

2019/20

ANNUAL

PERFORMANCE PLAN



SOUTH AFRICAN REVENUE SERVICE
ANNUAL PERFORMANCE PLAN
2019/20

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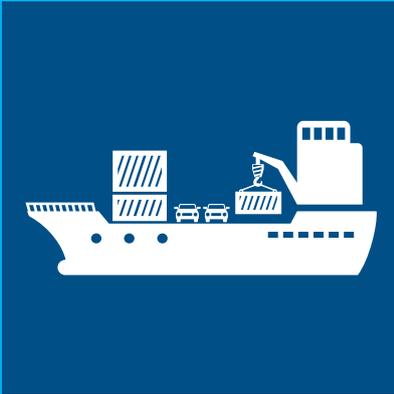


Table of Contents

ABBREVIATIONS AND COMPLIANCE GLOSSARY	2
MESSAGE FROM THE COMMISSIONER	5
OFFICIAL SIGN – OFF	8
PART A: STRATEGIC OVERVIEW	10
UPDATED SITUATIONAL ANALYSIS	10
EXTERNAL ENVIRONMENT	10
ORGANISATIONAL ENVIRONMENT	11
OVERVIEW OF 2019/20 BUDGET AND MTEF ESTIMATES	16
EXPENDITURE ESTIMATES	17
EXPENDITURE ESTIMATES PER OUTCOME (PER QUARTER)	18
HUMAN RESOURCE PLAN	19
PART B: PROGRAMME AND SUBPROGRAMME PLAN	20
OUTCOME 1: INCREASED CUSTOMS AND EXCISE COMPLIANCE	22
OUTCOME 2: INCREASED TAX COMPLIANCE	23
OUTCOME 3: INCREASED EASE AND FAIRNESS OF DOING BUSINESS WITH SARS	24
OUTCOME 4: INCREASED COST EFFECTIVENESS AND INTERNAL EFFICIENCIES	26
OUTCOME 5: INCREASED PUBLIC TRUST AND CREDIBILITY	29
MEASURING SARS' PERFORMANCE	31
ANNEXURES	39
ANNEXURE A: MATERIALITY FRAMEWORK	40
ANNEXURE B: SIGNIFICANCE FRAMEWORK	41
ANNEXURE C: CHANGES TO THE 2016/17 – 2020/21 SARS STRATEGIC PLAN PERFORMANCE MEASURES AND TARGETS	42
ANNEXURE D: TECHNICAL INDICATOR DESCRIPTIONS FOR SARS PERFORMANCE MEASURES	47



Abbreviations and Compliance Glossary

Abbreviations

AEO	Authorised Economic Operator
AEOI	Automatic Exchange of Information
AGSA	Auditor General South Africa
ATAF	African Tax Administration Forum
BAU	Business As Usual
BEPS	Base Erosion and Profit Shifting
BMA	Border Management Authority
BRICS	Brazil, Russia, India, China and South Africa
CIT	Corporate Income Tax
CIPC	Companies and Intellectual Property Commission
EE	Employment Equity
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
HCD	Human Capital and Development
HNWIs	High Net-Worth Individuals
ICT	Information Communications Technology
IMF	International Monetary Fund
IT	Information Technology
MTEF	Medium Term Expenditure Framework
NCAP	National Customs Acts Programme
OECD	Organisation for Economic Cooperation and Development
OTO	Office of the Tax-Ombud
PAYE	Pay-As-You-Earn
PFMA	Public Finance Management Act
PIT	Personal Income Tax
SADC	Southern African Development Community
SARS	South African Revenue Service
SIOL	SARS Institute of Learning
SMME	Small, Medium and Micro Enterprise
SOPI	Schedule of Performance Information
TCS	Tax Compliance System
USB	Universal Serial Bus
VAT	Value-Added Tax
WCO	World Customs Organisation
WFP	Work Force Plan
XBRL	eXtensible Business Reporting Language

Compliance Glossary

Term	Description
Voluntary Compliance	When taxpayers and traders fulfil their obligations to register when they ought to, file/declare on time, ensure all declarations are honest and complete and pay taxes and duties when they are due.
Compliance Theory	The working hypothesis that informs how we think about and engage with the majority of taxpayers and traders within a particular category.
Compliance Model	How we organize ourselves and allocate resources in order to achieve maximum voluntary compliance, collect the revenue that is due, facilitate trade and protect our borders.
Compliance Programme	The themes, aspects and areas we choose to focus on for a particular planning and reporting period in order to leverage our resources and to create clarity, certainty and transparency for taxpayers and traders.

Message from the Commissioner



Message from the Commissioner



I assumed the privileged role as SARS Commissioner on 1 May 2019. I believe that the rigorous, thorough, and transparent process leading up to the appointment should become a standard for all senior leadership positions in government and public entities. Leadership is one of the most defining factors that underpin our success.

