

ANNUAL PERFORMANCE PLAN

South African Revenue Service
2021/22

RP35/2021

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Abbreviations

AEO:	Authorised Economic Operator
AI:	Artificial Intelligence
APA:	Advance Pricing Agreements
APP:	Annual Performance Plan
ATAF:	African Tax Administration Forum
CEMIS:	Compliance Evaluation Monitoring Information System
CFO:	Chief Finance Officer
CIT:	Corporate Income Tax
ENE:	Estimates of National Expenditure
EOI:	Exchange of Information
FATF:	Financial Action Task Force
FOSAD:	Forum of South Africa Director-General
FTA:	Free Trade Agreement
GBV:	Gender-Based Violence
ICT:	Information Communications Technology
KPI:	Key Performance Indicators
MTBPS:	Medium-Term Budget Policy Statement
MTEF:	Medium-Term Expenditure Framework
MTSF:	Medium-Term Strategic Framework
NATJOINTS:	National Joint Operational and Intelligence Structure
NCCC:	National Coronavirus Command Council
NDP:	National Development Plan
NES:	Net Easy Score
NPA:	National Prosecuting Authority
OECD:	Organisation for Economic Cooperation and Development
PAYE:	Pay-As-You-Earn
PFMA:	Public Finance Management Act
PIT:	Personal Income Tax
PPE:	Personal Protective Equipment
RAWC:	Revenue Analysis Working Committee
SARS:	South African Revenue Service
SMS:	Short Message Service
TADAT:	Tax Administration Diagnostic Assessment Tool
TID:	Technical Indicator Descriptor
VAT:	Value Added Tax
WCO:	World Customs Organisation

Table of contents

Minister's statement.....	4
Commissioner's statement.....	5
Official sign-off.....	6

A

PART A: OUR MANDATE.....	7
Legislative and policy mandates.....	7
Institutional policies and strategies over the five year planning period.....	9

B

PART B: OUR STRATEGIC FOCUS.....	12
Situational analysis.....	12

C

PART C: MEASURING OUR PERFORMANCE	16
Institutional performance information	16
Resource considerations.....	26
Risks and mitigation	28

D

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDs).....	34
Annexures	50

Minister's statement



The COVID-19 pandemic has made it difficult for the South African Revenue Service (SARS) and government to deliver on their respective mandates. The economy continues to take strain from the consequences of having many aspects of economic activity curtailed by government's important (and much needed) efforts to curb the spread of the pandemic, but is expected to recover slightly in 2021.

Government's demands on revenue have also increased considerably and SARS continues to diligently play its important role under very difficult economic and operating conditions. These unfavorable economic and operating conditions are expected to continue to place pressure on revenue collection in the short-term. In spite of this negative outlook, I am encouraged as SARS continues to demonstrate resilience and continually reinventing itself by leveraging the technology and harnessing data at its disposal to improve its effectiveness and efficacy. SARS has also not lost its focus on enforcing the law on those who are prepared to cheat the system and take advantage of the conditions presented by the pandemic.

SARS is certainly on the right track by continuing to strive to be a digitally transformed organisation, and these efforts are expected to have positive effects on revenue collection and will reduce the compliance burden for taxpayers and traders.

I would like to thank the SARS leadership team and the rest of SARS employees for their continued dedication to fulfill the SARS mandate in these difficult and emotionally trying times.

A handwritten signature in black ink, appearing to read 'TT Mboweni'.

TT Mboweni
Minister of Finance

Commissioner's statement



The South African Revenue Service continues to fulfil its mandate and implement its objectives under unprecedented economic and operating conditions. The South African economy is expected to contract sharply in 2020 and begin to recover in 2021, albeit at low growth levels. Business activities are gradually picking-up, however it will take several years for most businesses to return to pre-COVID19 levels. Consequently, tax revenue collection efforts will remain constrained and SARS is already experiencing declines in registered taxpayer and trader compliance levels. SARS revenue collection is crucial for government expenditure towards social well-being, infrastructure investment, service delivery, safety and security. It is primarily these noble and imperative objectives that inspire and drive us at SARS, to strive harder and do everything within our power to improve revenue collection and increase taxpayer and trader compliance.

It is over a year and a half since SARS began its journey towards conceptualising, developing and implementing the **VISION 2024 - A smart modern SARS with unquestionable integrity, trusted and admired**. Long before the pandemic outbreak, SARS was already grappling with the challenges of positioning itself into the future so as to be prepared to embrace the new emerging opportunities and to satisfy the growing and changing needs of our taxpayers and traders. In addition, for SARS to respond to the imperatives of the changing work norms and new technologies. The onset of the pandemic has accelerated our efforts to build a resilient SARS, and presented new opportunities to bring forward some initiatives sooner than previously anticipated.

Last year, we made big strides in the modernisation of our technology infrastructure and systems to enable our employees to work from anywhere, especially at home; for taxpayers and traders to interact with us without the need to visit our branch offices. We significantly increased the utilisation of data in order to ease the burden on taxpayers and traders, by pre-populating and auto-filling their tax returns. We also set out to build a foundation for a future SARS underpinned by a capable leadership team, and filled the leadership vacancies that existed, majority of which were internal appointments.

During his 2020 Medium Term Budget Policy Statement (MTBPS), the Minister of Finance outlined his fiscal consolidation plan to limit growth in government spending and support economic growth over the medium term. SARS' efforts remain crucial to collecting the revenue required to support these efforts. The Minister's fiscal consolidation plan also calls upon us to utilise our resources prudently and seek to achieve more results from our efforts. This 2021/22 Annual Performance Plan (APP) seeks to ensure that we continue to build on the foundation already established, to rebuild our internal capacity and focus our efforts aggressively on addressing the tax gap and deal with non-compliance more effectively.

I wish to thank all SARS employees for their continued diligence and hard work, to uphold the SARS mandate and objectives during these unprecedented times. I am grateful to the Minister of Finance and Parliament for their ongoing support to rebuild SARS.

A handwritten signature in black ink, reading "Edward Chr Kieswetter". The signature is fluid and cursive, with a long horizontal stroke at the end.

Edward Chr Kieswetter
SARS Commissioner

Official sign-off

It is hereby certified that this Annual Performance Plan:

- » Was developed by the management of SARS, under the guidance of Minister Tito Mboweni
- » Takes into account all relevant policies, legislation and other mandates for which the SARS is responsible.
- » Accurately reflects the impact and outcomes which SARS will endeavour to achieve over the period 2021/22.



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: OUR MANDATE

Legislative and policy mandates

In terms of the SARS Act, 1997, SARS is mandated to:

- » collect all revenues due
- » ensure optimal compliance with Tax and Customs legislation
- » provide a Customs service that will optimise revenue collection, protect our borders and facilitate legitimate trade.

The primary legislation that SARS administers include:

- » Income Tax Act, 1962
- » Customs and Excise Act, 1964
- » Value-Added Tax Act, 1991
- » Tax Administration Act, 2011
- » Employment Tax Incentives 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 (registration, filing, declaration, payment), accurately and on time as required by the law.

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 is reviewed annually and forms part of our Annual Performance Plan.

Our aim is to engage with society in a way that earns public confidence and trust, while fostering the principle of fiscal citizenry. Voluntary Compliance refers to society fulfilling their obligations without being prompted by SARS to do so. SARS believes that most taxpayers and traders are honest, therefore will 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 that some taxpayers and traders consciously choose not to comply and will engage in aggressive tax planning or even criminal behaviour.

SARS is of the view that majority of taxpayers and traders will always do the right thing, whilst a certain number will always do the wrong thing. Most taxpayers and traders 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 will get away with it. SARS will, therefore seek to move as many taxpayers and traders as possible up the continuum and ensure that they are more willing to comply voluntarily.

Voluntary compliance will be achieved when everyone is aware of their tax obligations (**clarity and certainty**), it is reasonably easy and less costly to meet these obligations (**make it easy**), and when there is a credible threat of detection and consequences for those who do not comply with their obligations (**detection and enforcement**). To achieve this, we need to build administrative and institutional capability that has integrity and serve the public beyond reproach.

Clarity and certainty

Taxpayers and traders that are aware, clear and certain of their rights and obligations and are more likely to comply voluntarily. To the greatest extent possible we will endeavour to administer tax and customs laws that are clear, easily understood and applied by taxpayers and traders. We will provide easy to understand and easy to access information and guidance to taxpayers and traders. We will also provide certainty and consistency through prompt rulings, interpretation notes and explanatory guidelines. We will provide leverage products such as advance pricing agreements and advance rulings to certain segments of taxpayers and traders. We will also use other government facilities and institutions to educate taxpayers and traders about their rights and obligations.

Education and awareness campaigns 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 to taxpayers and traders.

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

Make it easy

We recognise that providing an easily accessible, professional and efficient service promotes voluntary compliance. Our service must enable taxpayers and traders to meet their obligations in as fair, easy, cost effective and convenient manner possible, most importantly for compliant taxpayers and traders. We will provide equitable access to all service channels, however we will strive to encourage the majority of taxpayers and traders to use mainly our online self-service channels. Through these online channels and our branches, we will ensure that taxpayers and traders are provided with seamless services from registration, filing, declaration, payment and deregistration. 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 enforcement

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. In carrying out enforcement measures, we will apply a principle of proportionality, which matches the severity of the enforcement action to the nature of non-compliance. Our actions will be proportional to the level of non-compliance detected, moving through a continuum of "soft" enforcement for lesser degree of non-compliance, first offenders etc. to "hard" enforcement for deliberate non-compliance e.g. deliberate tax avoidance, multiple offenders etc. We will build the necessary capabilities (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 their non-compliance, and when this fails we will have sufficient tools to respond.

We will embark on enforcement campaigns in areas where we have detected widespread non-compliance to create leverage. We will use our Compliance Programme as a tool to communicate to taxpayers and traders, our observations regarding their compliance behaviours and how we plan to address them.

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

Institutional integrity/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 taxpayers and traders 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/or data analytics and artificial intelligence to improve the integrity of our records, risk management and to derive critical insights and improve outcomes.

During 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 ease. We will take adequate measures to ensure efficiency and fairness in our actions, in recognition of the potentially intrusive nature of our enforcement actions. We will manage exceptions in a transparent and fair manner possible.

To live up to our constitutional obligations and our legal mandate, we seek to maximize performance through prudent and ethical management and deployment of our resources (people, financial, intellectual, manufacturing, social and relational, natural capital) 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 serving the public individually through the day to day interactions that we have with them.

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”. As SARS our commitment is to abide by these principles/law.

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 at, where employees can give expression to their aspirations and values. 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 innovation, and enable implementation of our future strategies.

Institutional policies and strategies over the five year planning period

Policies

The National Development Plan (NDP) 2030, continues to shape government’s policy framework. Government’s policy direction 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 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 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

To give effect to our mandate, our strategic intent is **to develop and administer a tax and customs system of voluntary compliance, and where appropriate, enforce responsibly and decisively.**

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 establish where to focus our resources over the course of this planning cycle.

