns automatically, making it unnecessary for taxpayers and traders to file tax returns themselves
Source/Collection of data	SARS core systems
Method of calculation	Tax Return Auto-Filing = $\frac{\text{\# of PIT tax returns auto-assessed}}{\text{\# total of PIT taxpayers above threshold}}$
Data limitations / assumptions	No specific limitations
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Technology & Solutions Delivery & Enterprise Data Management

2.2. % of taxpayers and traders using digital platforms to interact with SARS

Indicator Title	% of taxpayers and traders using digital platforms to interact with SARS
Definition / Purpose	This indicator measures the % of taxpayers and traders who use digital platforms to interact with SARS. This includes self-service and excludes assisted utilisation of digital platforms.
Source/Collection of data	SARS core systems
Method of calculation	% of taxpayers and traders using digital platforms to interact with SARS = $\frac{\text{\# number of unique taxpayers and traders who use digital platforms}}{\text{total of taxpayers and traders (tax base)}}$
Data limitations / assumptions	N/A
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Technology & Solutions Delivery

2.3. Proportion of standard taxpayers auto-registered (%)

Indicator Title	Proportion of standard taxpayers auto-registered (%)
Definition / Purpose	This indicator measures the proportion of taxpayers automatically registered for tax by SARS. Track the number of taxpayers and traders who are automatically registered as taxpayers when they become economically active and automatically register tax products when economic transactions relating to those tax products occur.
Source/Collection of data	SARS core systems
Method of calculation	Taxpayers Auto-Registered = $\frac{\text{\# of taxpayers auto-registered for the period}}{\text{\# total of taxpayer registrations for the period}}$
Data limitations / assumptions	No specific limitations
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Technology & Solutions Delivery & Enterprise Data Management

2.4. Upward movement in the ranking by the World Bank Study

Indicator Title	Upward movement in the ranking by the World Bank Study
Definition / Purpose	This measure indicates SARS global rank for the Paying Taxes indicator of the overall ease of doing business index. The Paying Tax indicator records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions. The purpose of this measure is to track SARS' performance against other countries' tax agencies.
Source/Collection of data	The World Bank Doing Business Report
Method of calculation	The ranking is determined by the World Bank
Data limitations / assumptions	No specific limitations
Type of indicator	Efficiency
Calculation type	N/A
Reporting cycle	Annually
Desired performance	An actual ranking higher than target
Indicator responsibility	Segment Owners, Product-Process Owners, Process Engineering and Design

2.5. Net Easy Score

Indicator Title	Net Easy Score
Definition / Purpose	This indicator measures how easy (the amount of effort required) taxpayers and traders find it to interact with SARS. The purpose is to determine if our reforms on making it easier for taxpayers and traders to fulfil their tax obligations are successful
Source/Collection of data	External research
Method of calculation	Survey
Data limitations / assumptions	Coverage/sample sizes and response rates
Type of indicator	Efficiency
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Segment Owners, Product-Process Owners

3. DETECT TAXPAYERS AND TRADERS WHO DO NOT COMPLY, MAKING NON-COMPLIANCE HARD AND COSTLY

3.1. % of interventions that yield the intended results

Indicator Title	% of interventions that yield the intended results
Definition / Purpose	The purpose of this indicator is to gauge the extent to which targeted interventions that SARS carries out are achieving the desired outcomes. These outcomes can be either qualitative or quantitative, e.g. audits can be done for completeness of declaration, and a court action may be done for collecting revenue.
Source/Collection of data	SARS core systems
Method of calculation	Number of interventions that yielded the intended results as a percentage of total interventions carried out.
Data limitations / assumptions	Interventions exclude daily routine work carried by staff to curb non-compliance and promote tax revenue
Type of indicator	Efficiency
Calculation type	Cumulative
Reporting cycle	Tracked quarterly but reported annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Segment Owners, Product-Process Owners

3.2. % success (conviction) rate of cases referred for prosecution

Indicator Title	% success (conviction) rate of cases referred for prosecution
Definition / Purpose	The purpose of this measure is to track the success rate of the number of tax and customs cases taken to court (via NPA) for prosecution. A high success rate is desired.
Source/Collection of data	SARS core systems and NPA records
Method of calculation	Number of cases with positive outcomes as a percentage of total number of cases taken to court.
Data limitations / assumptions	No specific limitations
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Legislative Policy, Tax Customs and Excise

4. DEVELOP A HIGH PERFORMING, DIVERSE, AGILE, ENGAGED AND EVOLVED WORKFORCE

4.1. Employee Engagement Index

Indicator Title	Employee Engagement Index
Definition / Purpose	The purpose of this measure is to monitor the extent to which employees feel valued and involved in their everyday work, which helps to improve their level of commitment and affiliation to the SARS employer brand.
Source/Collection of data	Staff survey through an independent company
Method of calculation	Connexion survey conducted biennially by an independent company
Data limitations / assumptions	Employees on suspension and those whose access has been revoked on the SARS network are excluded. Employees who have not completed a full month in SARS' employment at the point of survey deployment are excluded.
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Biennially (once every 2 years).
Desired performance	An actual achievement higher than target.
Indicator responsibility	Employee Engagement