On the one hand, it is an inordinate privilege and humbling to lead an organization so significant to our democracy. At the same time I am acutely aware of the damage done to the capacity and reputation of SARS since 2014. The Commission of Inquiry into Tax Administration and Governance by SARS (Nugent Report) concludes that there has been a “significant failure of integrity and governance at SARS”. The Nugent Report points to a deliberate dismantling of key governance elements, the systematic hollowing out of critical capabilities and a fundamental breakdown of important relationships. During the past 5 years, SARS experienced a significant decline in employee engagement, loss of public confidence and tax morality, as well

as a decline in revenue collection. The task of rebuilding SARS will require a single-minded focus and herculean effort, drawing on all the help we can get.

A significant turn-around is required. One of the first priorities is to reconnect with our people and to work hard to earn their confidence and trust. Secondly, the journey to establish public confidence in SARS is indispensable to restoring tax morality.

This turn around requires clarity on a number of issues:

- **Clarity of our Higher Purpose:** We are clear that we exist to enable government to build a capable democratic state in the interest and wellbeing of all South Africans,
- **Clarity of our Strategic Intent:** In executing the SARS mandate, we aim to create a culture of Voluntary Compliance as the path to highest level of effectiveness and efficiency, and
- **Clarity of our Compliance Programme:** How we decide on our programme of work is informed by our conviction that most taxpayers are honest and simply want to fulfill their tax obligations.

This Annual Performance Plan 2019/20 builds on the successes already achieved, whilst addressing the challenges identified in the Nugent Report as well our own assessment of areas requiring improvement. It is important that we focus our effort and resources to delivering meaningful work that matters and in support of our strategic intent to create voluntary compliance.

Our immediate priorities therefore include:

- Restore internal integrity, governance and employee confidence
- Restore public trust in SARS
- Arrest and recover losses and quickly stabilize SARS
- Lead specific actions to recover compliance and revenue decline
- Create dedicated capacity to respond to the work from Nugent, Zondo and other commissions of inquiry

To be successful we will maintain our focus on clarifying taxpayer obligations, delivering excellent taxpayer service, enforcing responsibly, and presenting a credible threat of detection. We realize the importance of creating an engaging environment for our staff. We will embrace the appropriate use of technology to enhance our operating model. We will engage constructively with all our partners and stakeholders.

We should point out that this 2019/20 Annual Performance Plan also signposts our vision and aspirations for the next 5 years. We will remain responsive to an ever evolving context and continuously review the steps we need to take to achieve our 2024 vision and aspiration. This will be reflected in the SARS 5-year Strategic Plan as well as the subsequent Annual Performance Plans.



Our 2024 VISION is to build a smart modern SARS with unquestionable integrity, trusted and admired by government, the public as well as our international peers.

To achieve our 2024 VISION, we have the following aspirations:

INTERNALLY

- Our engagement with all stakeholders is ethical and beyond reproach
- We use technology and data to build an intelligent organization
- Our staffing model is evolved towards high value knowledge work
- We are an employer of choice with a highly engaged workforce

EXTERNALLY

- We regain public trust and confidence
- We achieve high level of Voluntary Compliance
- We benchmark against the best among our peers internationally

The challenges we face are daunting, but I am inspired and encouraged by the many capable men and women with whom we work and who are committed to our higher purpose. We will ensure that every employee enjoys their work; understand the impact of their work; know what they need to do to win; have regular feedback on their performance; and enjoys a positive employee value proposition.

We are committed to win!

Edward Chr Kieswetter
Commissioner

Official Sign-off





Official Sign-off

It is hereby certified that this Annual Performance Plan was developed by the Executive Committee of the South African Revenue Service and takes into account all relevant policies, legislation and other mandates for which we are responsible. This Plan accurately reflects the strategic outcome oriented goals and objectives which SARS will endeavour to achieve over the period.

Johnstone Makhubu
Chief Officer: Finance

Hlengani Mathebula
**Chief Officer: Governance,
International Relations,
Strategy and Communication**

Edward Chr Kieswetter
SARS Commissioner

Mr TT Mboweni, MP
Minister of Finance

Strategic Overview

PART A



Global economic growth

downwards to **3.5%** in **2019** and **3.6%** in **2020**



Advanced economies growth

projected to grow at **2.0%** and **1.7%** in **2019** and **2020**



Emerging economies growth

4.5% in **2019**
improve to **4.9%** in **2020**



South African Revenue Service **SERVICE CHARTER**

SARS will work hard to ensure that we live up to the commitments made in the Service Charter



The South African economy

is projected to grow at **1.4%** in **2019** (down from **1.7%** forecasted in October) and only reach **1.7%** in **2020**

Illicit economy

SARS will implement an illicit economy plan as part of the wider Government approach to addressing illicit trade risks across different sectors of society



World Bank - Doing Business Report 2019

South Africa is ranked **82 overall** out of **190** economies.

South Africa is **ranked 46** on the ease of paying taxes and **143** for ease of trading across borders





Part A: Strategic Overview

Updated situational analysis

External Environment

Economic Growth

In January 2019, the International Monetary Fund (IMF) projected global economic growth downwards to 3.5% in 2019 and 3.6% in 2020. This downward revision is still partly a result of increased tariffs between China and United States (amongst other things) and weakening sentiments in the global financial markets. Growth in advanced economies has also been on a decline. These economies are projected to grow at 2.0% and 1.7% in both 2019 and 2020, respectively. The downward growth trajectory has also been noted for emerging economies, including South Africa. The IMF projects emerging economies to grow at 4.5% in 2019 and marginally improve to 4.9% in 2020. The South African economy is projected to grow at 1.4% in 2019 (down from 1.7% forecasted in October) and only reach 1.7% in 2020.