Our nine strategic objectives are:

1.	<p>Provide CLARITY and CERTAINTY for taxpayers and traders of their obligations</p> <p>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 Value Added Tax (VAT) rulings and Binding General Rulings) and cooperative compliance programmes.</p>
2.	<p>Make it EASY for taxpayers and traders to comply with their obligations</p> <p>Engagements with taxpayers and traders in the fulfillment of their obligations will be mainly online, 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 authorised agents acting on our behalf.</p>
3.	<p>DETECT taxpayers and traders who do not comply, making non-compliance HARD and COSTLY</p> <p>Taxpayers and traders who negligently, deliberately, aggressively, or criminally stay out of the tax system or do not comply will be detected immediately when non-compliance occurs. 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 cost of non-compliance will be high and severe.</p>
4.	<p>Develop a HIGH performing, DIVERSE, AGILE, ENGAGED and EVOLVED workforce</p> <p>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, more analytical and service oriented. They easily collaborate to leverage their combined strengths. 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.</p>
5.	<p>Increase and expand the use of DATA within a comprehensive knowledge management framework to ensure integrity, derive insight and improve outcomes</p> <p>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, simple, 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.</p>
6.	<p>Modernise our systems to provide DIGITAL and STREAMLINED online services</p> <p>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 where appropriate seamlessly, anywhere. For our employees to 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.</p>

7.	<p>Demonstrate effective stewardship of our resources to ensure efficiency and effectiveness in the delivery of quality outcomes and performance excellence</p> <p>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.</p>
8.	<p>Work with and through Stakeholders to improve the tax ecosystem</p> <p>We have effective and beneficial partnerships with all stakeholders in the tax ecosystem that deliver maximum benefits for the taxpayers and traders, 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 online digital services.</p>
9.	<p>Build PUBLIC TRUST and CONFIDENCE in the tax administration system</p> <p>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 thing 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 and elected public office bearers, whose trust we must earn.</p>

We will ensure accountability for the delivery of all nine strategic objectives by identifying key results and associated indicators and measurable targets for each. We will track and monitor our performance quarterly and annually.

PART B: OUR STRATEGIC FOCUS

Situational analysis

Key external environmental factors and our approach

Environmental factors	Relevant strategic objective/s (SO)	Our approach
<p>Economy</p> <p>The continuing lacklustre performance in the economy is impacting negatively on tax revenue collections with year-on-year revenue collection targets becoming harder to reach. The outbreak of the COVID-19 pandemic and the subsequent sharp contraction in the economy had adverse effects on the revenue collections targets resulting in substantial downward revisions in the revenue targets never before witnessed in the history of modern SARS.</p>	All	<ul style="list-style-type: none"> » Continue 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. We have identified compliance initiatives that have the potential to result in additional revenue. » Continue to refine our revenue forecasting models. » Adopt tax broadening strategies through the full understanding of the regional and segment tax gap across tax products and thereby enlisting additional taxpayers to improve the tax collections from a wider base of taxpayers. » Combat illicit economy which normally find fertile ground when economic hardship prevails.
<p>Government debt</p> <p>The substantial increase in government debt due to falling revenue collection has put SARS under immense pressure to collect more revenue from a tax base that is eroded.</p>	All	<ul style="list-style-type: none"> » Identify new revenue opportunities and increase its revenue collections. » Employ Artificial Intelligence (AI) to detect non-compliance. » Develop strategies to tackle growing online transactions and e-commerce.
<p>Public confidence</p> <p>Research shows that taxpayers' attitude towards compliance and their willingness to comply are influenced by how they perceive taxes to be utilised by government.</p> <p>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.</p>	SO: 8 and 9	<ul style="list-style-type: none"> » Continue to work with all our stakeholders to improve outcomes. » Address aspects that could influence public perception, such as swift responses to recommendations for the report "Commission of Inquiry into Tax administration and Governance by SARS". » Continually demonstrate high intolerance towards corruption by regularly issuing forceful statements against corruption and report on SARS investigations on people implicated in corrupt activities.

Environmental factors	Relevant strategic objective/s (SO)	Our approach
<p>Illicit economic activities</p> <p>The illicit economic activities continue to pose a serious threat to South Africa's growth, revenue base, prosperity and stability.</p>	<p>SO: 3 and 5</p>	<ul style="list-style-type: none"> » 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. » Build SARS capacity and capability to respond comprehensively to illicit economic activities.
<p>Emerging technologies</p> <p>The emergence and evolution of new technologies such as 5G, Block-Chain, Artificial Intelligence and Cloud Computing etc. 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 has implications for our staffing model and resource mix.</p>	<p>SO: 4, 5, 6 and 7</p>	<ul style="list-style-type: none"> » Invest in new systems and digital processes to create a seamless taxpayer and trader experience when meeting their obligations. » Build the required new skills, capability and capacity to complement the new technological developments. » Aggressively encourage taxpayers and traders to use on-line platforms when engaging with SARS. Increase the use of social media and other mediums such radio, TV adverts to show taxpayers how its communications Short Message Service Short Message Service (SMS) look like to also mitigate the risk of cyber criminals.
<p>Political environment</p> <p>In 2017 President Cyril Ramaphosa was compelled to institute a Commission of Inquiry into Tax Administration and Governance at SARS due to serious governance failures and 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.</p> <p>Political interference in SARS can seriously undermine public confidence and consequently SARS' efforts to improve voluntary compliance.</p> <p>The political and economic instability in neighbouring countries pose a threat as many citizens of these countries illegal migrate to South Africa, some of them undocumented.</p>	<p>SO:9</p>	<ul style="list-style-type: none"> » 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. » SARS together with other law enforcement agencies should increase vigilance at the ports of entry to prevent the illegal entry.

Environmental factors	Relevant strategic objective/s (SO)	Our approach
<p>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.</p> <p>The high (and growing) unemployment 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.</p>	SO: 1,2 and 3	<ul style="list-style-type: none"> » Adopt a segmentation approach to take account for 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. » Continue to be a catalyst of change by promoting gender equality in the workplace and promoting zero tolerance against Gender-based Violence (GBV) in the society and recruiting women, youth and persons with disabilities.
<p>Social media Social media is pushing many boundaries and has brought about new ways of communicating and interacting between taxpayers and traders, and tax authorities. It can help SARS to learn more about taxpayers and traders and can be used to improve our services, and compliance efforts. It has also brought with it risks such as false/fake news that can quickly spread.</p>	SO 4,5 and 6	<ul style="list-style-type: none"> » Proactively use social media platforms to inform, engage and promote voluntary compliance. » Continue to seek ways to improve the integrity our systems.

Key internal environmental factors and our approach

Environmental factors	Relevant strategic objective(s)	Our approach
<p>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 in SARS which significantly contributed to failure of SARS to meet its revenue targets. The poor state of governance at municipal level is contributing to poor service delivery and declining public confidence in government</p>	SO: 9	<ul style="list-style-type: none"> » 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 and improve tax morality. » Work closely with local and district municipalities to ensure that they are always tax compliant and gain insights into the economic activities that are taking place in the municipal boundaries

Environmental factors	Relevant strategic objective(s)	Our approach
<p>Staff morale SARS experienced a decrease in the levels of employee engagement during 2017. 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 breakdown the organisational integrity and the continuous negative publicity that SARS received over the recent past.</p>	SO: 4	<ul style="list-style-type: none"> » 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 in the future will move people away from doing largely administrative work to more analytical and service roles. » Be transparent regarding issues affecting employees and seek to build consensus with all stakeholders. » Continuously assess competency levels amongst staff and implement targeted development initiatives to build capabilities. » Put more emphasis on equity issues especially on women, youth and persons with disabilities.
<p>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. The challenges brought about the novel COVID-19 have disrupted the traditional way of working.</p>	All	<ul style="list-style-type: none"> » 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). » Continue to promote safe working arrangement for its employees against the COVID-19 pandemic by advancing strict measures in the work places such as social distancing, the use of Personal Protective Equipment (PPEs) and promotion of remote/virtual working arrangements into the future.

PART C: MEASURING OUR PERFORMANCE

Institutional performance information

Strategic intent: To develop and administer a tax and customs system based on voluntary compliance, and where appropriate, enforce responsibly and decisively

Key results	Baseline	Current and MTEF targets			
		2021/22	2022/23	2023/24	2024/25
Printed revenue estimates are met and/or exceeded – % collection of revenue as agreed with Minister	2020/21 collection	100.00% collection of revenue as agreed with Minister	100.00% collection of revenue as agreed with Minister	100.00% collection of revenue as agreed with Minister	100.00% collection of revenue as agreed with Minister
Total compliance revenue collected – revenue collected from identified compliance initiatives as a % of total revenue collections	2020/21 actual compliance revenue performance	Compliance revenue collection = 10.00% of total revenue collections	Compliance revenue collection = 6.50% of total revenue collections	Compliance revenue collection = 5.00% of total revenue collections	Compliance revenue collection = 5.00% of total revenue collections
Voluntary compliance index has increased as measured by a credible voluntary compliance index – approved voluntary compliance index	Voluntary Compliance Index (using Pay-As-You-Earn (PAYE) and Employers as test cases)	Voluntary Compliance Index Implemented for PAYE, VAT and Corporate Income Tax (CIT) (baseline established)	Voluntary Compliance index tracked and introduced into formal reporting	Voluntary Compliance index tracked and introduced into formal reporting Achieve a voluntary compliance index of 83.00%	Achieve a voluntary compliance index of 85.00%
Cost of compliance study implemented – approved cost of compliance study	Cost of compliance study methodology developed, approved and adopted	Cost of compliance baseline developed (for all segments)	Cost of compliance measure adopted and introduced into formal reporting	Cost of compliance measure adopted and introduced into formal reporting	Cost of compliance measure adopted and introduced into formal reporting

Annual and quarterly targets:

Key results	Annual target	Q1	Q2	Q3	Q4
Printed revenue estimates are met and/or exceeded – % collection of revenue as agreed with Minister	100.00 % collection of revenue as agreed with Minister	100.00% of Q1 target	100.00% of YTD Q2 target	100.00% of YTD Q3 target	100.00% of YTD Q4 target
Total compliance revenue collected – revenue collected from identified compliance initiatives as a % of total revenue collections	Compliance revenue collection = 10.00% of total revenue collections	Compliance revenue collection = 10.00% of YTD revenue collections	Compliance revenue collection = 10.00% of YTD revenue collections	Compliance revenue collection = 10.00% of YTD revenue collections	Compliance revenue collection = 10.00% of YTD revenue collections

