

ANNUAL PERFORMANCE PLAN (REVISED) 2021/22

SOUTH AFRICAN REVENUE SERVICE



ANNUAL PERFORMANCE PLAN (REVISED)

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 Financial Officer
CIT:	Corporate Income Tax
ENE:	Estimates of National Expenditure
EOI:	Exchange of Information
FATF:	Financial Action Task Force
FOSAD:	Forum of South Africa Directors-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

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Minister's statement



South Africa continues to deal with the COVID-19 pandemic and government's response to curb its spread and to deal with its negative impact on the economy continues to put a serious strain on the fiscus. The unfavourable economic and operating conditions are expected to remain in the short-term and will most certainly have lasting effects on the economy and South Africans.

The South African Revenue Service's (SARS) continued improvements in its operations and performance continues to enable the government to provide much needed relief to South Africans and the economy in general. SARS faces a difficult task of collecting the revenue required and ensuring taxpayers and traders comply with the law whilst facing trying and difficult conditions to their survival. I am encouraged however by the approach adopted by SARS as part of its strategy and plans to achieve a balanced approach between improving taxpayer experience and dealing decisively with deliberate non-compliance with the law. This can only bode well for SARS efforts now and in the future.

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 "Godsw".

Enoch Godongwana
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 former 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 revised 2021/22 Annual Performance Plan (APP) seeks to ensure that we remain focused on rebuilding SARS to become a credible institution that is trusted and admired, and to ensure that we are precise when it comes to tracking and measuring ourselves against the objectives and targets we set for ourselves. We will 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, appearing to read "Edward Chr Kieswetter".

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 Enoch Godongwane
- » Takes into account all relevant policies, legislation and other mandates for which SARS is responsible.
- » Accurately reflects the impact and outcomes which SARS will endeavour to achieve over the period 2021/22.



Yolande van der Merwe
Chief Financial Officer



Katiso Tabe
Head official facilitating enterprise strategic planning



Edward Chr Kieswetter
Accounting Officer



Approved by Enoch Godongwana: 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, and will therefore strive to promote a culture where compliance is viewed as a positive social contribution. The behaviour of taxpayers and traders may range from willing and intentional compliance to non-compliance, largely because of a lack of knowledge or means. We are also aware 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 the 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 the 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 a 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 and capability (effective administration)

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

Our system integrity will include trustworthy 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.

In the course of interacting 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.

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.	Provide CLARITY and CERTAINTY for taxpayers and traders of their obligations The overall taxpayer and trader experience is empowering and enabling. Taxpayers and traders proactively receive clarity guidance and where required, have easily accessible additional customised support. Certain segments of taxpayers and traders may also access leverage products such as advance pricing agreements, advance rulings (inclusive of Value-added Tax - VAT rulings and binding general rulings) and cooperative compliance programmes.
2.	Make it EASY for taxpayers and traders to comply with their obligations 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.
3.	DETECT taxpayers and traders who do not comply, making non-compliance HARD and COSTLY Taxpayers and traders who negligently, deliberately, aggressively, or criminally stay out of the tax system or do not comply will be detected 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.
4.	Develop a HIGH performing, DIVERSE, AGILE, ENGAGED and EVOLVED workforce Our employees consider us to be an Employer of Choice and are engaged to deliver the best taxpayer and trader experience characterised by professionalism and actions that are beyond reproach. Tasks have become less administrative, more analytical and service oriented. Our employees 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.
5.	Increase and expand the use of DATA within a comprehensive knowledge management framework to ensure integrity, derive insight and improve outcomes By expanding and increasing the use of data, data analytics and artificial intelligence, we create the capability to understand the compliance behaviour of taxpayers and traders to provide clarity and certainty where it is needed, 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.
6.	Modernise our systems to provide DIGITAL and STREAMLINED online services Our digital platforms will provide reliable and secure services to all our constituencies. Specifically, for taxpayers and traders to enable them to meet their obligations simply, easily and 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.

7.	Demonstrate EFFECTIVE STEWARDSHIP of our resources to ensure EFFICIENCY and EFFECTIVENESS in the delivery of quality outcomes and performance excellence We steward the limited resources entrusted to us in a manner that creates value to achieve quality outcomes and performance excellence. The way we organise ourselves reflects agility and responsiveness to deliver the best experience for all of our constituencies. We demonstrate a high work ethic, strive for performance excellence and achieve the most with the least effort and cost, and best-in class innovations that enable us to achieve our strategic intent.
8.	Work with and through STAKEHOLDERS to improve the TAX ECOSYSTEM We have effective and beneficial partnerships with all stakeholders in the tax ecosystem that deliver maximum benefits for the taxpayers 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.
9.	Build PUBLIC TRUST and CONFIDENCE in the tax administration system The public is confident that our stewardship of the country's tax system is professional, unbiased and fair; we always act and do the right 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.

