

SARS Strategic Priorities 2009/10

Our Corporate Strategic Priorities for 2009/10 are informed by our mandate from Government. In strengthening our capability to deliver, we pursue our multi-year modernisation agenda, whilst considering the significant changes in the global and domestic environment, as well as important feedback from our stakeholders. This year's plan recognises significant challenges posed by the current economic climate.

Our corporate priorities provide direction to a high level corporate plan that supports the alignment of the more detailed divisional plans, and ensure the appropriate allocation of resources.

Taking account specifically of the tough economic climate, and consequent growing challenges to effect our mandate, our priorities are formulated to assure the government and the public that the revenue and customs systems will be effectively and efficiently managed and administered.

In using the valuable resources provided by the state, we remain guided by our values to contribute toward the improvement of the quality of life for all South Africans, with a zero tolerance to corruption. Our conduct is informed by:

- Mutual Respect and Trust
- Equity and Fairness
- Integrity and Honesty
- Transparency and Openness
- Courtesy and Commitment

SARS OUTCOME

Advise, enable, manage and sustain the SARS operations effectively, to collect all revenues due, ensure maximum compliance, facilitate trade and protect our borders

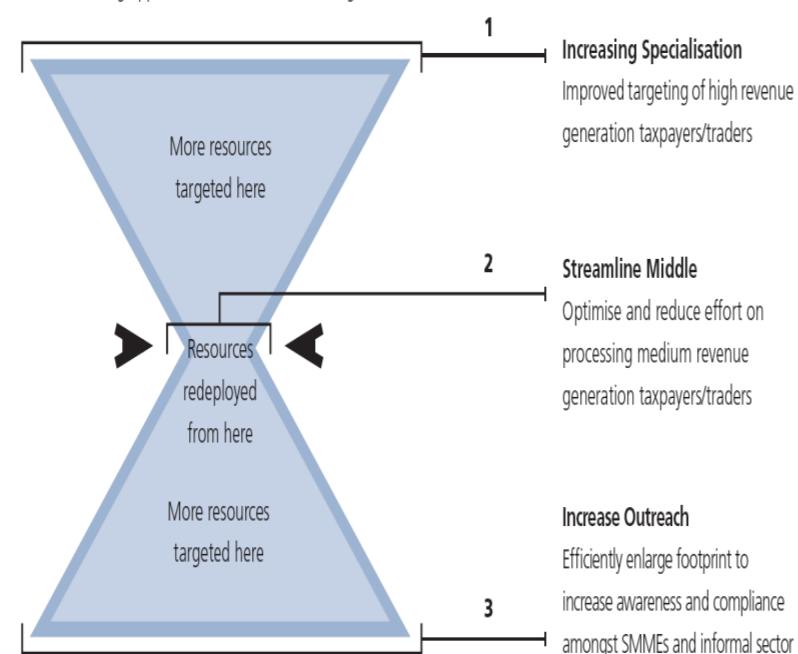
STRATEGIC APPROACH

To provide Government and the South African public with a world-class tax and customs administration, that, with increasing effectiveness, achieves our mandate and higher purpose, our key strategic approach for 2009/10 includes:

- **INCREASED SPECIALISATION:** Through segmentation of the tax base, direct greater specialised effort and resources to towards high yielding taxpayers and traders and their intermediaries
- **STREAMLINING THE MIDDLE:** Through the modernisation of core tax and customs processes, automate, optimise and reduce the effort on processing medium yielding taxpayers and traders
- **INCREASE OUTREACH:** By expanding our footprint, customising our interactions, and improving the overall access to the public, we increase awareness and deepen our engagement with all categories of taxpayers, traders and intermediaries
- **PARTNERSHIP WITH GOVERNMENT:** As required and directed, continually develop capacity and capability to support government in delivering on national objectives such as the social security system, and integrated border management

Supporting the delivery of our Strategic Plan 2009-12

The modernising approach is summarised in the figure below.



Alignment of SARS Strategic Objectives (2007/08 to 2009/10) and Strategic Priorities for 2009/10

OBJECTIVES	Delivery Priorities						Enabling and Advisory Priorities				
	Secure the revenue	Strengthen compliance	Improve border protection and management	Improve operations management and productivity	Ensure improved service	Fix the basic legacy systems	Improve Governance	Develop Human Capability	Proceed with Modernization	Pursue Segmentation Strategy	Consolidate the new Operating Model
Optimising revenue and compliance	✓	✓			✓	✓					
Better taxpayer and trader experience					✓	✓	✓	✓		✓	✓
Compliance and reducing risk		✓						✓			
Human capacity							✓				
Trade facilitation and border security			✓								
Operational efficiency				✓			✓	✓	✓		✓
Good governance							✓				

DELIVERY PRIORITY AREAS

PRIORITY 1

SECURE THE REVENUE

The primary output associated with securing the revenue is the sustained collection of revenue to meet the government's revenue requirements