Key results	Annual target	Q1	Q2	Q3	Q4
Voluntary compliance has increased as measured by a credible voluntary compliance index - approved voluntary compliance index	Voluntary Compliance Index Implemented for PAYE, VAT and CIT	Review and refine the Compliance Index for PAYE	Implement the voluntary compliance index for VAT	Implement the voluntary compliance index for CIT	Report on the voluntary compliance index for PAYE, VAT and CIT (baseline established)
Cost of compliance study implemented - approved cost of compliance study	Cost of compliance baseline developed (for all segments)	Develop the questionnaire(s) for the segments	Data Collection	Data collection and Analysis	Baseline Report on the cost of compliance for all segments

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

Key results	Baseline	Current and MTEF targets			
		2021/22	2022/23	2023/24	2024/25
The majority of taxpayers and traders surveyed perceive the guidance SARS provides to be clear, unambiguous and easy to follow - % of taxpayers and traders that are satisfied with the clarity and certainty of guidance provided by SARS	2020/21 performance	65.00% of taxpayers and traders surveyed are satisfied with the clarity and certainty of guidance provided by SARS	70.00% of taxpayers and traders surveyed are satisfied with the clarity and certainty of guidance provided by SARS	75.00% of taxpayers and traders surveyed are satisfied with the clarity and certainty of guidance provided by SARS	80.00% of taxpayers and traders surveyed are satisfied with the clarity and certainty of guidance provided by SARS
There are fewer taxpayers and traders that need SARS to help them resolve their tax and customs queries - % reduction in the number of taxpayers and traders requiring to visit a SARS branch office	2020/21 Performance	20.00% reduction in inbound volumes relative to base	30.00% reduction in inbound volumes relative to base	40.00% reduction in inbound volumes relative to base	60.00% reduction in inbound volumes relative to base

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

Key results	Baseline	Current and MTEF targets			
		2021/22	2022/23	2023/24	2024/25
We have a continuous downward trend in overall disputes - % reduction in the number of disputes lodged with SARS	2020/21 Performance	10.00% reduction	15.00% reduction	30.00% reduction	<ul style="list-style-type: none"> Simple taxpayers Personal Income Tax (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
Leveraged products introduced – Advance Pricing Agreement (APA) Programme introduced	2020/21 performance	APA model released	Legislation for APA Programme proposed to National, Treasury	Legislation for APA Programme introduced APA Programme pilot launched	Outcome of pilot reviewed with a view to broader implementation of APA Programme
Uptake of AEO Programme by traders - % uptake of Authorised Economic Operator (AEO) Programme by active economic operators	2020/21 performance	30.00% of total active economic operators targeted	50.00% of total active economic operators targeted	70.00% of total active economic operators targeted	80.00% of total active economic operators targeted

Annual and quarterly targets:

Key results	Annual target	Q1	Q2	Q3	Q4
The majority of taxpayers and traders surveyed perceive the guidance SARS provides to be clear, unambiguous and easy to follow - % of taxpayers and traders that are satisfied with the clarity and certainty of guidance provided by SARS	65.00% of taxpayers and traders surveyed are satisfied	Survey proposal and charter approved	Survey questionnaire developed	Data collection completed	Survey completed and report finalised
There are fewer taxpayers and traders that need SARS to help them resolve their tax and customs queries - % reduction in the number of taxpayers and traders requiring to visit a SARS branch office	20.00% reduction in inbound volumes	-	-	-	20.00% reduction in inbound volumes

Key results	Annual target	Q1	Q2	Q3	Q4
We have a continuous downward trend in overall disputes - % reduction in the number of disputes lodged with SARS	10.00% reduction	-	-	-	10.00% reduction
Leveraged products introduced – Advance Pricing Agreement (APA) Programme introduced	APA model released	Draft APA model released internally	Combined staffing needs for transfer pricing audit, together with pilot and full APA Programme, determined.	Draft APA model revised and re-released for public comment.	Public comments received and processed.
Uptake of AEO programme by traders - % uptake of AEO Programme by active economic operators	30.00% of targeted active economic operators	15.00%	20.00%	25.00%	30.00%

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

Key results	Baseline	Current and MTEF targets			
		2021/22	2022/23	2023/24	2024/25
Increased number of taxpayers and traders using digital platforms - % of taxpayers and traders using digital platforms to interact with SARS	2020/21 performance	80.00%	85.00%	90.00%	95.00%
Standard taxpayers are auto assessed by SARS - % of standard taxpayers returns auto assessed by SARS (individual taxpayers)	2020/21 performance	85.00%	90.00%	93.00%	95.00%
When taxpayers and traders are satisfied with SARS as evidenced by - % Net Easy Score (NES)	New measure	Completed review and testing of the methodology -100.00% complete	Net Easy Score of greater than 70.00%	Net Easy Score of greater than 70.00%	Net Easy Score of greater than 70.00%
Service Charter achievement index - Service charter performance score (%)	2020/21 performance	80.00%	85.00%	88.00%	90.00%

Annual and quarterly targets:

Key results	Annual target	Q1	Q2	Q3	Q4
Increased number of taxpayers and traders using digital platforms - % of taxpayers and traders using digital platforms to interact with SARS	80.00%	-	-	-	80.00%

Key results	Annual target	Q1	Q2	Q3	Q4
Standard taxpayers are auto assessed by SARS - % of standard taxpayers returns auto assessed by SARS (individual taxpayers)	85.00%	-	-	-	85.00%
When taxpayers and traders are satisfied with SARS as evidenced by - % Net Easy Score (NES)	Completed review and testing of the NES methodology. -100.00% complete	Identify procurement method for NES solution.	Procurement of NES solution	Integrate the NES solution into current systems	Review and test the NES methodology.
Service Charter achievement index - service charter performance score (%)	80.00%	-	-	-	80.00%

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

Key results	Baseline	Current and MTEF targets			
		2021/22	2022/23	2023/24	2024/25
Detection and selection methodology for non-compliance completed - approved detection and selection methodology document	2020/21 performance	Refinement of methodology completed to achieve 95.00% hit rate	Monitor and evaluate the implementation of the new methodology	-	-
Increase in employer compliance - employer compliance index (%)	2020/21 performance	75.00%	78.00%	80.00%	82.00%
Achieve high success rate in the number of cases we take to court (via National Prosecuting Authority NPA) for prosecution - % success (conviction) rate of cases referred for prosecution	2020/21 performance	90.00%	90.00%	90.00%	95.00%
Declared customs values are above the reference price - % of declared customs values above reference price	New measure	90.00% of declarations with values are above the reference price in identified industries	90.00% of declarations with values are above the reference price in identified industries	75.00% of declarations with values in all industries is above the reference price	95.00% of declarations with values in all industries is above the reference price

Evasion schemes and / or syndicates involved in illicit economic activities are reduced – number of evasion schemes collapsed	2020/21 Performance	1 scheme collapsed	2 schemes collapsed	2 schemes collapsed	2 schemes collapsed
Recovery of revenue from illicit activities – total revenue recovered from illicit activities	2020/21 Performance	R2.5bn	R5bn	R5bn	R5bn

Annual and quarterly targets:

Key results	Annual target	Q1	Q2	Q3	Q4
Detection and selection methodology for non-compliance completed – approved detection and selection methodology document	Refinement of detection and selection methodology completed to achieve 95.00% hit rate	-	-	Refined methodology completed and approved	-
Increase in employer compliance - employer compliance index (%)	75.00%	72.00%	73.00%	74.00%	75.00%
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%	90.00%	90.00%	90.00%	90.00%
Declared customs values are above the reference price - % of declared customs values above reference price	90.00% of declarations with values are above the reference price in identified industries	Finalise the list of industries based on risk and other considerations	Develop a reference pricing approach in partnership with industry player	65.00% of declarations with values above the reference pricing	90.00% of declarations with values above the reference pricing
Evasion schemes and / or syndicates involved in illicit economic activities are reduced - number of evasion schemes collapsed	1 scheme collapsed	-	-	-	1 scheme collapsed
Recovery of revenue from illicit activities – total revenue recovered from illicit activities	R2.5bn	-	R1.2bn	-	R1.3bn

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

Key results	Baseline	Current and MTEF targets			
		2021/22	2022/23	2023/24	2024/25
Diversity and Employment Equity: Racial Equity Gender Equity (grade 6 - 9) Disability Equity	2020/21 performance	Racial Equity – 81.36% Gender Equity – 51.75% Disability Equity – 3.16%	Racial Equity – 82.40% Gender Equity – 52.30% Disability Equity – 3.75%	Racial Equity – 83.20% Gender Equity – 52.88% Disability Equity – 4.25%	Racial Equity – 84.00% Gender Equity – 53.46% Disability Equity – 4.75%
Employee engagement index score based on an annual survey of employees - % score achieved based on annual survey	64.00%	65.00%	67.00%	69.00%	Top quartile in the market
Employer brand (Employer of choice) – Certified top employer by the Top Employer Institute	New measure	Certified top employer	Certified top employer	Certified top employer	Certified top employer

Annual and quarterly targets:

Key results	Annual target	Q1	Q2	Q3	Q4
Diversity and Employment Equity: Racial Equity Gender Equity (grade 6 - 9) Disability Equity	Racial Equity – 81.36% Gender Equity – 51.75% Disability Equity – 3.16%	-	-	-	Racial Equity – 81.36% Gender Equity – 51.75% Disability Equity – 3.16%
Employee engagement index score based on an annual survey of employees - % score achieved based on annual survey	Employee engagement score of 65.00%	Engagement survey preparations completed	Employee engagement survey field work completed	Report results	Employee engagement index – 65.00%
Employer Brand (Employer of choice) - Certified top employer by the Top Employer Institute	Top employer certification achievement				Top employer certification achievement

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

Key results	Current and MTEF targets				
	Baseline	2021/22	2022/23	2023/24	2024/25
Data governance framework developed and implemented - % of milestones achieved	2020/21 performance	Data governance framework implemented - 90.00% milestones achieved	Data governance framework maintained	Data governance framework maintained	Data governance framework maintained
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 - % utilisation of automated risk assessment for taxpayers and traders	2020/21 performance	80.00% standard 60.00% complex	85.00% standard 65.00% complex	90.00% standard 70.00% complex	100.00% standard 80.00% complex
SARS interventions achieve intended outcomes - % of interventions that yield the intended results	New measure	60.00%	70.00%	80.00%	90.00%

Annual and quarterly targets:

Key results	Annual target	Q1	Q2	Q3	Q4
Data governance framework developed and implemented - % of milestones achieved	Data governance framework implemented - 90% of milestones achieved	-	-	-	90% of milestones achieved
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 - % utilisation of automated risk assessment for taxpayers and traders	80.00% Standard	80.00% Standard	80.00% Standard	80.00% Standard	80.00% Standard
	60.00% Complex	60.00% Complex	60.00% Complex	60.00% Complex	60.00% Complex
SARS interventions achieve intended outcomes - % of interventions that yield the intended results	60.00%	60.00%	60.00%	60.00%	60.00%