Changing Technology

SARS needs to be “plugged” into the economy. The emergence of new technologies such as Block-Chain, Artificial Intelligence and Cloud Computing provide new possibilities for improving the efficiency and effectiveness of SARS’ administration efforts. In an environment of big data and predictive analytics, the ability to identify risks, and drive evidence based decisions has a huge impact on improving compliance. If implemented appropriately such technologies could yield savings in Information Technology (IT) infrastructure costs and data accessibility and usage for SARS, businesses and the public at large. These technologies will however also introduce new risks for SARS. The emergence of digital currencies and continued proliferation of decentralized value chains as well as new business models, also redefines tax policy and administration globally. The risk of cyber crime also increases exponentially.

Increased Collaboration (International and Domestic)

Tax risks are not confined within entities or national bodies. To effectively execute its mandate, SARS must collaborate effectively both internationally and locally with a range of public and private sector entities as well as related industry bodies. SARS will continue to collaborate with other international Tax and Customs administrations, to protect the revenue base and local economy from abusive tax avoidance schemes and unfair trade practices. SARS continues to support and participate in many multi-country initiatives and interventions to counter threats to the South African fiscus.

Illicit Economy

The illicit economic activities continue to pose a serious threat to South Africa’s growth, revenue base, prosperity and stability. This makes it difficult for all types of businesses operating legally in South Africa to compete fairly and pose a serious threat to the general health and wellbeing of the South African society. To address these challenges, SARS will work with wider Government to address illicit trade risks across different sectors of society. SARS is already implementing short to medium term measures to address immediate risks and this includes the establishment of a dedicated business capability and capacity.

Fiscal Framework

Government announced major spending adjustments and cuts in response to the unsustainable debt outlook and potential shortfalls in revenue. The wider Government cuts have also affected SARS. This has resulted in baseline funding cuts of over R5 billion over the Medium Term Expenditure Framework (MTEF) period with no funding allocation in the short to medium term for new proposed key projects envisaged to strengthen SARS’ administration efforts. As in the previous fiscal period, SARS will be expected to continue to do more with less and look for savings and efficiencies within the existing baseline activities. This period thus demands that we subject our activities to greater rigor with respect to eliminating waste and increasing efficiencies. We must also be circumspect in our assessment of projects or initiatives specifically with regard to the business need each project addresses; whether or not there

is a justifiable business case (based on sound criteria including our ability to execute); and effectively measuring the return on investment. This will also mean that we must align our ambitions and service delivery expectations with the prevailing realities. Notwithstanding, we will not achieve our Vision 2024 if we are not able to develop the internal capability nor attract the relevant resources to fund it.

Border Management Authority (BMA)

The BMA Bill was passed by Parliament in June 2017 to pave way for the establishment of the Border Management Authority to handle all activities at South Africa's ports of entry including policing, migration and Customs control. The establishment of the BMA should not detract from the core mandate and functions vested within the SARS mandate, neither the functions of SARS Customs and Excise functions and employees. Further developments in the establishment of the BMA are slow and many key substantive matters affecting SARS in particular remain unresolved. SARS will continue to support the BMA Project Office and collaborate with the relevant government departments affected.

World Bank Study - Cost of Doing Business in South Africa

The World Bank "Doing Business 2019" report ranks South Africa 82 (unchanged from 2018) overall out of 190 economies. South Africa is ranked 46 (unchanged from 2018) in the paying taxes indicator and 143 in trading across borders (up from 147 in 2018). Reducing the administrative burden and making it easy for taxpayers and traders to meet their obligations remain one of the main goals of SARS, and during this fiscal period and beyond, SARS will carry out various activities designed to achieve this objective. SARS also recently published a Taxpayer and Trader Service Charter and has committed to implementing and abiding by it in all its interactions with taxpayers and traders.

Organisational Environment

Revenue Performance

The lack of growth in the South African economy will have a significant negative impact on SARS achieving its revenue growth. As with recent fiscal periods, year-on-year revenue collection targets are becoming more challenging to meet (in spite of downward revisions). In addition, the decline in public confidence due to concerns about corruption within SARS in particular, and government as well as society in general, leads to further revenue decline. The hollowing out of capability and capacity within SARS over the past 5 years remains a challenge and its effect is likely to linger for years to come. Given the above, revenue growth at best will be moderate, and quite likely to decline within the current economic context. We will continue to address weaknesses in SARS' administration and have identified revenue collection initiatives that may result in additional revenue, but these may take time to yield the anticipated results.

Tax Gap

During the 2018/19 year, the SARS Tax, Customs and Excise Institute (TCEI) developed a preliminary Tax Gap study. During the 2019/20 year, SARS intends to work jointly with the Davis Committee, under the leadership of Judge Dennis Davis, to refine this study to enable future efforts to identify, prioritize projects to address the tax gap. Some initiatives are already included as part of SARS' Revenue Programme referenced later on in this document.