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
Economy 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.	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.
Government debt 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.	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.
Public confidence Research shows that taxpayers' attitude towards compliance and their willingness to comply are influenced by how they perceive taxes to be utilised by government. Loss of public confidence due to concerns about corruption in the public sector and poor service delivery has the potential to undermine and make it difficult for SARS to increase voluntary compliance.	SO: 8 and 9	<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
Illicit economic activities	SO: 3 and 5	<ul style="list-style-type: none"> » Expand and improve the use of data, data analytics and artificial intelligence 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.
Emerging technologies	SO: 4, 5, 6 and 7	<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, Television (TV) adverts to show taxpayers how its communications Short Message Service (SMS) look like to also mitigate the risk of cyber criminals.
Political environment	SO:9	<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 of 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.</p> <p>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"> » Continue 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
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.	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.
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 by the novel COVID-19 have disrupted the traditional way of working.	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	Key result indicators	Baselines	Current and MTEF targets				Notes
			2021/22	2022/23	2023/24	2024/25	
Printed revenue estimates are met and/or exceeded	% collection of revenue as agreed with Minister	R1 249.7 billion	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	1
Overall compliance has increased as measured by a well-defined compliance index	Develop and approve compliance indexes	New measure	Approved Compliance Index for PAYE, VAT and CIT as well as establish baselines	Compliance index tracked and introduced into formal reporting	83%	85%	2
Enhance trade facilitation	Develop and approve a trade facilitation index	New measure	Final version of the trade facilitation index completed and baseline calculated	Track performance	Track performance	Track performance	3

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	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
Overall compliance has increased as measured by a well-defined compliance index	Develop and approve compliance indexes	Approved Compliance Index for PAYE, VAT and CIT as well as establish baselines	Review and refine the compliance index for PAYE	Review and refine the compliance index for VAT	Review and refine the compliance index for CIT	Approved Compliance Index for PAYE, VAT and CIT as well as establish baselines
Enhance trade facilitation	Develop and approve a trade facilitation index	Final version of the trade facilitation index completed and baseline calculated	N/A	N/A	First draft of trade facilitation index distributed for input and comments	Final version of the trade facilitation index completed, approved and baseline calculated

Strategic objective 1: provide clarity and certainty for taxpayer and trader of their obligations

Key result	Key result indicator	Baseline	Current and MTEF targets				Notes
			2021/22	2022/23	2023/24	2024/25	
The majority of taxpayers and traders perceive the guidance SARS provides to be clear, unambiguous and easy to follow	% of taxpayers and traders surveyed are satisfied with the clarity and certainty provided by SARS	76.19%	77.00%	78.00%	79.00%	80.00%	4

Annual and quarterly targets:

Key result	Key result indicator	Annual target	Q1	Q2	Q3	Q4
The majority of taxpayers and traders perceive the guidance SARS provides to be clear, unambiguous and easy to follow	% of taxpayers and traders surveyed are satisfied with the clarity and certainty provided by SARS	77.00%	Survey proposal and charter approved	Survey questionnaire developed	Data collection completed	77.00%

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

Key results	Key result indicators	Baselines	Current and MTEF targets				Notes
			2021/22	2022/23	2023/24	2024/25	
Increased number of taxpayers and traders using digital and self-help platforms	% of taxpayers and traders using digital and self-help platforms to interact with SARS	86.31%	87.00%	88.00%	90.00%	95.00%	5
Standard taxpayers are auto assessed by SARS	% of standard taxpayer's returns auto assessed by SARS (individual taxpayers)	83.28%	85.00%	90.00%	93.00%	95.00%	

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
Increased number of taxpayers and traders using digital and self-help platforms	% of taxpayers and traders using digital and self-help platforms to interact with SARS	87.00%	-	-	-	87.00%
Standard taxpayers are auto assessed by SARS	% of standard taxpayer's returns auto assessed by SARS (individual taxpayers)	85.00%	-	-	-	85.00%

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

Key results	Key result indicators	Baselines	Current and MTEF targets				Notes
			2021/22	2022/23	2023/24	2024/25	
Increase compliance through the accurate detection of risk	Risk detection rate	New, improved risk detection methodology and implemented feedback loop	95.00%	95.00%	95.00%	95.00%	
Extent to which SARS enables the NPA to successfully prosecute criminal cases referred by SARS	% of cases SARS referred to the NPA that is accepted for prosecution	New measure	90.00%	90.00%	90.00%	95.00%	6

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
			-	-	-	95.00%
Increase compliance through the accurate detection of risk	Risk detection rate	95.00%	-	-	-	95.00%
Extent to which SARS enables the NPA to successfully prosecute criminal cases referred by SARS	% of cases SARS referred to the NPA that is accepted for prosecution	90.00%	N/A	N/A	-	90.00%

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

Key result	Key result indicator	Baseline	Current and MTEF targets				Notes
			2021/22	2022/23	2023/24	2024/25	
Improve the engagement of SARS employees	Employee Engagement Index score achieved based on survey of employees	61.60	Develop plan to address shortcomings identified in last engagement survey	65.00	Develop plan to address shortcomings identified in last engagement survey	Top quartile in the market	7

Annual and quarterly targets:

Key result	Key result indicator	Annual target	Q1	Q2	Q3	Q4
			N/A	N/A	-	Develop plan to address shortcomings identified in last engagement survey
Improve the engagement of SARS employees	Employee Engagement Index score achieved based on survey of employees	Develop plan to address shortcomings identified in last engagement survey	N/A	N/A	-	Develop plan to address shortcomings identified in last engagement survey

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 result	Key result indicator	Current and MTEF targets					Notes
		Baseline	2021/22	2022/23	2023/24	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.	% 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	8

Annual and quarterly targets:

Key result	Key result indicator	Annual target	Q1		Q2		Q3		Q4	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
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 60.00% Complex								

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

Key results	Key result indicators	Current and MTEF targets					Notes
		Baselines	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	99.76%	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	0	0	0	0	0	9

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1		Q2		Q3		Q4	
			Q1	Q2	Q3	Q4	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%	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	0	0	0	0	0	0	0	0	0