4.2. Employer Brand (Employer of Choice Rating)

Indicator Title	Employer Brand (Employer of Choice Rating)
Definition / Purpose	This measures the extent to which the South African public views SARS as an employer of choice. The aim is to increasingly improve the SARS' world of work, to attract the best talent in the market and retain it for the longest period possible. The employer brand will be largely boosted by engaging and delivering the best taxpayer and trader experience characterized by professionalism and actions that are beyond reproach.
Source/Collection of data	Survey by an independent company
Method of calculation	Survey conducted annually and facilitated by an independent company
Data limitations / assumptions	Data reliability flaws, coverage sample sizes, biased responses
Type of indicator	Efficiency
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Employee Engagement, Talent Capability & Development, Employee and Labour Relations

4.3. Diversity and Employment Equity

Indicator Title	Diversity and Employment Equity
Definition / Purpose	The purpose of this measure is to gauge how adequately SARS is representing the country's demographics in the workforce, and to promote diversity, gender equality and create opportunities for people with disabilities.
Source/Collection of data	SAP system
Method of calculation	Racial Equity: Total number of African, Indian and Coloured employees as a percentage of the total headcount. Gender Equity: Total female employees in managerial to executive roles (from Grade 6 to 9B?) as a percentage of total employees in those roles (on Grade 6 to 9B?). Disability: Total number of disabled employees (per SARS definition) as a percentage of the total headcount.
Data limitations / assumptions	Disability is defined and measured in line with the provisions laid out in the Employment Equity Act.
Type of indicator	Equity
Calculation type	Cumulative
Reporting cycle	Quarterly and annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Employee Engagement, Talent Capability & Development, Employee and Labour Relations, All clusters

5. INCREASE AND EXPAND THE USE OF DATA WITHIN A COMPREHENSIVE KNOWLEDGE MANAGEMENT FRAMEWORK TO INSURE INTEGRITY, DERIVE INSIGHT AND IMPROVE OUTCOMES

5.1. % Automated risk detection, assessment and profiling utilisation

Indicator Title	Automated risk detection, assessment and profiling utilisation
Definition / Purpose	Measures the extent to which cases are automatically selected due to the automation of risk detection, profiling and assessment. The purpose is to ensure that cases are selected automatically and manual case selection only happens in exceptional cases (e.g. for complex tax matters or taxpayer segments).
Source/Collection of data	SARS core systems
Method of calculation	% Automated Risk Assessments = $$\frac{\text{\# of cases selected automatically for the period}}{\text{Total number of assessments performed for the period}}$$
Data limitations / assumptions	No specific limitations
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Monthly, Quarterly and Annually (external)
Desired performance	An actual achievement higher than target
Indicator responsibility	Enterprise Data Management

5.2. Accurate and complete register of taxpayers

Indicator Title	Accurate and complete register of taxpayers
Definition / Purpose	This a composite indicator that measures the quality of data contained in the tax register to determine the extent to which it reliably reflects all taxpayers, their inter-relationships, tax products and respective statuses. The purpose of this indicator is to determine the extent to which data contained in the tax register can be used for certain data analytics operations and whether it can be used to derive meaningful insight
Source/Collection of data	SARS core systems
Method of calculation	% Accuracy of Tax Register = *(ratio of data to errors+#of empty values +* *data transformation error rate+data time-to-value)*100* Ratio of data to errors = $\dfrac{\text{\# of known errors (missing, incomplete, redundant entries)}}{\text{\# of data sets}}$ #Of empty values = $\dfrac{\text{\#of empty values}}{\text{\#of data sets}}$ Data transformation error rate = $\dfrac{\text{\#of failed data transformation operations}}{\text{Total number of data transformation operations}}$ Data time-to-value = $\dfrac{\text{Average time to complete data analytics operations}}{60}$ Average time to complete data analytics operations = $$\left(\sum_{n=1}^{n} x_n\right)/n$$ n = # of tax register data analytics use cases x = time it takes to complete s data analytics operation
Data limitations / assumptions	No specific limitations
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Enterprise Data Management

6. MODERNISE OUR SYSTEMS TO PROVIDE DIGITAL AND STREAMLINED ONLINE SERVICES

6.1. Uptake of online digital channels

Indicator Title	Uptake of online digital channels
Definition / Purpose	This is a composite indicator that aims to determine utilisation of online digital channels by our constituencies. The indicator excludes assisted utilisation of the online digital channel (i.e. where assistance is provided by SARS employees). In this instance, utilisation is expressed as the number of unique users (e.g. taxpayers, traders, employees etc.) that access the channel over a period. This measure tracks utilisation across all self-service ('non-assisted') digital platforms SARS introduces.
Source/Collection of data	SARS core systems
Method of calculation	$$\left[\left(\sum_{n=1}^{n}\frac{x_n}{y_n}\right)\div n\right] \times 10$$ n = number of digital online platforms x = total number of unique users accessing a channel y = total number of unique users who can use the channel (who can use the services hosted on the channel)
Data limitations / assumptions	Not specific limitations
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Technology & Solutions Delivery