Commission of Inquiry into Tax Administration and Governance by SARS

State capture is real and has had devastating consequences on the economy. SARS, sadly was caught up in state capture. The Commission of Inquiry into Tax Administration and Governance at SARS has been concluded and a final report sent to the President for review. Preliminary findings from the Interim Report of the Commission highlighted a "massive" failure in integrity and governance within SARS. Government and SARS have begun to address the recommendations arising from the Nugent Report. We will continue to work hard to address any additional challenges such as rebuilding capability that was deliberately hollowed out and restore internal trust and confidence amongst staff. A significant piece of work, led by the Commissioner, is underway to regain public trust and confidence, as well as to improve tax morality.



Employee Engagement

Overall, SARS experienced a decrease in the levels of employee engagement during 2017. This was likely driven by the changes that took place as a result of the new operating model, a deliberate breakdown of organizational integrity as well as the continuous negative publicity that SARS received over the recent past. This may also highlight the need to revisit or create a new culture for SARS that truly embodies care and concern, is highly professional and performance driven, intolerant of incompetence and intimidation, and based on a renewed set of values and employee value proposition. At the core of our employee engagement is the rejuvenation of the Higher Purpose orientation. We will work hard to make the shifts required to address the challenges that employees face and create the desired environment.

Voluntary Compliance

Our strategic intent is to build a culture of voluntary compliance by all taxpayers and traders. Key to this is to ensure the fairness and integrity of the tax system and professional staff who administer the laws professionally without fear or favour. Effectively managing taxpayer debt and ensuring timely submission of all returns due is crucial to protecting the revenue base and ensuring that we generate the revenue required by Government to implement key programmes crucial to the overall wellbeing of the South African society. Taxpayer debt grew considerably over the last few years. The number of outstanding taxpayer returns, especially amongst companies registered for Corporate Income Tax (CIT) has also increased.

The incidence of objections and disputed taxpayer debt is high, and could be a reflection of the difficult economic conditions faced by taxpayers and/or may reflect the extent of the quality of our audit or assessment processes. SARS will implement a new approach to outstanding taxpayer debt, utilising newly developed predictive analytics to segment taxpayer debt accordingly. This approach is informed by the need to avoid new debt from accumulating and ensuring that disputed debt is resolved timeously. This alone will however not resolve the issue, unless a holistic approach that also looks at the audit assessment processes, and the incentive regime for auditors and debt management personnel is adopted. With respect to outstanding returns, we will increase the number of cases referred for prosecution of taxpayers and in cases where there is deliberate refusal to comply, SARS will apply the law fully without favor as we have begun doing so recently.

Compliance Programme

The SARS Compliance Programme defines the tax risks and themes we will focus on for the planning period ahead. The Programme is informed by our Compliance Theory that most taxpayers are honest and simply want to fulfill their obligations with ease. From this we derive our Compliance model that focuses SARS to educate and create awareness around obligations, provide a world class service to fulfill obligations and to enforce decisively and responsibly, where non-compliance is evident. Over the past year we have updated our Compliance Programme for 2019/20, but will substantially review it for the ensuing 5 year strategic plan.

Organisational Capability and Capacity

The Fourth Industrial Revolution, our Compliance Theory as well as our commitment to Co-operative Compliance bring about opportunities to optimize our Business Model and enable us to think differently about future capabilities and the associated capacity to deliver our mandate. Our commitment to KING IV will be evident in how we embed Integrated Thinking in our organisational planning processes going forward, to strike the ideal balance between supply and demand. In context of the tight fiscal framework we have to operate within, it will position us favourably to justify and responsibly account for our cost structures and remain comparable with the most efficient Tax and Customs organisations globally.

Continued use of Data Analytics and Tools

In our current Strategic Plan we aspire to increase our data analytics capability, in both the collection and usage of data to enable better decision-making. The aim is to progress SARS through the analytics maturity curve to become a data and information driven organisation, to increase cost effectiveness and internal efficiencies. A number of predictive analytic outputs focused on revenue, outstanding returns and debt are available to business decision makers for adoption and integration. Continuous delivery of enhancements to inform decision making and actionable insights will focus on:

- Building a dedicated enterprise-wide data analytics capability
- Increasing the capacity and capability to analyse and transform data into well-packaged information and data products
- Providing an information Nerve Centre to visualise the organisation's data asset
- Deploying an enhanced Pulse data product, which provides management with information at their fingertips across all devices.

SARS remains committed to be a data driven organisation with data products, analytics and visualisations that are delivered in a manner that provides one version of the truth and insights to drive optimization and strategic direction of the organisation.

Service Charter

SARS' commitment to service excellence was reaffirmed by the publication and launch of the new Taxpayer Service Charter during 2018. We will work hard to ensure that we live up to the commitments made in the Service Charter by following it in all its interactions with taxpayers and traders.

Customs

The challenging global trading environment exacerbated by the ongoing trade wars between major global trading partners requires a capable and adequately prepared Customs and Excise function. Implementation of the National Customs Acts Programme (NCAP) remains one of its key projects to turn around Customs and we will continue to implement the various phases as planned. SARS will also continue accrediting traders as part of the preferred trader programme, and will commence with implementation of the Authorised Economic Operator Programme.