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	Key result indica-tors	Current and MTEF targets					Notes
		Baselines	2021/22	2022/23	2023/24	2024/25	
Reconfigure SARS' cost structures to align with international peers	Increase ICT investment as % of total allocation	2.00%	2.00%	2.00%	2.00%	2.00%	
Demonstrate effective stewardship through the appropriate spending of the budget allocation received from National Treasury	% Deviation between SARS' spending for the year and the allocation SARS received from National Treasury	New measure	5.00%	5.00%	5.00%	5.00%	10
Unqualified audit opinion achieved from the Auditor-General	Unqualified audit opinion	Unqualified audit with matters	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
Reconfigure SARS' cost structures to align with international peers	Increase ICT investment as % of total allocation	2.00%	0.50%	1.00%	1.50%	2.00%
Demonstrate effective stewardship through the appropriate spending of the budget allocation received from National Treasury	% Deviation between SARS' spending for the year and the allocation SARS received from National Treasury	5.00%	N/A	N/A	-	5.00%
Unqualified audit opinion achieved from the Auditor-General	Unqualified audit opinion	Unqualified audit opinion	-	-	-	Unqualified audit opinion

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

Key results	Key result indicators	Baselines	Current and MTEF targets				Notes
			2021/22	2022/23	2023/24	2024/25	
SARS has met all its commitments in terms of the Organisation for Economic Cooperation and Development's (OECD) Exchange of Information (EOI) standards	% of commitments met	Full compliance in terms of OECD rating	100.00%	100.00%	100.00%	100.00%	11
A high number of intermediaries are satisfied with SARS' cooperation and collaboration	% of intermediaries that are satisfied with SARS' assistance	New measure	60.00%	65.00%	70.00%	70.00%	

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
SARS has met all its commitments in terms of the Organisation for Economic Cooperation and Development's (OECD) Exchange of Information (EOI) standards	% of commitments met	100.00%	100.00%	100.00%	100.00%	100.00%
A high number of intermediaries are satisfied with SARS' cooperation and collaboration	% of intermediaries that are satisfied with SARS' assistance	60.00%	Start and finalise survey preparations	Start fieldwork	Complete fieldwork	60.00%

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

Key results	Key result indicators	Baselines	Current and MTEF targets				Notes
			2021/22	2022/23	2023/24	2024/25	
Public opinion survey results reflect high trust and confidence in SARS	% score as per public opinion survey	74.50%	75.00%	75.50%	76.00%	76.50%	
Service Charter index achievement	% Service Charter performance score (old Service Charter)	54.88%	80.00%	-	-	-	12

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
Public opinion survey results reflect high trust and confidence in SARS	% score as per public opinion survey	75.00%	Start and finalise survey preparations	Start field-work	Complete fieldwork	75.00%
Service Charter index achievement	% Service Charter performance score (old Service Charter)	80.00%	-	-	-	80.00%

Notes

1. Estimates are announced by the Minister of Finance, and informed by specific economic growth assumptions, collection opportunities through compliance interventions of SARS, as well as the collection climate.
2. 2022/23 and 2023/24 are aspirational targets and will be reviewed once the baselines have been established.
3. New measure. Outer year targets will be determined once the baseline has been established. SARS remains committed to realistic target setting that balances our ability to achieve targets through the role of Customs but also in context of the broader role of government in trade facilitation and border protection.
4. 2021/22, 2022/23 and 2023/24 targets increased significantly from the 1st version of the 2021/22 APP, as the baseline was obtained through the first survey conducted during the 2020/21 financial year.
5. 2021/22 and 2022/23 targets increased from 1st version of 2021/22 APP, as the new baseline was informed by the results from the 2020/21 financial year.
6. New measure. The previous measure was limited in that it was predominantly measuring the outcome of a process administered by the NPA and only considered cases that were prosecuted and managed to get onto the court roll.
7. Survey was conducted in 2020/21 and will only be conducted every 18 months, or roughly twice during a 3-year cycle to enable SARS an opportunity to systematically address the underlying issues highlighted through survey results and other engagements with staff.
8. The data-driven compliance risk detection framework established in the previous financial year laid the foundation upon which will be built going forward.
9. Known risks are any security risks for which security controls are implemented. This excludes unknown risks such as zero-day attacks. For zero-day attacks there are typically no signatures or detection mechanisms.
10. New measure. This measure indicates the ability of SARS to effectively manage the spend of its NT allocation and will include both cash and commitments by the end of the financial year. (Under-spending deviation is within SARS' control, where over spending deviation is only permissible with NT approval.)

11. This is the final year SARS will be reporting on this measure, as SARS has inculcated the participation of this strategic initiative, as an early adopter of the OECD's EOI programme. In future SARS will maintain it but focus on optimally leveraging the insights gained through information sharing and collaboration as one of its pertinent compliance risk detection instruments.
12. SARS is in the process to transition to the new service charter and calculate the baseline for future reporting purposes.

Resource considerations

Expenditure estimates over the medium term

SARS remains significantly underfunded and with 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 six years and has had an impact on capacity as well as capability. SARS has further been under-investing 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 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 with resultant savings utilised to fund shortfalls and high value adding activities.