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

Key results	Current and MTEF targets				
	Baseline	2021/22	2022/23	2023/24	2024/25
Digital platforms availability for taxpayers and traders - % of planned capacity to be available for mission critical systems	2020/21 performance	100.00%	100.00%	100.00%	100.00%
Security of taxpayers and traders information and interactions via digital platforms - number of security breaches on digital platforms from known risks	2020/21 performance	No security breaches from known risks			
All SARS service offerings made available digitally - % SARS taxpayer and trader service offerings made available online	2020/21 performance	77.00%	80.00%	90.00%	95.00%

Annual and quarterly targets:

Key results	Annual target	Q1	Q2	Q3	Q4
Digital platforms availability for taxpayers and traders - % of planned capacity to be available for mission critical systems	100.00%	100.00%	100.00%	100.00%	100.00%
Security of taxpayer and trader information and interactions via digital platforms - number of security breaches on digital platforms from known risks	No security breaches risk from known risks	No security breaches risk from known risks	No security breaches risk from known risks	No security breaches risk from known risks	No security breaches risk from known risks
All SARS service offerings made available digitally - % SARS taxpayer and trader service offerings made available online	77.00% of all SARS taxpayer and trader service offerings available on online channels	Project Initiation - Business requirement specification for identified service migration completed	Project Planning - Functional Specifications and Solution Design completed	Project Execution - Development and Testing completed	77.00% of all manual service offerings available on digital channels

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

Key results	Current and MTEF targets				
	Baseline	2021/22	2022/23	2023/24	2024/25
Reconfigured SARS' cost structures to align with international peers - Information Communications Technology (ICT) investment as % of total allocation	11.6% (2020 audited numbers)	Increase ICT investment by 2.00% p.a			
Revenue is collected at a level in line with comparable international peers' cost - cost to revenue ratio	0.84%	1.00%	1.00%	1.00%	1.00%

Clean audit opinion achieved from the Auditor-General - clean audit opinion	2019/20 Audit outcome (Unqualified with non-compliance paragraph)	Clean Audit Opinion	Clean Audit Opinion	Clean Audit Opinion	Clean Audit Opinion
Increased productivity achieved across SARS - % productivity levels achieved across SARS	New measure	80.00% productivity achieved across SARS			

Annual and quarterly targets:

Key results	Annual target	Q1	Q2	Q3	Q4
Reconfigured SARS' cost structures to align with international peers – ICT investment as % of total allocation	Increase ICT spend by 2.00%	0.5%	1.00%	1.5%	2.00%
Revenue is collected at a level in line with comparable international peers' cost – cost to revenue ratio	1.00%	-	-	-	1.00%
Clean audit opinion achieved from the Auditor-General clean audit opinion	Clean Audit Opinion	-	-	-	Clean Audit Opinion
Increased productivity achieved across SARS - % productivity levels achieved across SARS	80.00% productivity achieved across SARS	-	-	-	80.00% productivity achieved across SARS

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

Key results	Current and MTEF targets				
	Baseline	2021/22	2022/23	2023/24	2024/25
We have satisfied all SARS' commitments in terms of Organisation for Economic Cooperation and Development (OECD) Exchange of Information (EOI) standards - % of commitments met	2020/21 Performance	100.00% compliance in terms of OECD EOI Standards	100.00% compliance in terms of OECD EOI Standards	100.00% compliance in terms of OECD EOI Standards	100.00% compliance in terms of OECD EOI Standards
A high number of intermediaries that are satisfied with our cooperation and collaboration - % of intermediaries that are satisfied with our assistance	New measure	60.00%	65.00%	70.00%	70.00%
We have met SARS' commitments in terms of Financial Action Task Force (FATF) Mutual Evaluation findings - % of FATF deliverables met	2020/21 Performance	80% Achievement on SARS' deliverables to South Africa's Action Plan	100% Achievement on SARS' deliverables to South Africa's Action Plan	N/A	N/A

Annual and quarterly targets:

Key results	Annual target	Q1	Q2	Q3	Q4
We have satisfied all of SARS' commitments in terms of OECD Exchange of Information (EOI) standards - % of commitments met	100.00% compliance in terms of OECD EOI standards	100.00% compliance in terms of OECD EOI standards	100.00% compliance in terms of OECD EOI standards	100.00% compliance in terms of OECD EOI standards	100.00% compliance in terms of OECD EOI standards
A high number of intermediaries that are satisfied with our cooperation and collaboration - % of intermediaries that are satisfied with our assistance	60.00%	Start and finalise survey preparations	Start fieldwork	Complete fieldwork	Finalise report and publish results internally - 60.00% achievement
We have met SARS' commitments in terms of FATF Mutual Evaluation findings - % of FATF deliverables met	80% Achievement on SARS' deliverables to South Africa's Action Plan	20% Achievement	40% Achievement	60% Achievement	80% Achievement

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

Key results	Current and MTEF targets				
	Baseline	2021/22	2022/23	2023/24	2024/25
Public opinion survey results reflects high trust and confidence in SARS - % score as per public opinion survey	74.50%	75.00%	75.50%	76.00%	76.50%
Sentiments analysis continuously reflects high confidence in SARS - top 3 words that the public associates with SARS are positive	New measure	Top 3 words the public associates with SARS are positive	Top 3 words the public associates with SARS are positive	Top 3 words the public associates with SARS are positive	Top 3 words the public associates with SARS are positive

Annual and quarterly targets:

Key results	Annual target	Q1	Q2	Q3	Q4
Public opinion survey results reflects high trust and confidence in SARS - % score as per public opinion survey	75.00%	Start and finalise survey preparations	Start fieldwork	Complete fieldwork	Finalise report and publish results internally. % score = 75.00%
Sentiments analysis continuously reflects high confidence in SARS - top 3 words that the public associates with SARS are positive	Top 3 words the public associates with SARS are positive	Start and finalise survey preparations	Start fieldwork	Complete fieldwork	Finalise report and publish results internally

Resource considerations

Expenditure estimates over the medium term

The 2021/22 grant allocation further decreases the medium term funding of SARS by R2bn. Under the current allocation, SARS has an arduous task to achieve optimal delivery. As a service entity SARS relies heavily on skills, as the workforce is one of the key levers to increase revenue collection and this is aligned with OECD countries where salaries comprise 73.00% of allocated funding. Unfortunately, the funding reductions received over the past few years have mainly been absorbed by a moratorium on

vacancies, which resulted in a net reduction of over 2000 employees over the past 6 years and has had an impact on capacity as well as capability. SARS has further been underinvesting in Information and Communications Technology (ICT) and compared to other jurisdictions with similar enablement aspirations, it is estimated that SARS invests about 50% of what it should. The medium term ENE view does not include additional requirements relating to Capacity/skills rebuilding, ICT and projects because SARS is not allowed to budget for deficit by the as public Finance Management Act (PFMA) and further emphasised in the ENE guidelines. SARS is reconfiguring its cost structure within the constrained allocation to ensure ICT infrastructure is as optimally positioned as possible to enable SARS mandate and align with its international peers. Spending is shifted from low value adding activities (i.e. real estate and related costs as well as administrative expenses) to high value adding activities (ICT and related costs). Full advantage has further been taken of remote working and related costs are continuously managed downward and reappropriate with resultant savings utilised to fund budget deficit and high value adding activities.