Strategic risks facing SARS

Risks facing SARS stem from its exposure to the local and global economic climate, the compliance behaviour of taxpayers in response to this climate and risks from SARS' own operations.

Risk Description	Mitigating Actions
Cyber Security threat The escalation of large-scale cyber-attacks nationally and globally leads to SARS' vulnerability and in the event of an attack could result in taxpayer and trader confidentiality breaches and severe reputational damage.	<ul style="list-style-type: none">• Socialise and implement the approved IT security strategy.• Review, implement and monitor the Cyber-security roadmap.• Develop a Data Loss Prevention program to introduce world-class capabilities for the management of electronic information and to protect against cyber-attacks.



Risk Description	Mitigating Actions
<p>Loss of Public Trust and Credibility</p> <p>Damage to the reputation of SARS due to:</p> <ul style="list-style-type: none"> Negative media reports; Varying levels of service provided to customers and stakeholders; SARS non-compliance to legislation and regulations. <p>may lead to the projection of a negative perception of SARS and result in loss of public trust and credibility.</p>	<ul style="list-style-type: none"> Develop a Strategy and Framework for Reputational Risk Management which will include a Communications and Engagement Strategy to support pro-active internal and external communication. Reinforce the SARS core values and the SARS Code of Conduct. Implement the approved SARS Service Charter.
<p>Illicit trade and smuggling</p> <p>Poor border control leads to smuggling (narcotics and counterfeit goods), illicit trade, trade mispricing and illicit financial flows whose negative socio-economic impact threatens economic growth, undermines legitimate formal business activity as well as job security and creation. Poor risk profiling, technology and skills lead to the inability to detect non-compliance, enforce compliance and to poor management of the risk posed by the illicit economy and the shadow economy.</p>	<ul style="list-style-type: none"> Ensure end-to-end goods accounting through the roll out of the Reporting, Conveyances and Goods component of NCAP. Carry out interventions through the Inter-agency workgroup on Illicit Financial Flows Strategy and resuscitate the inter-agency workgroup on Illicit Trade in Tobacco. Improve the Customs and Excise Risk Management Capabilities. Finalise and implement the Customs Risk-based client segmentation model to bolster targeted enforcement initiatives. Refer cases to criminal investigations for prosecution. Establish structures and well-resourced specialised teams to tackle non-compliance associated with the illicit economy such as that occurring in the tobacco, cigarette, fuel and alcohol sectors. Continue with investigations into illicit trade and ensure that civil and/or criminal sanctions are imposed.
<p>Increasing non-compliance by taxpayers and traders</p> <p>Weak case selection and taxpayer profiling, the inability to identify potential tax avoidance schemes, failed strategic enforcement projects, inadequate resources and skills needed to detect and act against sophisticated tax avoidance schemes lead to ineffective enforcement interventions which result in increased non-compliance and the inability to meet the revenue and duty targets required to meet fiscal demands.</p>	<ul style="list-style-type: none"> Implement the revised Compliance Programme and develop a new Compliance Programme (2018/19 - 2023/24). Redefine the profile of human resources in case selection and audit to ensure the right mix of knowledge, skills, and experience is present in order to competently select, profile, and audit complex and potential high-yield cases. Develop specific and focused skills development interventions to enhance the effectiveness of human resources in case selection and audit.

Risk Description	Mitigating Actions
<p>Business interruption</p> <p>The lack of an approved enterprise-wide Business Continuity Management Framework leads to an inability to plan a response to unplanned business interruptions and, in the event of an incident, results in prolonged business interruption, operational failures, and potential business failure.</p>	<ul style="list-style-type: none"> • Develop a Business Continuity Management Committee structure represented by all businesses. • Develop and implement an enterprise-wide Business Continuity Management Framework (including a Disaster Recovery Plan) based on ISO 22301.
<p>Loss and leakage of Data and Information</p> <p>The lack of a coordinated enterprise-wide approach to protecting and securing digital and physical information leads to fragmented and inefficient management and security controls resulting in loss, theft, and exploitation of data and physical information.</p>	<ul style="list-style-type: none"> • Develop an Integrated Security Framework to protect digital/physical data and information, people and facilities at an enterprise-level. • Develop a Data Loss Prevention program to introduce world-class capabilities for the management of electronic information and to protect against cyber-attacks.
<p>Non achievement of Revenue Estimates due to less than expected revenue collections</p> <p>Unfavourable global and domestic economic environment contribute to the decline in business activity, profitability and reduced tax revenue due to macro-economic factors such as the impact of lower-than-expected economic growth, new tax policies (sugar levies, carbon taxes), and national debt sustainability during different economic scenarios; and micro-economic factors including household debt sustainability, declining employment rates, and increasing business liquidations.</p>	<ul style="list-style-type: none"> • Enhance segmentation of the Tax Base and differentiated service and compliance offerings. • Increase focus and capability in the Large Business unit. • Revive the SARS compliance model and improve the compliance within specific industry sectors. • Utilise research based input in developing compliance improvement interventions. • Enhance risk identification capability to influence shifts in the compliance landscape. • Execute the Annual Revenue Plan.
<p>Workforce capacity and allocated staff budget are not aligned</p> <p>The lack of required funding to fully capacitate the SARS Workforce Plan results in existing staff being stretched, which impact directly on revenue collection, delivery and the quality of SARS' strategic outcomes, as well as existing staff morale.</p>	<ul style="list-style-type: none"> • Compile the SARS Workforce Plan (WFP), identifying workforce requirements in all areas and levels in the organisation. • Deliver a 3 year WFP. Utilise the approved WFP to serve as the business plan for budgeting purposes and workforce funding allocation. • Execute the WFP within the available allocated budget. • Enhance recruitment to address immediate WFP capacity requirements when funds are made available. (Recruitment focused project).