Strategic Outcomes (R)	Full Time Equivalents 2021/22	Budget 2021/22	Budget 2022/23	Budget 2023/24	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		R'000						
Provide Clarity & Certainty of tax obligations	485	532 861	538 083	545 284	133 215	133 215	133 215	133 215
Personnel Expenses		406 404	406 514	406 427	101 601	101 601	101 601	101 601
Goods & Services		108 939	111 608	118 495	27 235	27 235	27 235	27 235
Information Technology		27 591	31 252	35 462	6 898	6 898	6 898	6 898
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		17 517	19 962	19 962	4 379	4 379	4 379	4 379
Projects		-	-	-	-	-	-	-
Make it Easy for Taxpayers & Traders to Comply & fulfill their obligations	4 881	4 065 821	4 124 082	4 167 503	1 016 455	1 016 455	1 016 455	1 016 455
Personnel Expenses		2 975 049	2 975 850	2 976 680	743 762	743 762	743 762	743 762
Goods & Services		887 998	902 138	959 289	221 999	221 999	221 999	221 999
Information Technology		269 454	305 205	346 319	67 364	67 364	67 364	67 364
Land and Buildings		294 977	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	110 206	24 028	24 028	24 028	24 028
Capex - Business as usual		172 897	197 022	197 022	43 224	43 224	43 224	43 224
Projects		29 878	49 072	34 512	7 470	7 470	7 470	7 470
Detect Taxpayers and Traders who do not comply, and make non-compliance hard and costly	3 210	3 038 655	3 069 557	3 114 580	759 664	759 664	759 664	759 664
Personnel Expenses		2 229 306	2 229 706	2 230 528	557 326	557 326	557 326	557 326
Goods & Services		694 659	708 958	753 360	173 665	173 665	173 665	173 665
Information Technology		175 696	199 007	225 815	43 924	43 924	43 924	43 924
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		114 690	130 693	130 693	28 672	28 672	28 672	28 672
Projects		-	-	-	-	-	-	-
Develop a high performing, diverse, agile and engaged workforce towards high value knowledge and service work	521	515 072	520 125	527 162	128 768	128 768	128 768	128 768
Personnel Expenses		392 018	392 123	392 233	98 004	98 004	98 004	98 004
Goods & Services		105 330	107 804	114 732	26 332	26 332	26 332	26 332
Information Technology		27 873	31 571	35 824	6 968	6 968	6 968	6 968
Land and Buildings		29 987	25 898	25 442	7 497	7 497	7 497	7 497
Audit & Legal Fees		8 306	8 997	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		17 724	20 197	20 197	4 431	4 431	4 431	4 431
Projects		-	-	-	-	-	-	-
Expand and Increase the use of DATA to improve integrity, derive insight & improve outcomes	519	422 222	430 571	439 006	155 555	155 555	155 555	155 555
Personnel Expenses		483 307	483 437	483 572	120 827	120 827	120 827	120 827
Goods & Services		118 120	122 397	131 706	29 530	29 530	29 530	29 530
Information Technology		47 839	54 187	61 486	11 960	11 960	11 960	11 960
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		18 724	21 337	21 337	4 681	4 681	4 681	4 681
Projects		2 070	3 400	2 391	518	518	518	518
Modernize our systems to provide digital & streamlined services	619	922 057	989 771	1 007 376	230 514	230 514	230 514	230 514
Personnel Expenses		461 424	461 549	461 677	115 356	115 356	115 356	115 356
Goods & Services		389 205	421 609	463 524	97 301	97 301	97 301	97 301
Information Technology		210 729	238 688	270 841	52 682	52 682	52 682	52 682
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		21 276	24 245	24 245	5 319	5 319	5 319	5 319
Projects		50 151	82 369	57 929	12 538	12 538	12 538	12 538
Drive greater resource stewardship to ensure the efficient use of resources, and deliver quality outcomes & performance	1 657	1 261 443	1 309 153	1 304 686	315 361	315 361	315 361	315 361
Personnel Expenses		775 120	775 329	775 545	193 780	193 780	193 780	193 780
Goods & Services		381 032	385 986	408 298	95 258	95 258	95 258	95 258
Information Technology		77 379	87 646	99 452	19 345	19 345	19 345	19 345
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	140 430	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		49 897	56 859	56 859	12 474	12 474	12 474	12 474
Projects		55 394	90 979	63 985	13 848	13 848	13 848	13 848
Work with, and through Stakeholders to improve the tax system	84	125 438	129 768	128 245	31 360	31 360	31 360	31 360
Personnel Expenses		98 976	99 002	99 030	24 744	24 744	24 744	24 744
Goods & Services		17 611	17 910	19 043	4 403	4 403	4 403	4 403
Information Technology		5 096	5 772	6 550	1 274	1 274	1 274	1 274
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		3 345	3 812	3 812	836	836	836	836
Projects		5 506	9 043	6 360	1 377	1 377	1 377	1 377
Build public trust and confidence in the tax administration system	408	564 952	573 559	584 210	141 238	141 238	141 238	141 238
Personnel Expenses		404 448	404 557	404 670	101 112	101 112	101 112	101 112
Goods & Services		146 573	153 127	163 665	36 643	36 643	36 643	36 643
Information Technology		24 340	27 570	31 284	6 085	6 085	6 085	6 085
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		13 931	15 875	15 875	3 483	3 483	3 483	3 483
Projects		-	-	-	-	-	-	-
Total	12 384	11 648 520	11 684 668	12 018 052	2 912 130	2 912 130	2 912 130	2 912 130

Headcount projection over the medium term

Employee Group	2021/22 Projections	2022/23 Projections	2023/24 Projections
Permanent	12 448	12 448	12 448
Contract	7	7	7
Trainees	200	200	200
Short Term Contract	6	6	6
Total Headcount Requirement	12 661	12 661	12 661