Strategic Outcomes (R)	Full Time Equivalents	Budget 2021/22	Budget 2022/23	Budget 2023/24	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Provide Clarity and Certainty for taxpayers and traders of their obligations.	503	494 309	503 132	506 209	123 577	123 577	123 577	123 577
Personnel Expenses		380 594	379 902	372 688	95 149	95 149	95 149	95 149
Goods & Services		105 753	108 422	115 509	26 438	26 438	26 438	26 438
Information Technology		24 405	28 066	32 276	6 101	6 101	6 101	6 101
Land and Buildings		29 640	25 599	25 148	7 410	7 410	7 410	7 410
Audit & Legal Fees		10 941	11 324	11 720	2 735	2 735	2 735	2 735
Administration		31 735	33 768	36 009	7 934	7 934	7 934	7 934
Other Services		9 032	9 665	10 356	2 258	2 258	2 258	2 258
Capex - Business as usual		7 961	14 809	18 012	1 990	1 990	1 990	1 990
Projects		-	-	-	-	-	-	-
Make it easy for taxpayers and traders to comply with their obligations.	5022	3 721 568	3 798 228	3 834 184	930 392	930 392	930 392	930 392
Personnel Expenses		2 786 109	2 781 039	2 728 233	696 527	696 527	696 527	696 527
Goods & Services		856 883	871 023	928 174	214 221	214 221	214 221	214 221
Information Technology		238 339	274 090	315 204	59 585	59 585	59 585	59 585
Land and Buildings		296 977	256 486	251 964	74 244	74 244	74 244	74 244
Audit & Legal Fees		79 102	81 870	84 736	19 775	19 775	19 775	19 775
Administration		146 351	155 724	166 062	36 588	36 588	36 588	36 588
Other Services		96 113	102 853	110 208	24 028	24 028	24 028	24 028
Capex - Business as usual		78 576	146 165	177 776	19 644	19 644	19 644	19 644
Projects		-	-	-	-	-	-	-
costly.	3315	2 814 220	2 869 555	2 895 356	703 555	703 555	703 555	703 555
Personnel Expenses		2 087 727	2 083 928	2 044 358	521 932	521 932	521 932	521 932
Goods & Services		674 371	688 670	733 071	168 593	168 593	168 593	168 593
Information Technology		155 408	178 719	205 527	38 852	38 852	38 852	38 852
Land and Buildings		205 031	177 076	173 955	51 258	51 258	51 258	51 258
Audit & Legal Fees		53 186	55 047	56 974	13 296	13 296	13 296	13 296
Administration		197 902	210 576	224 556	49 476	49 476	49 476	49 476
Other Services		62 844	67 251	72 060	15 711	15 711	15 711	15 711
Capex - Business as usual		52 123	96 958	117 927	13 031	13 031	13 031	13 031
Projects		-	-	-	-	-	-	-
Develop a high performing, diverse, agile, engaged and evolved workforce.	508	477 288	484 023	489 233	119 322	119 322	119 322	119 322
Personnel Expenses		347 121	346 453	359 495	91 780	91 780	91 780	91 780
Goods & Services		102 111	104 586	111 513	25 528	25 528	25 528	25 528
Information Technology		24 454	28 352	32 605	6 164	6 164	6 164	6 164
Land and Buildings		29 987	25 898	25 442	7 497	7 497	7 497	7 497
Audit & Legal Fees		8 306	8 597	8 897	2 076	2 076	2 076	2 076
Administration		28 329	30 143	32 144	7 082	7 082	7 082	7 082
Other Services		10 835	11 595	12 424	2 709	2 709	2 709	2 709
Capex - Business as usual		8 055	14 984	18 224	2 014	2 014	2 014	2 014
Projects		-	-	-	-	-	-	-
Increase and expand the use of data within a comprehensive knowledge management framework to ensure integrity, derive insight and improve outcomes.	528	573 719	584 491	588 646	143 430	143 430	143 430	143 430
Personnel Expenses		452 613	451 790	443 211	113 153	113 153	113 153	113 153
Goods & Services		112 596	116 872	126 182	28 149	28 149	28 149	28 149
Information Technology		42 315	48 662	55 962	10 579	10 579	10 579	10 579
Land and Buildings		31 968	27 609	27 122	7 992	7 992	7 992	7 992
Audit & Legal Fees		7 739	8 010	8 291	1 935	1 935	1 935	1 935
Administration		20 925	22 265	23 743	5 231	5 231	5 231	5 231
Other Services		9 649	10 326	11 065	2 412	2 412	2 412	2 412
Capex - Business as usual		8 510	15 829	19 253	2 127	2 127	2 127	2 127
Projects		-	-	-	-	-	-	-
Modernize our systems to provide digital and streamlined online services.	614	806 661	846 596	884 211	201 665	201 665	201 665	201 665
Personnel Expenses		432 120	431 334	423 144	108 030	108 030	108 030	108 030
Goods & Services		344 872	397 276	439 191	91 218	91 218	91 218	91 218
Information Technology		186 395	214 354	246 507	46 599	46 599	46 599	46 599
Land and Buildings		36 737	31 728	31 169	9 184	9 184	9 184	9 184
Audit & Legal Fees		8 802	9 110	9 429	2 200	2 200	2 200	2 200
Administration		29 019	30 877	32 927	7 255	7 255	7 255	7 255
Other Services		103 919	111 206	119 159	25 980	25 980	25 980	25 980
Capex - Business as usual		9 649	17 986	21 876	2 417	2 417	2 417	2 417
Projects		-	-	-	-	-	-	-
Demonstrate effective resource stewardship to ensure efficiency and effectiveness in delivering quality outcomes and performance excellence.	1853	1 120 667	1 143 806	1 161 482	280 167	280 167	280 167	280 167
Personnel Expenses		725 894	724 573	710 815	181 473	181 473	181 473	181 473
Goods & Services		372 097	377 051	399 363	93 024	93 024	93 024	93 024
Information Technology		68 444	78 710	90 517	17 111	17 111	17 111	17 111
Land and Buildings		121 671	105 082	103 230	30 418	30 418	30 418	30 418
Audit & Legal Fees		20 817	21 546	22 300	5 204	5 204	5 204	5 204
Administration		123 938	131 876	140 630	30 985	30 985	30 985	30 985
Other Services		37 226	39 837	42 686	9 307	9 307	9 307	9 307
Capex - Business as usual		22 676	42 182	51 305	5 669	5 669	5 669	5 669
Projects		-	-	-	-	-	-	-
Work with and through stakeholders to improve the tax ecosystem.	72	111 233	112 671	112 659	27 808	27 808	27 808	27 808
Personnel Expenses		92 690	92 521	90 744	23 172	23 172	23 172	23 172
Goods & Services		17 023	17 322	18 455	4 256	4 256	4 256	4 256
Information Technology		4 508	5 184	5 962	1 127	1 127	1 127	1 127
Land and Buildings		5 747	4 963	4 876	1 437	1 437	1 437	1 437
Audit & Legal Fees		1 382	1 431	1 481	346	346	346	346
Administration		3 256	3 465	3 695	814	814	814	814
Other Services		2 129	2 279	2 441	532	532	532	532
Capex - Business as usual		1 520	2 828	3 439	380	380	380	380
Projects		-	-	-	-	-	-	-
Build public trust and confidence in the tax administration system.	174	528 855	540 166	546 073	132 214	132 214	132 214	132 214
Personnel Expenses		378 762	378 073	370 894	94 691	94 691	94 691	94 691
Goods & Services		143 762	150 316	160 855	35 941	35 941	35 941	35 941
Information Technology		21 530	24 759	28 473	5 382	5 382	5 382	5 382
Land and Buildings		23 925	20 663	20 299	5 981	5 981	5 981	5 981
Audit & Legal Fees		5 880	6 086	6 299	1 470	1 470	1 470	1 470
Administration		16 502	17 559	18 725	4 126	4 126	4 126	4 126
Other Services		75 925	81 249	87 059	18 981	18 981	18 981	18 981
Capex - Business as usual		6 331	11 777	14 324	1 583	1 583	1 583	1 583
Projects		-	-	-	-	-	-	-
Total	12 589	10 648 520	10 884 668	11 018 052	2 662 130	2 662 130	2 662 130	2 662 130

Headcount projection over the medium term

	2020/21 Projections	2021/22 Projections	2022/23 Projections	2023/24 Projections
Permanent	12 557	12 557	12 557	12 557
Contract Employees	7	7	7	7
Short Term Contract	2	2	2	2
Trainees	23	23	23	23
Total Headcount Requirement	12 589	12 589	12 589	12 589

Risks and mitigation

In line with the dynamic changes brought about by the SARS 2024 Vision, and the development of the nine strategic objectives, the Commissioner and leadership at SARS have reviewed the internal and external risk landscape to identify a new set of strategic risks. The new SARS strategic risks as described in the table below, are identified against the core mandate of SARS: to Collect Revenue; Improve Compliance and Facilitate Legitimate Trade. The SARS strategic intent and nine strategic objectives are the responses to managing and mitigating these nine strategic risks. In the table below, the strategic objectives, and corresponding strategic key actions have been identified as responses to mitigate the relevant risk.

Strategic risks identified against the core mandate of SARS: Collect Revenue; Improve Compliance and Facilitate Legitimate Trade			
Type of risk	Strategic risks	Strategic objectives to address the risk themes	Strategic plan 2020/21 – 2024/25 - aligned mitigation actions
INTERNAL RISK	<p>1. Taxpayers are unclear and uncertain (NB: Taxpayers from here on refers to taxpayers, traders and travellers)</p> <p>The overall taxpayer experience is not empowering and enabling as they do not receive necessary clarity and guidance and therefore unaware of their tax obligations. Taxpayer, where required, do not have easily accessible additional customised support.</p>	1. Provide clarity and certainty for taxpayers and traders of their obligations	<p>Conduct regular research to gauge taxpayer, trader and public perceptions of clarity and certainty of tax laws to inform us of their needs.</p> <p>Develop a comprehensive taxpayer and trader engagement programme as part of our Compliance Programme.</p> <p>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</p> <p>Provide information to taxpayers and traders that is easily accessible through our digital platforms and channels.</p> <p>Expand our footprint by using facilities and institutions available to us through the rest of the State and private sector partners/ stakeholders.</p> <p>Influence tax policy to improve clarity and certainty in legislative drafting, and to ensure consistency in interpretation and application.</p>

Strategic risks identified against the core mandate of SARS: Collect Revenue; Improve Compliance and Facilitate Legitimate Trade

Type of risk	Strategic risks	Strategic objectives to address the risk themes	Strategic plan 2020/21 – 2024/25 - aligned mitigation actions
INTERNAL RISK	<p>2. Taxpayer compliance burden is too high</p> <p>The administrative burden of paying taxes and contributions by taxpayers could be deemed as costly, time-consuming and difficult.</p> <p>With 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 to improve compliance. Taxpayer and trader interactions will be different and will reduce the compliance burden.</p>	2. Make it easy for taxpayers and traders to comply with their obligations	Provide a seamless registration, filing, declaration and payment experience for standard taxpayers and traders. (Strategic Plan Page 18).
			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.
		6. Modernise our systems to provide digital and streamlined online services	Engage with intermediaries and service providers who are certified and accredited
			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.

Strategic risks identified against the core mandate of SARS: Collect Revenue; Improve Compliance and Facilitate Legitimate Trade			
Type of risk	Strategic risks	Strategic objectives to address the risk themes	Strategic plan 2020/21 – 2024/25 - aligned mitigation actions
INTERNAL RISK	<p>3. SARS has an inability to detect and respond to non-compliance.</p> <p>The illicit economic activities continue to pose a serious threat to South Africa's growth, revenue base, prosperity and stability.</p>	3. Detect taxpayers and traders who do not comply and make non-compliance hard and costly	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.
		4. Develop a high performing, diverse, agile, engaged and evolved workforce	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.
		5. Increase and expand the use of data within a comprehensive knowledge management framework to ensure integrity, derive insight and improve outcomes	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.			

Strategic risks identified against the core mandate of SARS: Collect Revenue; Improve Compliance and Facilitate Legitimate Trade

Type of risk	Strategic risks	Strategic objectives to address the risk themes	Strategic plan 2020/21 – 2024/25 - aligned mitigation actions
INTERNAL RISK	<p>4. Poor Leadership resulting in poor choices, poor ethos and poor culture at SARS. 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.</p>	4. Develop a high performing, diverse, agile, engaged and evolved workforce	<p>Ensure that we have the calibre of managers that can manage competently, professionally and ethically (specific to Leadership).</p> <p>Develop and Implement a SARS Leadership Brand and Philosophy</p> <p>Assess and develop the competencies required to meet the future mode of work.</p> <p>Review and enhance the employee engagement model to achieve performance excellence.</p>
INTERNAL RISK	<p>5. SARS workforce is not engaged 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 organizational integrity.</p>	4. Develop a high performing, diverse, agile, engaged and evolved workforce	<p>Ensure that we have the calibre of managers that can manage competently, professionally and ethically (specific to workforce).</p> <p>Assess and develop the competencies required to meet the future mode of work. (Strategic Plan Page 20).</p> <p>Review and enhance the employee engagement model to achieve performance excellence.</p>
INTERNAL RISK	<p>6. SARS has insufficient resources 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.</p>	7. Demonstrate effective stewardship of our resources to ensure efficiency and effectiveness in delivering quality outcomes and performance excellence	<p>Optimally execute our mandate through the effective and efficient deployment of SARS resources.</p> <p>Maintain a strong focus on cost management, productivity gains and responsible procurement, in line with Government’s transformation imperatives.</p> <p>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.</p> <p>Improve accountability and internal controls across the organisation.</p>

Strategic risks identified against the core mandate of SARS: Collect Revenue; Improve Compliance and Facilitate Legitimate Trade