Table 1: Strategic Risks facing SARS



Overview of 2019/20 budget and MTEF estimates

Strategic Outcomes 2019/20 Funding Estimates



2 751 full time equivalents

R2 056 619

Increased Customs and Excise Compliance



3 869 full time equivalents

R3 236 666

Increased Tax Compliance



4 704 full time equivalents

R3 089 847

Increased Ease and Fairness of Doing Business with SARS



983 full time equivalents

R1 217 264

Increased Cost Effectiveness and Internal Efficiencies



944 full time equivalents

R1 049 114

Increased Public Trust and Credibility

Full time equivalents - Grand Total 13 251

Budget - Grand Total R10 649 510

Total Funds Available

R9 841 218

2019/20

R10 425 326

2020/21

R10 991 552

2021/22

2019/20 Total SARS Staff 13 251



13 242

Permanent Staff Establishment (Includes Vacancies)



9

Contract Employees



0

Graduates/Trainees/Learners



0

Seasonal Workers

OVERVIEW OF 2019/20 BUDGET AND MTEF ESTIMATES

SARS expenditure estimates

SARS' projected revenue and expenditure for 2019/20 to 2021/22 is presented in Table 2 below, and a quarterly breakdown per core outcomes is presented in Table 3:

Expenditure Estimates	2019/20	2020/21	2021/22
	Submission	Submission	Submission
	Year 1	Year 2	Year 3
	R'000	R'000	R'000
National Treasury Grant	9 529 031	10 110 017	10 673 090
<i>Final Grant Receivable</i>	9 488 723	10 067 492	10 628 226
<i>Final OTO Grant Receivable</i>	40 308	42 525	44 864
Interest income	-	-	-
Other income	312 187	315 309	318 462
Total Funds Available	9 841 218	10 425 326	10 991 552
Baseline expenditure (BAU) *	10 649 510	11 272 561	11 966 141
Total Capex Included in BAU **	-	-	-
Available for Projects	-808 291	-847 235	-974 589
Projects **	-	-	-
Funding surplus (Committed funds)/shortfall	-808 291	-847 235	-974 589

Table 2: SARS' projected revenue and expenditure

* Total funds required by SARS to meet its BAU operational imperatives over the MTEF period is R10.6bn, R11.3bn and R12.0bn for 2019/20, 2020/21 and 2021/22 respectively.

** This excludes the required refresh in SARS' Digital platforms as well as legislative projects such as GRAP and NCAP together with necessary infrastructure maintenance and bonuses.

Note: By including the aforementioned, the total fund required over the MTEF period will be R12.3bn, R12.9bn and R13.4bn for 2019/20, 2020/21 and 2021/22 respectively.