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. Taxpayers¹ 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>	<p>1. Provide clarity and certainty for taxpayers and traders of their obligations</p>	<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.</p> <p>Taxpayer and trader interactions will be different and will reduce the compliance burden.</p>	<p>2. Make it easy for taxpayers and traders to comply with their obligations</p> <p>6. Modernise our systems to provide digital and streamlined online services</p>	<p>Provide a seamless registration, filing, declaration and payment experience for standard taxpayers and traders. (Strategic Plan Page 18).</p> <p>Provide services that are accessible, simple and easy to use for complex taxpayers and traders to fulfill their obligations.</p> <p>Provide a seamless omni-channel experience through our various service offerings</p> <p>Provide an intuitive service aligned to the needs and behaviours of taxpayers and traders.</p> <p>Provide a single view of taxpayers and traders.</p> <p>Engage with intermediaries and service providers who are certified and accredited</p> <p>Build digital platforms that host data, and enables us to provide taxpayer and trader experiences that are seamless, secure and available everywhere 24/7.</p> <p>Build technology platforms and systems that allow us to host, and ensure data integrity and data management to respond to all our needs.</p> <p>Deploy technology that allows us to be good stewards of our people and resources, to achieve performance excellence.</p> <p>Deploy technology to enable intermediaries, through whom we work with and through, to effectively deliver on our mandate.</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	3. SARS has an inability to detect and respond to non-compliance. The illicit economic activities continue to pose a serious threat to South Africa's growth, revenue base, prosperity and stability.	3. Detect taxpayers and traders who do not comply and make noncompliance 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.</p> <p>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>	<p>4. Develop a high performing, diverse, agile, engaged and evolved workforce</p>	<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</p> <p>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>	<p>4. Develop a high performing, diverse, agile, engaged and evolved workforce</p>	<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</p> <p>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>	<p>7. Demonstrate effective stewardship of our resources to ensure efficiency and effectiveness in delivering quality outcomes and performance excellence</p>	<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	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.	ALL NINE (9) STRATEGIC OBJECTIVES	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.
		STRATEGIC INTENT: To develop a Tax and Customs system based on Voluntary Compliance.	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.
			Increase audit capacity which is an effective way to encourage compliance
			Encourage clients to come forward on a voluntary basis to regulate their tax affairs and avoid the imposition of understatement penalties and administrative penalties
EXTERNAL RISK	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. 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.	9. Build public trust and confidence in the tax administration system	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
		STRATEGIC INTENT: To develop a Tax and Customs system based on Voluntary Compliance.	Improve public confidence by demonstrating 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.
			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	Cuts across all strategic objectives
		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 well-being 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)

Strategic Intent

A. 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 SARS core tax systems.
Method of calculation	The sum of all 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
Desired performance	An actual achievement higher than target.
Indicator responsibility	Revenue Management

B. Overall compliance has increased as measured by a well-defined compliance index

Indicator Title	Develop and approve compliance indexes
Definition / Purpose	The aim is to have an approved index in place that will track and measure compliance. The index will aggregate the four main tax compliance activity (registration, declaration, filing and payment) to give a composite score.
Source/Collection of data	Internal working papers.
Method of calculation	Not applicable, as the existence of the approved index will be the determination of actual performance achievement.
Data limitations/assumptions	To be specified in the working papers
Type of indicator	Activity
Calculation type	N/A
Reporting cycle	Quarterly and Annually
Desired performance	Compliance index approved for PAYE, VAT and CIT and baseline established for these tax types.
Indicator responsibility	Compliance Unit

C. Enhance trade facilitation

Indicator Title	Develop and approve a trade facilitation index
Definition / Purpose	The aim is to have an approved index in place that will track and measure trade facilitation.
Source/Collection of data	Internal working papers.
Method of calculation	Not applicable, as the existence of the approved index will be the determination of actual performance achievement.
Data limitations / assumptions	To be specified in the working papers.
Type of indicator	Activity
Calculation type	N/A
Reporting cycle	Quarterly and Annually
Desired performance	The aim is to have an approved index in place that will be used to track and measure trade facilitation outcomes.
Indicator responsibility	Customs

STRATEGIC OBJECTIVES INDICATORS

STRATEGIC OBJECTIVE 1: Provide clarity and certainty for taxpayers and traders of their obligations

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

Indicator Title	% of taxpayers and traders surveyed are satisfied with the clarity and certainty provided by SARS
Definition / Purpose	The purpose of this indicator is to gauge taxpayer's satisfaction with the clarity and certainty of guidance offered by SARS as they conduct their tax business.
Source/Collection of data	Survey results as extracted from the actual survey, conducted once every year.
Method of calculation	Non-cumulative
Data limitations / assumptions	To be specified in internal working papers
Type of indicator	Efficiency
Calculation type	Non-cumulative
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Taxpayer and Trader Education Products

STRATEGIC OBJECTIVE 2: Make it easy for taxpayers and traders to comply with their obligations

2.1 Increased number of taxpayers and traders using digital and self-help platforms

Indicator Title	% of taxpayers and traders using digital and self-help platforms to interact with SARS
Definition / Purpose	This measures the number of taxpayers and traders who use any of the digital platforms to interact with SARS. It effectively gauges the migration from physical platforms to digital platforms. This includes self-service and excludes assisted utilisation of digital platforms.
Source/Collection of data	SARS core systems
Method of calculation	<p>% of taxpayers and traders using digital platforms to interact with SARS =</p> $\frac{\text{\# of unique taxpayers and traders interactions on digital platforms}}{\text{\# of unique taxpayers and traders interactions on digital \& assisted platforms}} \times 100$ <p>Unique taxpayer and trader - means a taxpayer or trader distinguishable by their identity, passport, registration number or SARS defined identity, from which an interaction can be detected.</p> <p>Interactions - means transactions and/or enquiries made by taxpayers and traders on SARS platforms to comply or maintain their tax and customs obligations.</p> <p>Digital platform - means a SARS online domain that facilitates interactions between SARS, taxpayers and traders. The SARS transactional and/or enquiry touchpoints used by taxpayers and traders to interact with SARS without being assisted. Example is the eFiling platform.</p> <p>Assisted platforms - means the SARS transactional and/or enquiry touchpoints used by taxpayers and traders to interact with SARS, where assistance from a SARS official is required to complete the request. Example is transactions or enquiries completed by the SARS Branch or Contact Centre</p>
Data limitations / assumptions	Defined in the internal business rules document.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target
Indicator responsibility	Technology and Solutions Delivery