7. DEMONSTRATE EFFECTIVE STEWARDSHIP OF OUR RESOURCES TO ENSURE EFFICIENCY AND EFFECTIVENESS IN THE DELIVERING QUALITY OUTCOMES AND PERFORMANCE EXCELLENCE

7.1. ICT investment as a percentage of total grant

Indicator Title	ICT investment as a percentage of total grant
Definition / Purpose	This measure seeks to track the portion of the SARS grant allocated to ICT projects improvements and related maintenance. SARS is configuring its cost structure to ensure ICT infrastructure is optimally positioned to fully support its mandate and align with its international peers.
Source/Collection of data	SARS accounting systems
Method of calculation	Actual funds invested in ICT infrastructure refresh as a percentage of the total SARS grant from National Treasury.
Data limitations / assumptions	Funds include software and hardware costs incurred on both infrastructure refresh and related maintenance, but exclude staff salaries for both.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	CFO

7.2. Cost to Revenue Collected Ratio

Indicator Title	Cost to Revenue Collected Ratio
Definition / Purpose	The purpose of this measure is to assess the extent to which SARS is achieving its mandate in a cost-effective manner. SARS is mandated to achieve its strategic objectives in a manner that is cost effective and optimises all its available resources. This measure seeks to track and monitor the cost efficiency of its operations in relation to the revenue that it collects. This will in turn be compared with international best practices and benchmarks.
Source/Collection of data	SARS accounting systems and activity based management reports
Method of calculation	Total operating costs (cost of colletion) of the controlling entity for the year, divided by the total tax and customs revenue collected for the financial year.
Data limitations / assumptions	Budgeting planning and monitoring is done in accordance to the PFMA, Treasury regulations and guidelines prescribed by National Treasury.
Type of indicator	Efficiency
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	An actual achievement close to the target.
Indicator responsibility	CFO

8. WORK WITH AND THROUGH STAKEHOLDERS TO IMPROVE THE TAX ECOSYSTEM

8.1. % of our intermediaries that are satisfied with our assistance

Indicator Title	% of our intermediaries that are satisfied with our assistance
Definition / Purpose	The purpose of this measure is to gauge the extent to which intermediaries and practitioners (including Customs) are satisfied with SARS cooperation and collaboration. We seek to ensure that SARS intermediaries and tax practitioners receive timeously empowering and enabling assistance, mainly through on-line digital services.
Source/Collection of data	External survey
Method of calculation	Carried out by an external research company
Data limitations / assumptions	Coverage/sample sizes and response rates
Type of indicator	Efficiency
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Stakeholder Relations

8.2. Peer review score

Indicator Title	Peer review score
Definition / Purpose	The purpose of this indicator is to gauge the extent to which SARS' administration and engagements are comparable to other tax administrations. The goal is to attain a ranking that is in the top quartile.
Source/Collection of data	External study
Method of calculation	The score will be derived from review assessments carried out by multilateral bodies such as OECD, which has access to tax administration data of most tax agencies.
Data limitations / assumptions	Degree of reliability is subject to quality of data
Type of indicator	Efficiency
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	International Relations

9. BUILD PUBLIC TRUST AND CONFIDENCE IN THE TAX ADMINISTRATION SYSTEM

9.1. Public opinion score

Indicator Title	Public opinion score
Definition / Purpose	The purpose of this measure is to gauge the public's perceptions and attitudes towards tax compliance. This helps SARS to better understand the public's attitudes towards tax compliance, and obtain feedback to enable SARS to track, monitor and improve tax compliance overtime.
Source/Collection of data	External survey
Method of calculation	Survey is conducted by an independent research company
Data limitations / assumptions	Degree of reliability is subject to quality of data
Type of indicator	Efficiency
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Governance & Risk, Taxpayer and Trader education

9.2. Sentiment analysis score

Indicator Title	Sentiment analysis score
Definition / Purpose	The purpose is to gauge the public's sentiments on SARS operations. The goal is to ensure that the public is confident that our stewardship of the country's tax system is professional, unbiased and fair, that we always act and do the right things all the time, we maintain the highest standards of integrity and ethics that we have transparent governance systems and processes and we have capable and trustworthy leaders.
Source/Collection of data	External survey
Method of calculation	Survey is conducted by an independent research company
Data limitations / assumptions	Degree of reliability is subject to quality of data
Type of indicator	Efficiency
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Governance & Risk, Taxpayer and Trader education

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