Type of risk	Strategic risks	Strategic objectives to address the risk themes	Strategic plan 2020/21 – 2024/25 - aligned mitigation actions	
EXTERNAL RISK	<p>7. Declining Economy The continued lacklustre performance of the economy impacts negatively on tax revenue collections with year on- year revenue collection targets becoming more challenging to meet.</p>	<p>ALL NINE (9) STRATEGIC OBJECTIVES</p> <p>STRATEGIC INTENT: To develop a Tax and customs system based on voluntary compliance.</p>	Demonstrate a full understanding of the economy including causal factors to the experienced decline.	
			Curb exemptions and thereby reduce the tax system's complexity while boosting revenue by broadening the tax base.	
			Adopt tax broadening strategies to improve the tax collections from a wider base of taxpayers.	
			Implementation of a revenue recovery programme that is aimed at raising 5-10% of overall revenue from compliance activities.	
EXTERNAL RISK	<p>8. Tax Morality in South Africa is poor 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.</p> <p>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.</p>	<p>9. Build public trust and confidence in the tax administration system</p> <p>STRATEGIC INTENT: To develop a Tax and Customs system based on voluntary compliance.</p>	Demonstrate the autonomy of SARS in acting without fear or favour in instances of tax related corruption and transgression	
			Use the TaxMatters campaign across all mediums of communications with an effect of impressing the need and importance of paying taxes	
		<p>8. Work with and through stakeholders to improve the tax ecosystem</p>	<p>Improve public confidence by demonstrative 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.</p>	Advocate for prudent use of collected taxes through the inter-ministry structures such as the Forum of South Africa's Directors-General (FOSAD)
				Engaging the private sector - businesses
				Engaging with domestic Media
				Participate through National Treasury in fiscal policy decision making to improve fiscal prudence

Strategic risks identified against the core mandate of SARS: Collect Revenue; Improve Compliance and Facilitate Legitimate Trade

Type of risk	Strategic risks	Strategic objectives to address the risk themes	Strategic plan 2020/21 – 2024/25 - aligned mitigation actions
EXTERNAL RISK	9. The impact of COVID-19 on society and SARS remains uncertain	5-YEAR STRATEGY - SARS Higher Purpose	
		STRATEGIC INTENT: To develop a Tax and Customs system based on voluntary compliance.	Implement modern technological solutions to minimise the impact of the Coronavirus on business continuity and overall taxpayer compliance Monitor the uptake of the COVID-19 Tax Relief measures in order to gauge the degree of the impact on business
		7. Demonstrate effective stewardship of our resources to ensure efficiency and effectiveness in delivering quality outcomes and performance excellence	Work with and through government structures such as NATJOINTS and NCCC to create certainty
			Maximise internal processes to ensure wellbeing of staff in line with business continuity risk management Scan the environment for COVID related risks as communicated by global bodies such as the WCO, FTA, ATAF, etc.

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDs)

1. OVERARCHING INDICATORS

1.1. Printed revenue estimates are met and/or exceeded

Indicator Title	% collection of revenue as agreed with Minister
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.
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 net of refunds.
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	Monthly, Quarterly and Annually for external reporting.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Revenue Management.

1.2 Revenue collected from identified compliance initiatives

Indicator Title	Revenue collected from identified compliance initiatives as a % of total revenue collections
Definition / Purpose	This indicator aims to track compliance revenue emanating from identified and targeted compliance initiatives. These initiatives are specifically initiated by SARS and are largely informed by its compliance programme to crack down on non-compliance. These include debt recovery efforts and outstanding returns follow-ups. With increased voluntary compliance, this part of revenue is expected to decrease.
Source/Collection of data	Revenue data is extracted from Customs & Excise core systems and SARS core tax systems.
Method of calculation	Compliance revenue collected as a percentage of total tax and customs revenue collected.
Data limitations / assumptions	Not applicable.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Monthly, Quarterly and Annually for external reporting.
Desired performance	A desirable trend is a decreasing % of revenue from these compliance interventions, as it talks to increased compliance levels across the board. 10% is the target for 2020/21.
Indicator responsibility	All Clusters.

1.3 Voluntary compliance has increased as measured by a credible voluntary compliance index

Indicator Title	Approved voluntary compliance index
Definition / Purpose	The aim is to have an approved index in place that will track and measure voluntary compliance. The index will aggregate the four tax compliance clusters (registration, declaration, filing and payment) to give a composite score.
Source/Collection of data	Research work on compliance index. Internal work done to date.
Research work on compliance index	Not applicable.
Method of calculation	Not applicable.
Data limitations / assumptions	Refer to methodology document.
Type of indicator	Output.
Calculation type	N/A.
Reporting cycle	Quarterly and Annually (external reporting).
Desired performance	Compliance index methodology developed and implemented using PAYE and Employers.
Indicator responsibility	All Clusters.

1.4 Cost of compliance study implemented

Indicator Title	Approved cost of compliance study
Definition / Purpose	The aim is to have an approved study on cost of compliance in place. The study seeks to improve understanding of cost of compliance across the business and to determine cost of compliance.
Source/Collection of data	Research work on cost of compliance. Internal work done to date.
Research work on cost of compliance	Not applicable
Method of calculation	Not applicable
Data limitations / assumptions	Refer to methodology document.
Type of indicator	Output
Calculation type	Not applicable
Reporting cycle	Quarterly and Annually (external)
Desired performance	Cost of compliance study baseline developed.
Indicator responsibility	All Clusters

2. STRATEGIC OBJECTIVES INDICATORS

STRATEGIC OBJECTIVE 1: PROVIDE CLARITY AND CERTAINTY FOR TAXPAYERS AND TRADERS OF THEIR OBLIGATIONS

2.1 The majority of taxpayers and traders surveyed perceive the guidance SARS provides to be clear, unambiguous and easy to follow

Indicator Title	% of taxpayers and traders that are satisfied with the clarity and certainty of the guidance provided by SARS
Definition / Purpose	The purpose of this indicator is to gauge taxpayers satisfaction with clarity and certainty of guidance offered by SARS as they conduct their tax business.
Source/Collection of data	Survey.
Method of calculation	Conducted by an external party once every year.
Data limitations / assumptions	Reliability of survey results is dependent on quality of data.
Type of indicator	Efficiency.
Calculation type	Non-cumulative.
Reporting cycle	Quarterly and Annually.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Legislative Policy Tax, Customs & Excise, Standard Ops, Segmented Ops, Segment Owners, Product-Process Owners.

2.2 There are fewer taxpayers and traders that need SARS to help them resolve their tax and customs queries

Indicator Title	% reduction in the number of taxpayers 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	$\text{Taxpayer and Trader Branch visits (\%)} = \frac{\# \text{ of Branch Walk-Ins or } \# \text{ of Tickets Issued (new period)} - \# \text{ of Branch Walk-Ins or } \# \text{ of Tickets Issued (old period)}}{\# \text{ of Branch Walk-Ins or } \# \text{ of Tickets Issued (old period)}}$
Data limitations / assumptions	No specific limitations.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Annually for external reporting.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Digital Channels & Technology & Solutions Delivery.

2.3 We have a continuous downward trend in overall disputes

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 on providing certainty and clarity of tax obligations.
Source/Collection of data	SARS core systems.
Method of calculation	$\% \text{ Dispute reduction} = \frac{\# \text{ of disputes lodged in current year} - \# \text{ of disputes lodged in previous year}}{\# \text{ of disputes lodged in previous year}}$
Data limitations / assumptions	The disputes taken into account emanate from returns submitted and assessed. The reduction in disputes is in relation to assessed, audited and adjusted cases.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Annually.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Specialised and alternative dispute resolution

2.4 Leveraged products introduced

Indicator Title	Advance Pricing Agreement (APA) Programme introduced
Definition / Purpose	The aim is to have a programme of action on APA in place. APA's help taxpayers with a high level of certainty of their obligations by proactively engaging with SARS.
Source/Collection of data	SARS core systems.
Method of calculation	Not applicable.
Data limitations / assumptions	N/A.
Type of indicator	Output.
Calculation type	N/A.
Reporting cycle	Quarterly and Annually.
Desired performance	APA model released.
Indicator responsibility	Business: Large and International.

2.5 Uptake of AEO Programme by Economic Operators

Indicator Title	% uptake of AEO programme by active economic operators
Definition / Purpose	This indicator measures the uptake of the Authorised Economic Operator programme by operators in the supply chain. An AEO is a party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administration as complying with WCO or equivalent supply chain security standards.
Source/Collection of data	SARS customs systems.
Method of calculation	Number of active economic operators on the AEO programme as a percentage of total active economic operators.
Data limitations / assumptions	No specific limitations.

Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Quarterly and Annually for external reporting.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Customs and Excise.

STRATEGIC OBJECTIVE 2: MAKE IT EASY FOR TAXPAYERS AND TRADERS TO COMPLY WITH THEIR OBLIGATIONS

2.6 Increased number of taxpayers and traders using digital platforms

Indicator Title	% number of taxpayers and traders using digital platforms to interact with SARS
Definition / Purpose	This measures the number 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	$\frac{\% \text{ of taxpayers and traders using digital platforms interact with SARS} \times \# \text{ of unique taxpayers and traders who use digital platforms}}{\text{total number of taxpayers and traders (tax base)}}$
Data limitations / assumptions	N/A.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Annually for external reporting.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Technology & Solutions Delivery.

2.7 Standard taxpayers are auto filed and auto assessed by SARS

Indicator Title	% of standard taxpayer returns auto filed and auto assessed by SARS
Definition / Purpose	This indicator measures the proportion of tax returns of individual taxpayers that are filed and assessed automatically by SARS. The purpose of this measure is to determine the extent to which SARS can use data and information to file and 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	$\frac{\text{Tax Return Auto-Filing} \times \# \text{ of PIT tax returns auto-filed}}{\# \text{ total of PIT returns filed}}$
Data limitations / assumptions	In determining the total number of PIT returns filed and assessed, provisional taxpayers, taxpayers who have business income, taxpayers who claimed expenses and taxpayers who SARS have no history of filing are excluded.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Annually for external reporting.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Technology & Solutions Delivery & Enterprise Data Management.

2.8 Taxpayers and traders are satisfied with SARS as evidenced by Net Easy Score (NES)

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. During 2021/22 SARS will develop and finalise testing of the NES methodology and actual tracking will happen in the subsequent periods.
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	Quarterly and Annually.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Segment Owners, Product-Process Owners.

2.9 Service Charter achievement index

Indicator Title	Service Charter performance score (%)
Definition / Purpose	This measure seeks to track how SARS is incrementally meeting its Service Charter commitments.
Source/Collection of data	SARS core systems, Tax Ombud.
Method of calculation	The score is derived from all the categories in the Service Charter, and weighted to arrive at a composite score. The latest score is then compared to the prior period score to gauge incremental improvement.
Data limitations / assumptions	Some Service Charter categories are still in measurement development stage.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Annually.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Segment Owners, Product-Process Owners.

STRATEGIC OBJECTIVE 3: DETECT TAXPAYERS AND TRADERS WHO DO NOT COMPLY, AND MAKE NON-COMPLIANCE HARD AND COSTLY

2.10 Detection and selection methodology for non-compliance completed

Indicator Title	Approved detection and selection methodology document
Definition / Purpose	The aim is to have an approved methodology on detection and selection of non-compliance cases in place. The methodology will specifically measure how accurate SARS' case creation is. The methodology seeks to be proactive and preventive in its design and purpose.
Source/Collection of data	Old methodology and preliminary review work carried out to date.
Research work on detection, deterrence and selection	Not applicable.
Method of calculation	Not applicable.
Data limitations / assumptions	Exclusions will be provided in the methodology document.
Type of indicator	Output.
Calculation type	Non-cumulative.
Reporting cycle	Quarterly and Annually.
Desired performance	Refinement of methodology completed and tested.
Indicator responsibility	Segment Owners, Product-Process Owners.