Strategic Objectives linked to ENE					2019/20			
Strategic Outcomes	Full Time Equivalents 2019/20	R'000			R'000			
		Budget 2019/20	Budget 2020/21	Budget 2021/22	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Increased Customs and Excise compliance	2,751	2,056,619	2,176,941	2,310,885	514,155	514,155	514,155	514,155
Personnel Expenses		1,524,786	1,616,169	1,713,028	381,197	381,197	381,197	381,197
Goods & Services		531,832	560,773	597,856	132,958	132,958	132,958	132,958
Information Technology		117,205	128,926	141,818	29,301	29,301	29,301	29,301
Land and Buildings		180,792	183,383	191,977	45,198	45,198	45,198	45,198
Audit & Legal Fees		34,509	36,407	38,409	8,627	8,627	8,627	8,627
Administration		129,964	138,152	146,893	32,491	32,491	32,491	32,491
Other Services		69,362	73,906	78,760	17,341	17,341	17,341	17,341
Capex - Business as usual		-	-	-	-	-	-	-
Projects		-	-	-	-	-	-	-
Increased Tax compliance	3,869	3,236,666	3,426,028	3,636,825	809,167	809,167	809,167	809,167
Personnel Expenses		2,399,679	2,543,495	2,695,931	599,920	599,920	599,920	599,920
Goods & Services		836,987	882,533	940,895	209,247	209,247	209,247	209,247
Information Technology		184,455	202,901	223,191	46,114	46,114	46,114	46,114
Land and Buildings		284,527	288,604	302,129	71,132	71,132	71,132	71,132
Audit & Legal Fees		54,309	57,296	60,448	13,577	13,577	13,577	13,577
Administration		204,535	217,420	231,177	51,134	51,134	51,134	51,134
Other Services		109,161	116,312	123,950	27,290	27,290	27,290	27,290
Capex - Business as usual		-	-	-	-	-	-	-
Projects		-	-	-	-	-	-	-
Increased ease and fairness of doing business with SARS	4,704	3,089,847	3,270,618	3,471,854	772,462	772,462	772,462	772,462
Personnel Expenses		2,290,826	2,428,118	2,573,639	572,707	572,707	572,707	572,707
Goods & Services		799,020	842,500	898,214	199,755	199,755	199,755	199,755
Information Technology		176,088	193,697	213,066	44,022	44,022	44,022	44,022
Land and Buildings		271,620	275,513	288,424	67,905	67,905	67,905	67,905
Audit & Legal Fees		51,846	54,697	57,706	12,961	12,961	12,961	12,961
Administration		195,257	207,558	220,690	48,814	48,814	48,814	48,814
Other Services		104,209	111,036	118,328	26,052	26,052	26,052	26,052
Capex - Business as usual		-	-	-	-	-	-	-
Projects		-	-	-	-	-	-	-
Increased cost effectiveness and internal efficiencies	983	1,217,264	1,288,480	1,367,758	304,316	304,316	304,316	304,316
Personnel Expenses		902,485	956,572	1,013,901	225,621	225,621	225,621	225,621
Goods & Services		314,779	331,908	353,857	78,695	78,695	78,695	78,695
Information Technology		69,371	76,308	83,939	17,343	17,343	17,343	17,343
Land and Buildings		107,006	108,540	113,626	26,752	26,752	26,752	26,752
Audit & Legal Fees		20,425	21,548	22,733	5,106	5,106	5,106	5,106
Administration		76,923	81,769	86,942	19,231	19,231	19,231	19,231
Other Services		41,054	43,743	46,616	10,263	10,263	10,263	10,263
Capex - Business as usual		-	-	-	-	-	-	-
Projects		-	-	-	-	-	-	-
Increased public trust and credibility	944	1,049,114	1,110,493	1,178,819	262,279	262,279	262,279	262,279
Personnel Expenses		777,818	824,434	873,843	194,454	194,454	194,454	194,454
Goods & Services		271,296	286,059	304,976	67,824	67,824	67,824	67,824
Information Technology		59,788	65,767	72,344	14,947	14,947	14,947	14,947
Land and Buildings		92,225	93,547	97,930	23,056	23,056	23,056	23,056
Audit & Legal Fees		17,603	18,572	19,593	4,401	4,401	4,401	4,401
Administration		66,297	70,473	74,932	16,574	16,574	16,574	16,574
Other Services		35,383	37,701	40,177	8,846	8,846	8,846	8,846
Capex - Business as usual		-	-	-	-	-	-	-
Projects		-	-	-	-	-	-	-
Grand Total	13,251	10,649,510	11,272,561	11,966,141	2,662,377	2,662,377	2,662,377	2,662,377

Table 3: SARS' expenditure estimates per outcome (per quarter)

SARS Human Resource Plan

The SARS headcount is envisaged to remain static, at 13 251 over the MTEF period.

	MTEF Period ENE Submission		
	2019/20 (projected)	2020/21 (projected)	2021/22 (projected)
Permanent staff establishment (including vacancies)	13 242	13 242	13 242
Contract employees	9	9	9
Graduates / trainees / learners	0	0	0
Seasonal workers / short term workers	0	0	0
Total headcount requirement	13 251	13 251	13 251

Table 4: SARS' Projected Headcount



Programme and Subprogramme plan

PART B

Increased Customs and Excise compliance

Elevate focus on key challenging illicit trade sectors and risk areas which include:

- Tobacco and cigarettes 
- Fuel 
- Clothing and Textile 
- Alcohol and spirits 
- Contraband Smuggling i.e. CITES, Drugs and Counterfeit goods. 

Increased Tax compliance

Large Companies and High Net-worth Individuals

Embed the reconstituted **Large Business model**



Small, Micro and Medium Enterprises

visit **1500** businesses to **strengthen awareness** and **education**



Increased ease and fairness and doing business with SARS



Roll-out the "Tax Practitioner" queue at all **Mobile Tax Units**



Deploy **MTUs** to top **10 sites**

Increased cost effectiveness and internal efficiencies



Provide **uninterrupted access** to mission critical systems **99% system uptime/availability for e-Channels**