2.2 Standard taxpayers accepted their auto assessed returns issued by SARS

Indicator Title	% of standard taxpayer's whom accepted their auto assessed returns issued by SARS (individual taxpayers)
Definition / Purpose	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. This indicator measures the proportion of tax returns of individual taxpayers that are filed and assessed automatically by SARS. This includes taxpayers who are issued with auto estimated and do not file an amended return thereafter.
Source/Collection of data	SARS core systems.
Method of calculation	% Tax returns auto assessed = $\frac{\text{# of standard PIT tax returns auto-assessed}}{\text{# total of standard PIT returns filed from AA population}}$
Data limitations / assumptions	In determining the target AA population, the provisional taxpayers as well as taxpayers for whom SARS does not have 3rd party information e.g. taxpayers who have business income and taxpayers who claimed other expenses such as travel and home office, are excluded. Taxpayers whose status changes based on their latest return are excluded at the time of doing the calculation for performance.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Enterprise Data Management

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

3.1 Increase compliance through the accurate detection of risk

Indicator Title	Risk detection rate
Definition / Purpose	The aim is to apply a systems methodology in the detection and selection of potential non-compliance cases. The methodology will specifically measure how accurate SARS' risk based case selection is.
Source/Collection of data	SARS core systems
Method of calculation	Sample of audit cases which indicated a positive response on the risk identified / total number of cases (in the same sample) selected for audit.
Data limitations / assumptions	Exclusions will be provided in the methodology document.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Achievement higher than target.
Indicator responsibility	Enterprise Data Management

3.2 Extent to which SARS enables the NPA to successfully prosecute criminal cases referred by SARS

Indicator Title	% of cases SARS referred to the National Prosecuting Authority that is accepted for prosecution
Definition / Purpose	The purpose of this measure is to track the NPA acceptance rate of the number of tax and customs cases referred by SARS for prosecution.
Source/Collection of data	SARS records
Method of calculation	Number of cases accepted by the NPA as a percentage of total number of cases referred to NPA.
Data limitations/assumptions	To be listed from insights gained, as this is a new measure.
Type of indicator	Activity
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Legislative Policy, Tax Customs and Excise.

STRATEGIC OBJECTIVE 4: Develop a high performing, diverse, agile, engaged and evolved workforce

4.1 Improve the engagement of SARS employees

Indicator Title	Employee Engagement Index score achieved based on a survey of employees (measured roughly every 18 months). As such for the current year, a plan will be developed to address the issues identified during the previous cycle's survey results.
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. For the current year, the plan to address and consequently improve employee engagement is relevant.
Source/Collection of data	A staff survey through an independent company. For the plan, internal working papers will be relevant.
Method of calculation	Connexion survey index conducted roughly every 18 months or twice during a 3-year cycle, 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. For the current year, there will be no survey conducted.
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Conducted every 18 months or twice in 3 years.
Desired performance	An actual achievement higher than target.
Indicator responsibility	Employee Engagement Unit

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

5.1 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	<p>Measures the extent to which cases are automatically selected through the automation of risk detection, data-driven 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). The following definitions apply to the targets included under this indicator:</p> <p>Standard matters: risk assessment emanating from the submission of tax returns and customs declarations.</p> <p>Complex matters: cover risk detection beyond the scope of information contained in return and declaration submission</p>
Source/Collection of data	SARS core systems
Method of calculation	<p>% of Automated Risk Detection Cases =</p> $\frac{\text{# of standard cases selected automatically for the period}}{\text{Total(automatically + manually selected)}} \times 100$ $\frac{\text{# of complex cases selected automatically for the period}}{\text{Total(automatically + manually selected)}} \times 100$ <p>Further detailed calculations in support of the above are contained in the internal business rules document.</p>
Data limitations / assumptions	Contained in the internal business rules document
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Enterprise Data Management

STRATEGIC OBJECTIVE 6: Modernise our systems to provide digital and streamlined online services

6.1 Digital platforms availability for taxpayers and traders

Indicator Title	% Availability of Mission Critical Systems (e-channels)
Definition / Purpose	The purpose of this measure is to monitor availability of digital platforms (e-channels) targeted at e-Filing, business-to-business gateway (B2Bi), Declaration Processing Systems (DPS), Cargo Processing Systems (CPS) and Customs EDI. This measure gauges the availability of SARS' digital platforms, which enable taxpayers to transact and submit returns to honour their commitments and traders to optimally transact.
Source/Collection of data	Remedy system Reports ; Projected Systems Availability; Reports; Change Feedback Reports; Release Management Reports; Applicable emails and documents
Method of calculation	<p>Uptime of mission critical systems = Actual hours in a specific month - Unplanned Downtime or Outage</p> <p>% Availability of mission critical systems = (Uptime of mission critical system)/(Uptime of mission critical system + Downtime of mission critical systems) x 100</p> <p>Further detailed calculations are available in the internal business rules document.</p>
Data limitations / assumptions	Contained in the internal business rules document.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	On target
Indicator responsibility	Operations Enabling & Production Planning, Technology & Solutions Delivery