2.11 Increase in employer compliance

Indicator Title	Employer compliance index (%)															
Definition / Purpose	The intention of this measure is to track and monitor the compliance of employers with their on-time filing, on-time payment, accuracy of declarations and registration obligations.															
Source/Collection of data	SARS Core systems.															
Method of calculation	<p>Indicator weights:</p> <table border="1"> <thead> <tr> <th>Priority</th> <th>Compliance Indicator</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Filing on time</td> <td>45%</td> </tr> <tr> <td>2</td> <td>Payment on time</td> <td>40%</td> </tr> <tr> <td>3</td> <td>Accurate Declarations</td> <td>10%</td> </tr> <tr> <td>4</td> <td>Registration</td> <td>5%</td> </tr> </tbody> </table> <p>Computation of the compliance percentage per indicator per tax type:</p> <ul style="list-style-type: none"> Registration on time % = No of registrations regarded as on time / No of new registrations Filing on time % = No of Returns submitted on time / No of Returns required Accurate Declarations % = No of audits finalised with no revised assessment being issued / No of audits finalised Payments on time % = No of payments settled in full on time / No of payments required <p>The index is determined as follows:</p> <ul style="list-style-type: none"> Index = [(Registration on time percentage x indicator weight) + (Filing on time percentage x indicator weight) + (Accurate Declaration percentage x indicator weight) + (Payments on time percentage x indicator weight)] 	Priority	Compliance Indicator	Weight	1	Filing on time	45%	2	Payment on time	40%	3	Accurate Declarations	10%	4	Registration	5%
Priority	Compliance Indicator	Weight														
1	Filing on time	45%														
2	Payment on time	40%														
3	Accurate Declarations	10%														
4	Registration	5%														
Data limitations / assumptions	None															
Type of indicator	Output.															
Calculation type	Cumulative.															
Reporting cycle	Quarterly and reported on externally on annual basis.															
Desired performance	An actual achievement equal or higher than target.															
Indicator responsibility	Personal income tax: employment taxes.															

2.12 Achieve a high success rate in the number of cases we take to court (via NPA) 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.
Source/Collection of data	SARS core systems and NPA records.
Method of calculation	Number of cases resulting in 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	Tracked quarterly but reported annually.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Legislative Policy, Tax Customs and Excise.

2.13 Declared customs values are above the reference price

Indicator Title	% of declared customs values above reference price
Definition / Purpose	The measure seeks to track the extent to which goods imported into the country are declared at reference or minimum prices. It serves to determine the extent of under-declaration of import values upon entry.
Source/Collection of data	SARS customs systems.
Method of calculation	Value of goods imported above reference price as a percentage of total value of goods imported.
Data limitations / assumptions	No specific limitations.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Tracked monthly, reported quarterly and annually.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Tax Customs and Excise.

2.14 Evasion schemes and / or syndicates involved in illicit economic activities are reduced

Indicator Title	Number of evasion schemes collapsed
Definition / Purpose	This indicator aims to progressively reduce the number of evasion schemes and / or syndicates involved in Illicit Economic Activities.
Source/Collection of data	SARS core systems
Method of calculation	Not applicable due to use of absolute values.
Data limitations and assumptions	Not applicable
Type of indicator	Impact
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	An actual achievement higher than target
Indicator responsibility	Criminal and Illicit Economic Activities (CEIA)

2.15 Recovery of revenue from illicit activities

Indicator Title	Total revenue recovered from illicit activities
Definition / Purpose	This indicator aims to track the quantum of revenue recovered from targeted illicit economic activities. These recovery efforts are SARS initiated and external assistance is sought as and when required. With increased levels of compliance, this part of revenue is expected to decrease over time.
Source/Collection of data	Revenue data is extracted from SARS core tax systems.
Method of calculation	Not applicable due to use of absolute values.
Data limitations and assumptions	Not applicable
Type of indicator	Impact
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	An actual achievement higher than target
Indicator responsibility	Criminal and Illicit Economic Activities (CEIA)

STRATEGIC OBJECTIVE 4: DEVELOP A HIGH PERFORMING, DIVERSE, AGILE, ENGAGED AND EVOLVED WORKFORCE

2.16 Diversity and Employment Equity

Indicator Title	Racial Equity, Gender Equity (grade 6 – 9) and Disability 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 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 Equity: Total number of disabled employees (per SARS definition) as a percentage of 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	Tracked monthly but reported annually.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Employee Engagement, Talent Capability & Development, Employee and Labour Relations, All clusters.

2.17 Employee engagement index score based on an annual survey of employees

Indicator Title	% score achieved based on annual survey
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 index 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.	Outcome.
Type of indicator	Outcome.
Calculation type	Non-cumulative.
Reporting cycle	Quarterly in current year. Index is determined biennially (once every 2 years).
Desired performance	An actual achievement higher than target.
Indicator responsibility	Employee Engagement.

2.18 Employer brand (Employer of choice)

Indicator Title	Certified top employer by the Top Employer Institute
Definition / Purpose	This measures the extent to which the South African public view 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 retains 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	Public survey by independent organisation.
Method of calculation	Certification by an independent company (the Top Employer Institute) as a top employer.
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 and Development, Employee and Labour Relations.

STRATEGIC OBJECTIVE 5: INCREASE AND EXPAND THE USE OF DATA WITHIN A COMPREHENSIVE KNOWLEDGE MANAGEMENT FRAMEWORK TO ENSURE INTEGRITY, DERIVE INSIGHT AND IMPROVE OUTCOMES

2.19 Data governance framework developed and implemented

Indicator Title	% of milestones achieved
Definition / Purpose	This measures the progress towards implimenting an approved data governance framework, with the first step being the update of a data governance framework.
Source/Collection of data	SARS data, external research
Method of calculation	% of milestones implemented based on implimentation plan of the data governance framework.
Data limitations / assumptions	No specific limitations.
Type of indicator	Output.
Calculation type	Non-cumulative.
Reporting cycle	Annual.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Enterprise Data Management.

2.20 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

Indicator Title	% Utilisation of automated risk assessment for taxpayers and traders
Definition / Purpose	Measures the extent to which cases are automatically selected through 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	$\% \text{ of Automated Risk Assessments} = \frac{\# \text{ of cases selected automatically for the period}}{\text{Total number of auto-assessments performed for the period}}$
Data limitations / assumptions	No specific limitations.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Monthly, Quarterly and Annually for external reporting.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Enterprise Data Management, Technology & Solutions Delivery.

2.21 SARS interventions achieve intended outcomes

Indicator Title	% of interventions that yield the intended results
Definition / Purpose	This measure seeks to gauge the extent to which the interventions carried out by SARS that are informed by data analytics and insights are yielding the intended results.
Source/Collection of data	SARS core systems
Method of calculation	Number of interventions that have yielded positive results as a percentage of total number of interventions.
Data limitations / assumptions	Positive results specifically takes into account the feedback received from assurance activity and may not mean a change in liability. It assumes interventions are executed with the requisite level of quality.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Monthly, Quarterly and Annually for external reporting.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Enterprise Data Management.

STRATEGIC OBJECTIVE 6: MODERNISE OUR SYSTEMS TO PROVIDE DIGITAL AND STREAMLINED ONLINE SERVICES

2.22 Digital platforms availability for taxpayers and traders

Indicator Title	% of planned capacity to be available for mission critical systems
Definition / Purpose	This measures the availability of digital platforms to taxpayers and traders.
Source/Collection of data	SARS core systems.
Method of calculation	$\% \text{ Availability of mission critical systems} = (\text{Uptime of mission critical system}) / (\text{Uptime of mission critical system} + \text{Downtime of mission critical systems})$.
Data limitations / assumptions	N/A.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Monthly, Quarterly and Annually for external reporting.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Operations Enabling & Production Planning, Technology & Solutions Delivery.

2.23 Security of taxpayers and traders information and interactions via digital platforms

Indicator Title	Number of security breaches on digital platforms for known risks
Definition / Purpose	This measures the number of security breaches that occur for all known security risks on digital platforms. The purpose of this measure is to determine the veracity of digital security risk management practises employed.
Source/Collection of data	SARS core systems.
Method of calculation	Count of the number of breaches, and compare over time.
Data limitations	N/A.
/ assumptions	N/A.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Monthly, Quarterly and Annually for external reporting.
Desired performance	Actual breaches lower than target.
Indicator responsibility	Operations Enabling & Production Planning, Technology & Solutions Delivery.

2.24 All SARS service offerings made available digitally

Indicator Title	% SARS taxpayer and trader service offerings made available online
Definition / Purpose	This measures the proportion of service offerings digitally available. The higher the proportion, the more the engagement options available, and the easier it is for the taxpayer / trader to access and engage with SARS.
Source/Collection of data	SARS core systems.
Method of calculation	$\frac{\text{\# of online service offerings}}{\text{\# total of service offerings available}}$
Data limitations / assumptions	No specific limitations.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Monthly, Quarterly and Annually for external reporting.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Technology & Solutions Delivery & Enterprise Data Management.

STRATEGIC OBJECTIVE 7: DEMONSTRATE EFFECTIVE RESOURCE STEWARDSHIP TO ENSURE EFFICIENCY AND EFFECTIVENESS IN THE DELIVERY OF QUALITY OUTCOMES AND PERFORMANCE EXCELLENCE

2.25 Reconfigured SARS' cost structures to align with international peers

Indicator Title	ICT investment as % of total allocation
Definition / Purpose	This measure seeks to track the portion of the SARS grant allocated to ICT projects improvements and maintenance. SARS is configuring its cost structure to ensure ICT infrastructure is optimally positioned to give full support to the mandate and align with its international peers.
Source/Collection of data	SARS accounting systems.
Method of calculation	Actual funds invested in ICT infrastructure as a percentage of total SARS grant from National Treasury. $ICT\ invest\ (\%) = \left(\frac{\text{Actual funds invested in ICT infrastructure (R)}}{\text{Allocated funds (R)}} \right) \times 100$
Data limitations / assumptions	Funds include software and hardware costs incurred on both infrastructure maintenance and improvements, but exclude staff salaries for both.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Monthly, Quarterly and Annually for external reporting.
Desired performance	An actual achievement that is aligned to the ICT strategy.
Indicator responsibility	CFO and Technology & Solutions Delivery.