PRIORITY 2

STRENGTHEN COMPLIANCE

Positively influencing the compliance behaviour of taxpayers and traders will translate into more complete registration of taxpayers and traders, the timely filing of tax returns and declarations, the provision of accurate and complete tax and customs declarations and full payment of revenues due at the time they are due

PRIORITY 3

IMPROVE BORDER MANAGEMENT AND PROTECTION

Improved border management and protection will provide for better quality service at borders, the reduction in import and export of illicit goods and the full collection of revenue due

PRIORITY 4

IMPROVE OPERATIONS MANAGEMENT AND PRODUCTIVITY

The outcome of better operations management and focusing on improving productivity will be greater organisational effectiveness and efficiency

PRIORITY 5

ENSURE IMPROVED SERVICE

Improving the quality of SARS' service will promote timely revenue collection, through positively influencing taxpayer and trader behaviour

PRIORITY 6

FIX THE BASIC LEGACY SYSTEMS

The stabilising of SARS' operating systems will yield better service to taxpayers: greater efficiency in responding to queries, resolving queries first time and shortened turnaround time for the processing of all transactions, including assessments

ENABLING AND ADVISORY PRIORITY AREAS

ENABLING PRIORITY 1

IMPROVE GOVERNANCE

Improving governance contributes to greater efficiency within SARS, with external benefits for SARS' reputation, through demonstrating that SARS delivers transparently on its mandate

ENABLING PRIORITY 2

DEVELOP HUMAN CAPABILITY

Developing human capability will provide for a more fulfilled work force, which in turn supports better service towards taxpayers, traders and their intermediaries, as well as leading to gains in organisational efficiency and innovation

ENABLING PRIORITY 3

PROCEED WITH MODERNISATION

The modernisation of core tax and customs systems, along with supporting systems such as account management and electronic payment systems, will lead to more efficient and effective processing of taxpayer and trader transactions. Beyond improving taxpayer and trader service, these improvements will also increase compliance levels by reducing manual Capturing errors and increasing the use of 3rd party data

ENABLING PRIORITY 4

PURSUE SEGMENTATION STRATEGY

The provision of customised services for taxpayer and trader segments will yield the ability to tailor more appropriate service offerings, as well as increase SARS' efficiency and its effectiveness in maximising compliance

ENABLING PRIORITY 5

CONSOLIDATE THE NEW OPERATING MODEL

The consolidation of SARS' new operating model will see gains in efficiency and effectiveness

SARS Corporate Plan 2009/10

DELIVERY PRIORITY AREAS

PRIORITY 1	PRIORITY 2	PRIORITY 3	PRIORITY 4	PRIORITY 5	PRIORITY 6
<p>SECURE THE REVENUE</p> <ul style="list-style-type: none"> Define a specific Revenue Management Programme Undertake measures to expand the tax base Focus on the provisional payments of medium businesses Implement Presumptive Tax for micro businesses Develop legislation to enhance SARS' administrative capabilities and collection mechanisms Scale up the electronic payment systems Continue to ensure that SARS' credibility as a tax and customs administration is enhanced 	<p>STRENGTHEN COMPLIANCE</p> <ul style="list-style-type: none"> Develop a Compliance Programme Continue the work on compliance risk rules and engines using 3rd party data Improve the completeness, currency and integrity of the tax and trader register Advance the work towards simplifying registration and single registration Within the Large Business Centre (LBC), a special focus is to be placed on the areas of tax avoidance, transfer pricing and reportable arrangements The High Net Worth Individual (HWNI) unit to be re-focused and appropriately resourced Tightening VAT registration Encourage compliance through implementing new systems for administrative penalties Focus on the management of debt and the reduction of outstanding returns Develop and implement integrated enforcement case management and tracking Improve detection of and enhance response to commercial fraud 	<p>IMPROVE BORDER MANAGEMENT AND PROTECTION</p> <ul style="list-style-type: none"> Contribute towards government's strategy for a border management agency Prepare and implement measures for the Confederation Cup in 2009 Prepare for the World Cup in 2010 Commence the modernization of customs' business processes and technology systems Introduce a new customs operating model, where risk management lies at the heart of the customs operation Enhance human capacity in critical areas and develop customs core technical skills Streamline customs operations, through setting up a centralized processing hub and refocusing other units on clearance at first port, MIDP service and post clearance audits Address accreditation and trader registration 	<p>IMPROVE OPERATIONS MANAGEMENT AND PRODUCTIVITY</p> <ul style="list-style-type: none"> Develop a standard measurement and monitoring backbone, supporting enhanced performance management and reporting at all levels, for furthering productivity Promote the use of electronic channels for all interactions with taxpayers, to support more rapid processing and reduce capturing errors in processing Develop tools enabling efficiency gains, such as audit tools and enhanced case management 	<p>ENSURE IMPROVED SERVICE</p> <ul style="list-style-type: none"> Work together with other government role players towards a single integrated business registration system, to reduce the cost of doing business in South Africa Revise SARS' service and channel strategy, following enhancements to service offerings, particularly those relating to PIT Continue focus on service delivery through improved contact centre facilities, processes and resolution of client queries Update SARS service standards and expand the standards to cover new service offerings Use the segmented approach to develop differentiated service offerings to identified customer segments Create capacity and capability to speed up the resolution of service queries and complaints Enhance the skill level of staff working in the front offices and service areas of tax and customs 	<p>FIX THE BASIC LEGACY SYSTEMS</p> <ul style="list-style-type: none"> Initiate a project to accelerate the cleaning of existing records in tax and trader registers Develop new processes and systems for registration, with built in quality checks (consistency and completeness) for capturing and updating records Initiate a project to clean taxpayer account information Develop an account management system that promotes the integrity of account information
<p>Divisional Plans supporting Priority 1:</p> <p>Revenue Planning & Analysis, Taxpayer Services, LBC, BEADS, Customs, Enforcement and Risk, Modernization & Technology, LAPD</p>	<p>Divisional Plans supporting Priority 2:</p> <p>Enforcement and Risk, Taxpayer Services, BEADS, LBC, Customs, Modernization & Technology, LAPD</p>	<p>Divisional Plans supporting Priority 3:</p> <p>Customs, Modernization and Technology</p>	<p>Divisional Plans supporting Priority 4:</p> <p>Modernization and Technology</p>	<p>Divisional Plans supporting Priority 5:</p> <p>Strategic Services, Modernization and Technology, TPS</p>	<p>Divisional Plans supporting Priority 6:</p> <p>Modernization and Technology, TPS, EBE</p>