6.2 Security of taxpayer's and trader's information and interactions via digital platforms

Indicator Title	Number of security breaches on digital platforms from known risks
Definition / Purpose	This measures the number of security breaches that occur for all known security risks on SARS' digital platforms. The purpose of this measure is to determine the veracity of digital security risk management practices employed. Detailed definitions of digital platforms (mission critical), known security risks, security breaches and IT security controls are provided in the internal business rules document.
Source/Collection of data	Remedy system reports; Native reports from all 7 technical controls described in Section 2.4 of the internal business rules document; CSOC reports (daily and monthly); IT Contract database.
Method of calculation	Simple count
Data limitations / assumptions	Contained in the internal business rules document.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	No security breaches known risks
Indicator responsibility	Operations Enabling & Production Planning, Technology & Solutions Delivery

STRATEGIC OBJECTIVE 7: Demonstrate effective resource stewardship to ensure efficiency and effectiveness in the delivery of quality outcomes and performance excellence

7.1 Reconfigure SARS' cost structures to align with international peers

Indicator Title	Increase 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	% increase in % ICT investment = $\frac{\text{Current year YTD actual funds invested in ICT infrastructure (R)}}{\text{Current year YTD allocated funds}} \times 100$ Less $\frac{\text{Prior year YTD actual funds invested in ICT infrastructure (R)}}{\text{Prior year YTD allocated funds}} \times 100$
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	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	CFO and Technology & Solutions Delivery.

7.2 Demonstrate effective stewardship through the appropriate spending of the budget allocation received from National Treasury

Indicator Title	% Deviation between SARS' spending for the year and the allocation SARS received from National Treasury
Definition / Purpose	This measure seeks to track the variance/deviation between the budget allocation SARS received from National Treasury and the actual expenditure of SARS.
Source/Collection of data	SARS accounting systems.
Method of calculation	<p>Actual funds spend (including commitments) as a percentage of total SARS grant from National Treasury.</p> <p>% Expenditure vs Budget deviation =</p> $\frac{\text{YTD budget allocation (R)} - \text{YTD actual expenditure (R)}}{\text{YTD budget allocation (R)}} \times 100$
Data limitations / assumptions	Not applicable
Type of indicator	Efficiency
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	An actual achievement lower than target.
Indicator responsibility	CFO

7.3 Unqualified audit opinion achieved from the Auditor-General

Indicator Title	Unqualified 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	N/A
Data limitations / assumptions	N/A
Type of indicator	Governance
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	Unqualified audit report.
Indicator responsibility	CFO

STRATEGIC OBJECTIVE 8: Work with and through stakeholders to improve the tax ecosystem

8.1 SARS has met all its commitments in terms of the Organisation for Economic Cooperation and Development's exchange of information standards

Indicator Title	% of commitments met
Definition / Purpose	This measure tracks the extent to which SARS has met commitments made in the Exchange of Information international fora. The aim is to meet all commitments made to exchange information with other stakeholders in tax administration across the world. Definition of meeting and satisfying a commitment is to submit everything that is required by the requestor / interested party to proceed to the next stage.
Source/Collection of data	External requests and OECD rating
Method of calculation	% commitments met = $\left(\frac{\text{Number of commitments met}}{\text{Total commitments made}} \right) \times 100$
Data limitations assumptions	Contained in the internal business rules document
Type of indicator	Activity
Calculation type	Cumulative
Reporting cycle	Quarterly, Annually
Desired performance	Achieve target
Indicator responsibility	Enterprise Data Management

8.2 A high number of intermediaries are satisfied with SARS' cooperation and collaboration

Indicator Title	% of intermediaries that are satisfied with SARS' 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 timely and enabling assistance mainly through on-line digital services.
Source/Collection of data	External survey
Method of calculation	Survey is conducted by an independent research company. Further details of the calculation and other aspects of the survey will be included as part of the research methodology and document.
Data limitations / assumptions	Coverage/sample sizes and response rates
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Stakeholder Relations

STRATEGIC OBJECTIVE 9: Build public trust and confidence in the tax administration system

9.1 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 overtime.
Source/Collection of data	External survey
Method of calculation	Survey results extracted from survey conducted. Further details of the calculation and other aspects of the survey will be included as part of the research methodology and document.
Data limitations / assumptions	Degree of reliability is subject to 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	Taxpayer and Trader Education

9.2 Service Charter index achievement

Indicator Title	% Service Charter performance score (old service charter)
Definition / Purpose	This measure seeks to track how SARS is meeting its Service Charter commitments.
Source/Collection of data	SARS core systems, Tax -Ombud
Method of calculation	The score is derived from the categories in the Service Charter, and weighted to arrive at a composite score. Further detailed calculations are available in the service charter methodology and business rules documents.
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	Taxpayer Service Charter Unit

ANNEXURES

Annexure A: Changes to the 2021/22 SARS tabled Annual Performance Plan

Key Results and Key Result Indicators

We have reviewed, removed and/or amended some of the key results (KRs) and targets included the tabled 2021/22 Annual Performance Plan. KRs that were removed from the current 2021/22 APP will be monitored and reported on internally.