2.26 Revenue is collected at a level in line with comparable international peers' cost

Indicator Title	Cost to revenue 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.
Method of calculation	Total operating costs of the controlling entity for the year, divided by the total tax and customs revenue collected for the financial year.
Data limitations / assumptions	The financial information is prepared in accordance with the applicable Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board on a basis consistent with prior years.
Type of indicator	Efficiency.
Calculation type	Cumulative.
Reporting cycle	Monthly, Quarterly and Annually for external reporting.
Desired performance	An actual achievement that is aligned to the SARS strategy.
Indicator responsibility	CFO.

2.27 Clean audit opinion achieved from the Auditor-General

Indicator Title	Clean audit opinion
Definition / Purpose	The purpose of this measure is to assess SARS' commitment to maintain and promote good governance in the organisation. It measures compliance levels with all Government's statutory requirements.
Source/Collection of data	Audit-General reports.
Method of calculation	Auditor-General final audit.
Data limitations / assumptions	As per AG report.
Type of indicator	Governance.
Calculation type	Non-cumulative.
Reporting cycle	Annually (external).
Desired performance	Clean audit report.
Indicator responsibility	All clusters, CFO.

2.28 Increased productivity achieved across SARS

Indicator Title	% productivity levels achieved across SARS
Definition / Purpose	The purpose of this measure is to track the level of productivity within SARS. Productivity results will be measured daily, monthly, quarterly and annually.
Source/Collection of data	SARS systems.
Method of calculation	Productivity = Target Time (Standard Time * Actual output volumes)/ Available Time excluding downtime (Absence, Training)
Data limitations / assumptions	Availability of Production measurements per SARS divisions: standard times, production outputs.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Daily, Monthly, Quarterly and Annually for external reporting.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Performance and Productivity Management and Enterprise Data Management.

STRATEGIC OBJECTIVE 8: WORK WITH AND THROUGH STAKEHOLDERS TO IMPROVE THE TAX ECOSYSTEM

2.29 We have satisfied all of SARS' commitments in terms of OECD Exchange of Information (EOI) standards

Indicator Title	% of commitments met
Definition / Purpose	This measure tracks the extent to which SARS has met and satisfied commitments made in the Exchange of Information international fora. The aim is to meet and satisfy all commitments made to exchange information with other players in tax administration across the world. Definition of meeting and satisfying a commitment is to submit everything that is required for the requestor / interested party to proceed to the next stage.
Source/Collection of data	External requests and OECD rating.
Method of calculation	Number of commitments met as a percentage of total commitments made. $\% \text{ commitments met} = \left(\frac{\text{Number of commitments met}}{\text{Total commitments made}} \right) \times 100$
Data limitations / assumptions	Not applicable.
Type of indicator	Efficiency.
Calculation type	Cumulative.
Reporting cycle	Quarterly, Annually (external).
Desired performance	Actual target.
Indicator responsibility	Enterprise Data Management.

2.30 A high number of intermediaries that are satisfied with our cooperation and collaboration

Indicator Title	% of intermediaries that are satisfied with our assistance
Definition / Purpose	The purpose of this measure is to gauge the extent to which intermediaries (including Customs) and tax practitioners are satisfied with SARS cooperation and collaboration. We seek to ensure that SARS intermediaries and tax practitioners receive timeous 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	Quarterly and Annually (external reporting).
Desired performance	An actual achievement higher than target.
Indicator responsibility	Stakeholder Relations.

2.31 We have met SARS' commitments in terms of FATF Mutual Evaluation findings

Indicator Title	% of FATF deliverables met
Definition / Purpose	This measure tracks the extent to which SARS has met its commitments in respect of South Africa's Action Plan coming out of the FATF Mutual Evaluation findings on the country in 2019. Definition of achieving all set deliverables is implementing the people, process and system enhancements that will enable the combatting of money laundering and terror financing.
Source/Collection of data	Project Plan reports and other reports on implementation from SARS Divisions
Method of calculation	Achieved project deliverables as a percentage of total deliverables agreed on;
Data limitations and assumptions	Not applicable
Type of indicator	Efficiency/Output
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	An actual achievement higher than target
Indicator responsibility	Enforcement Cluster – Liaison Desk (coordinate)

STRATEGIC OBJECTIVE 9: BUILD PUBLIC TRUST AND CONFIDENCE IN THE TAX ADMINISTRATION SYSTEM

2.32 Public opinion survey results reflects high trust and confidence in SARS

Indicator Title	% Score as per Public Opinion Survey
Definition / Purpose	The purpose of this measure is to gauge the public's perceptions and attitudes towards tax compliance. This will help SARS to better understand the public's attitudes towards tax compliance, and obtain feedback to enable SARS to track and monitor tax compliance over-time.
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,

2.33 Sentiments analysis continuously reflects high trust and confidence in SARS

Indicator Title	Top 3 words that the public associates with SARS are positive
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,

ANNEXURES

Annexure A:

Changes to the 2020/21 – 2024/25 SARS Strategic Plan Key Performance Indicators and Targets

We have reviewed some of the key performance indicators (KPIs) and targets in the 2020/21 – 2024/25 Strategic Plan, and came to the conclusion that some of these are not feasible given the current economic environment, performance trends and organisational constraints. Below are the KPIs that were either removed or whose targets were amended. Changes are marked and indexed.

The following KPI, was moved from strategic objective 3 to 5:

- % of interventions that yield the intended results

The following KPI's have revised targets:

- A credible voluntary compliance index
- % of taxpayers and traders using digital platforms to interact with SARS
- Employer Brand (Employer of Choice Rating)
- ICT investment as percentage of total grant
- Public opinion survey

The revised targets are shown on the table below, which will replace those contained in the current published tables in the 2020/21 – 2024/25 SARS Strategic Plan. The tables reflect the full set of KPIs as published for ease of reference, with changes marked accordingly.

STRATEGIC INTENT: TO DEVELOP AND ADMINISTER A TAX AND CUSTOMS SYSTEM BASED ON VOLUNTARY COMPLIANCE, AND WHERE APPROPRIATE, ENFORCE RESPONSIBLY AND DECISIVELY		
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
Total compliance revenue collected – revenue collected from identified compliance initiatives	2020/21 actual compliance revenue performance	Compliance revenue collection = 5.00% of total revenue collections
We have reduced the tax gap significantly – total tax gap as a percentage of total revenue due	New measure	Between 10.00% - 15.00% (OECD 11.00% - 13.00%)
Voluntary compliance has increased as measured by a credible voluntary compliance index	67.20%	85.00%*

Note: *Target changed from 83.00% to 85.00% for 2024/25.

STRATEGIC OBJECTIVE 1: PROVIDE CLARITY AND CERTAINTY FOR TAXPAYER AND TRADER OF THEIR OBLIGATIONS		
Key results	Baseline	Five-year target
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 to resolve their tax and customs queries – reduction in the number of taxpayer and traders requiring to visit a SARS branch office	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 measure	<ul style="list-style-type: none"> • 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

Note: No changes made on the above table.

STRATEGIC OBJECTIVE 2: MAKE IT EASY FOR TAXPAYERS AND TRADERS TO COMPLY WITH THEIR OBLIGATIONS		
Key results	Baseline	Five-year target 2024/25
Standard taxpayers are auto assessed by SARS – % of standard taxpayer returns auto filed and auto assessed by SARS (individual taxpayers)	New measure	95.00% auto assessment of standard taxpayers
Increased number of taxpayers and traders using digital platforms - % of taxpayers and traders using digital platforms to interact with SARS	75.00%	95.00%*
All standard taxpayers are auto registered without the need for them to come to SARS – Proportion of standard taxpayers auto-registered	New measure	95% 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 measure	Net Easy Score of greater than 70%

Note: *Target changed from 85.00% to 95.00% for 2024/25.

STRATEGIC OBJECTIVE 3: DETECT TAXPAYERS AND TRADERS WHO DO NOT COMPLY, MAKING NON-COMPLIANCE HARD AND COSTLY		
Key results	Baseline	Five-year target 2024/25
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%

Note: KPI “% of interventions that yield the intended results” moved Strategic Objective #5

STRATEGIC OBJECTIVE 4: DEVELOP A HIGH PERFORMING, DIVERSE, AGILE, ENGAGED AND EVOLVED WORKFORCE

Key results	Baseline	Five-year target 2024/25
Employee Engagement Index	New measure	Top Quartile in market
Employer Brand (Employer of Choice Rating) - (Top employer institute)	New measure	75.00%*
Diversity and Employment Equity: <ul style="list-style-type: none"> Racial Equity Gender Equity (Grades 6-9) DisabilityEquity 	Racial equity – 76.31% Gender - 49.14% Disability – 2.16%	Racial equity – 84.00% Gender – 53.46% Disability – 4.75%

Note: *Target amended from “top tercile in the market (top 10%)” to 75% for 2024/25 due to a new measurement methodology.

STRATEGIC OBJECTIVE 5: INCREASE AND EXPAND THE USE OF DATA WITHIN A COMPREHENSIVE KNOWLEDGE MANAGEMENT FRAMEWORK TO ENSURE INTEGRITY, DERIVE INSIGHTS AND IMPROVE OUTCOMES

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 consuming structured data, based on declaration submission.	100% utilization of automated risk assessment for standard taxpayers and traders 80% utilization automated risk assessment for complex taxpayers and traders
SARS interventions achieve intended outcomes - % of interventions that yield the intended results*	New measure	90.00% overall success

Note: *KPI moved from Strategic Objective #3.

STRATEGIC OBJECTIVE 6: MODERNISE OUR SYSTEMS TO PROVIDE DIGITAL AND STREAMLINED ONLINE SERVICES

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

Note: No changes made on the above table.

STRATEGIC OBJECTIVE 7: DEMONSTRATE EFFECTIVE STEWARDSHIP OF OUR RESOURCES TO ENSURE EFFICIENCY AND EFFECTIVENESS IN THE DELIVERY OF QUALITY OUTCOMES AND PERFORMANCE EXCELLENCE

Key results	Baseline	Five-year target 2024/25
Reconfigured cost structure - ICT investment as percentage of total grant	5.00%	Increase ICT investment by 2.00%*
Revenue is collected at a level in line with comparable international peers' cost – Cost to Revenue Ratio	0.84%	1.00%

Note: *Target changed from “ICT investment of between 13.00% of total grant” to “Increase ICT investment by 2.00%” for 2024/25.

STRATEGIC OBJECTIVE 8: WORK WITH AND THROUGH STAKEHOLDERS TO IMPROVE THE TAX ECOSYSTEM		
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 measure	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 measure	Top quartile ranking

Note: No changes made on the above table.

STRATEGIC OBJECTIVE 9: BUILD PUBLIC TRUST AND CONFIDENCE IN THE TAX ADMINISTRATION SYSTEM		
Key results	Baseline	Five-year target 2024/25
Public opinion survey results reflect high trust and confidence in SARS	67.00%	76.50%*
Sentiment analysis continuously reflects high trust and confidence in SARS	New measure	Top 3 words the public associates with SARS are all positive

Note: *Target changed from 75.00% to 76.50% for 2024/25.