ENABLING AND ADVISORY PRIORITY AREAS

ENABLING PRIORITY 1	ENABLING PRIORITY 2	ENABLING PRIORITY 3	ENABLING PRIORITY 4	ENABLING PRIORITY 5
<p>IMPROVE GOVERNANCE</p> <ul style="list-style-type: none"> Implement an early warning system for governance, risk and compliance (GRC) Extend implementation of Enterprise Risk Management in critical business areas Enhance regulatory and business compliance Improve information security Improve physical security of SARS' offices Prepare for the implementation of Generally Recognised Accounting Principles (GRAP) Develop an integrity promotion framework and plan for SARS 	<p>DEVELOP HUMAN CAPABILITY</p> <ul style="list-style-type: none"> Implement a Human Capital Planning system and process to identify current and future skills requirements, to meet changing business requirements and to inform Talent Management Implement a Learning and Development strategy, to develop human capital that delivers on SARS's priorities (securing revenue, strengthening compliance, improving border protection and management and ensuring improved service) Implement a focused leadership development process, to ensure organisational sustainability through capable management Implement an inclusive Employer Value Proposition Transform culture by embedding SARS values, to support business enhancing behaviour, through a focused Employee Engagement programme Enhanced Human Resource information systems, to ensure the integrity of data integrity to support decision making and consolidate new operating model 	<p>PROCEED WITH MODERNISATION</p> <ul style="list-style-type: none"> Further improve both the PAYE and PIT systems Continue to focus on service delivery through improved contact centre facilities Commence the multi-year customs modernisation programme, with a strong emphasis on operationalising risk management within the end-to-end Customs processes Build on the successes achieved over the last two years in the Risk Programme Increase the use of third party data, with multiple benefits including augmenting the degree of pre-population of returns, reducing manual errors and improving customer service and compliance Develop systems for more effective management of taxpayer/trader accounts and related payments Commence work on modernising other business tax systems (e.g. Corporate Income Tax and VAT Risk Management) 	<p>PURSUE SEGMENTATION STRATEGY</p> <ul style="list-style-type: none"> Continue the segmentation research with a view to developing differentiated responses for each of the customer segments Using the segmentation research, develop more focused enforcement interventions to address compliance risk appropriately Commence the establishment of customer segment units for small businesses and tax practitioners Reorganisation of the Large Business Centre, based on better understanding of needs and behaviours of large companies Develop and launch dedicated compliance programme for High Net Worth Individuals 	<p>CONSOLIDATE THE NEW OPERATING MODEL</p> <ul style="list-style-type: none"> Develop a standard measurement and monitoring backbone, supporting enhanced revenue and performance management and reporting at all levels, based on the enterprise accountability matrix Continue the work to institutionalise the new operating model through refining and aligning functions, accountabilities and capacity Complete people placement against the leadership model in alignment with the new operating model
<p>Divisional Plans supporting Enabling Priority 1:</p> <p>Customs, Enforcement and Risk, LAPD, Governance and Risk, Financial Management</p>	<p>Divisional Plans supporting Enabling Priority 2:</p> <p>Human Resources</p>	<p>Divisional Plans supporting Enabling Priority 3:</p> <p>Modernisation and Technology, Customs, TPS, BEADS, Enforcement, LAPD</p>	<p>Divisional Plans supporting Enabling Priority 4:</p> <p>Segmentation and Research, LAPD, BEADS, LBC, Strategic Services, Human Resources</p>	<p>Divisional Plans supporting Enabling Priority 5:</p> <p>Enforcement, Taxpayer Service, BEADS, Customs, Modernization and Technology</p>