2021/22 Annual Performance Plan (APP) changes

The wording in the APP for the following KRs were substantially amended:

Strategic Objective affected	Before (21/22 APP tabled)	Now (re-tabled 21/22 APP)	
		Key Result	Key Result Indicator
Strategic Intent	Voluntary compliance index has increased as measured by a credible voluntary compliance index – approved voluntary compliance index	Overall compliance has increased as measured by a well-defined compliance index	Developed and approved compliance index
2	Increased number of taxpayers and traders using digital platforms - % of taxpayers and traders using digital platforms to interact with SARS	Increased number of taxpayers and traders using digital and self-help platforms	% of taxpayers and traders using digital and self-help platforms to interact with SARS across its value chain
2	Standard taxpayers are auto assessed by SARS - % of standard taxpayer's returns auto assessed by SARS (individual taxpayers)	Standard taxpayers accepted their auto assessed returns issued by SARS	% of standard taxpayer's whom accepted their auto assessed returns issued by SARS (individual taxpayers)
3	Detection and selection methodology for non-compliance completed – approved detection and selection methodology document	Increase compliance through the accurate detection of risk	Risk detection rate
3	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	Extent to which SARS enables the NPA to successfully prosecute criminal cases referred by SARS	% of cases SARS referred to the NPA that is accepted for prosecution
4	Employee engagement index score based on an annual survey of employees - % score achieved based on annual survey	Improve the Employee engagement of SARS employees based on an survey of employees	Employee Engagement Index score achieved based on survey of employees
7	Reconfigured SARS' cost structures to align with international peers – Information Communications Technology (ICT) investment as % of total allocation	Reconfigure SARS' cost structures to align with international peers	Increase ICT investment as % of total allocation

The following new KRs have been added in this revised 2021/22 Annual Performance Plan:

Strategic Objective affected	Key Result Indicators
Strategic Intent	Enhance trade facilitation

The following KRs have been removed in this revised 2021/22 Annual Performance Plan and will be tracked and reported internally:

Strategic Objective affected	Key Result Indicators
Strategic Intent	Enhance trade facilitation Total compliance revenue collected – revenue collected from identified compliance initiatives as a % of total revenue collections Cost of compliance study implemented - approved cost of compliance study Tax gap study completed – approved tax gap study
1	Leveraged products introduced - Advance Pricing Agreement (APA) Programme introduced 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 We have a continuous downward trend in overall disputes - % reduction in the number of disputes lodged with SARS Uptake of AEO Programme by traders - % uptake of Authorised Economic Operator (AEO) Programme by active economic operators
2	When taxpayers and traders are satisfied with SARS as evidenced by - % Net Easy Score (NES)
3	Increase in employer compliance - employer compliance index (%) Declared customs values are above the reference price - % of declared customs values above reference price Evasion schemes and/or syndicates involved in illicit economic activities are reduced - number of evasion schemes collapsed Recovery of revenue from illicit activities - total revenue recovered from illicit activities
4	Diversity and Employment Equity: Racial Equity, Gender Equity (grade 6 – 9), Disability Equity Employer brand (Employer of choice) - Certified top employer by the Top Employer Institute
5	Data governance framework developed and implemented - % of milestones achieved SARS interventions achieve intended outcomes - % of interventions that yield the intended results
6	All SARS service offerings made available digitally - % SARS taxpayer and trader service offerings made available online
7	Revenue is collected at a level in line with comparable international peers' cost - cost to revenue ratio Increased productivity achieved across SARS - % productivity levels achieved across SARS
8	We have met SARS' commitments in terms of FATF Mutual Evaluation findings - % of FATF deliverables met
9	Sentiment analysis continuously reflects high confidence in SARS - top 3 words that the public associates with SARS are positive

Changes to the 2020/21 – 2024/25 SARS Strategic Plan Key Results and Key Result Indicators

The following KRs and/or targets have been revised and will replace those contained in the current published SARS 2020/21 – 2024/25 Strategic Plan. The tables reflect the full set of KRs as published for ease of reference.

STRATEGIC INTENT: To develop and administer a tax and customs system based on voluntary compliance, and where appropriate, enforce responsibly and decisively		
Key results	Baselines	Five-year targets 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% - 15% (OECD 11% - 13%)
Voluntary compliance has increased as measured by a credible voluntary compliance index	67.20%	85.00%*

Note: *Target changed from 83% to 85% for 2024/25.

STRATEGIC OBJECTIVE 1: Provide clarity and certainty for taxpayer and trader of their obligations		
Key results	Baselines	Five-year targets 2024/25
The majority of taxpayers, traders and public surveyed perceive the guidance SARS provides as clear, unambiguous and easy to comply with – % of taxpayers and traders that are satisfied with the clarity and certainty of the guidance provided by SARS based on an annual survey (clarity survey)	New measure	80% 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% 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	Baselines	Five-year targets 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% to 95% for 2024/25.

STRATEGIC OBJECTIVE 3: Detect taxpayers and traders who do not comply, making non-compliance hard and costly		
Key results	Baselines	Five-year targets 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%	95%

Note: "% 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	Baselines	Five-year targets 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: Racial Equity Gender Equity (Grades 6-9) Disability Equity	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	Baselines	Five-year targets 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% utilisation of automated risk assessment for standard taxpayers and traders
SARS interventions achieve intended outcomes - % of interventions that yield the intended results*	New measure	90% overall success

Note: *KR moved from Strategic Objective #3.

STRATEGIC OBJECTIVE 6: Modernise our systems to provide digital and streamlined online services

Key results	Baselines	Five-year targets 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	Baselines	Five-year targets 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	Baselines	Five-year targets 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%
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	Baselines	Five-year targets 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.

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