Improve **Recruitment turn-around-times** by **100%**



Roll-out the SARS South African **Sign Language interpreting service**

Increased public trust and credibility

SARS' **commitment** to deliver on its **Service Charter** commitments



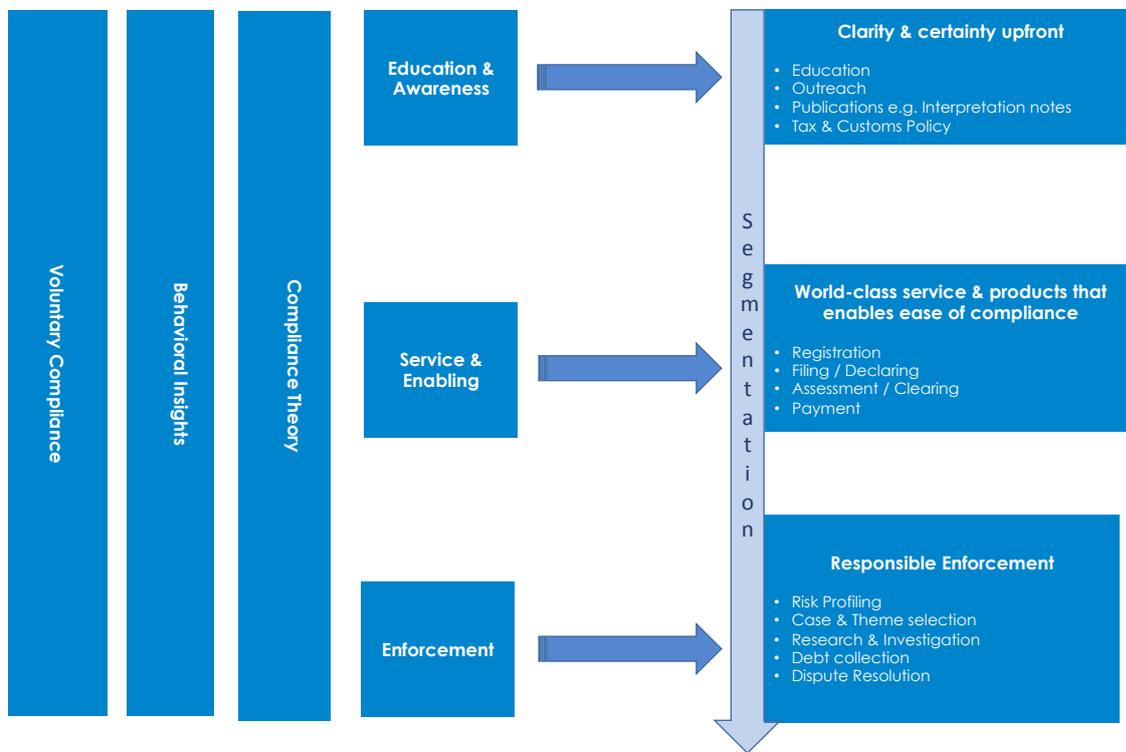
Undertake a **Public Opinion Survey**

Part B: Programme and Subprogramme Plan

The essence of our plan

The essence of our plan is depicted in the diagram below; our intent is to create a climate for Voluntary Compliance. Behavioral insights inform our Compliance Theory, which suggests that the majority of taxpayers and traders are largely compliant. Our Compliance Model informs our activities, which are grouped around three themes, namely Education and Awareness, Service and enabling and lastly, Enforcement. We tailor our engagement activity according to certain segments e.g. Individuals, SMME's and Large business and will continually adjust the intensity of our response, based on Compliance behavior.

Our Compliance Model informs our activities





OUTCOME 1: Increased Customs and Excise compliance

Segment traders to apply differentiated services for improved compliance

SARS will:

- Develop and implement the Authorised Economic Operator (AEO) policy framework by March 2020, which includes:
 - A policy framework aligned to the WCO standard, inclusive of legislative enablement.
 - Pilot implementation focussing on an industry.
 - Initiation of Mutual Recognition engagements with one key trading partner.

Revenue Collection

SARS will:

- Meet Customs and Excise Revenue Collection target as set by the Minister of Finance, through the following initiatives:
 - Continued refining of the Risk Management tools and operational practices.
 - Timely settlement of deferment payment balances.
 - Continued focus on its Customs & Excise Revenue Programme, with specific focus on advanced import payments.

Improve Customs and Excise risk management and enforcement capabilities

SARS will:

- Implement the National Targeting and Command Centre with the associated risk and exception management processes by July 2019.
- Conclude the enhancements to the Post Clearance Audit eCase workflow.
- Implement Excise and Traveller risk engines by March 2020.
- Elevate focus on key challenging illicit trade sectors and risk areas which include:
 - Tobacco and cigarettes
 - Fuel
 - Clothing and Textile
 - Alcohol and spirits
 - Contraband Smuggling i.e. CITES, Drugs and Counterfeit goods.
- Commission the air cargo scanner at Oliver Reginald Tambo Airport by December 2019.

Strengthen Partnerships with key partners and regulatory bodies

SARS will:

- Leverage off regional and international relationships and programmes through:
 - Implementation of interconnectivity and real time declaration exchange with the Botswana and Lesotho Customs administrations by December 2019.
 - Reviewing and optimising International engagement models to enhance operational efficiency by July 2019. This covers engagements and strategic deliverables with the WCO, Brazil, Russia, India, China and South Africa (BRICS) and Southern African Development Community (SADC) countries.
 - Improved trade relationships and service offerings by implementing the service charter.
 - Improved collaborations aligned with global best practice regarding inter-agency cooperation. Focus for 2019/20 will be on the conceptualisation and planning for implementation of the Single Window approach.

Modernise and align Excise processes and systems

SARS will:

- Achieve a 40% Audit coverage of active Excise clients.
- Conclude the implementation of an Excise operating model by September 2019.
- Review business processes for the Road Accident Fund by November 2019.

Improve Customs and Excise Capability

SARS will:

- Review and optimise a tailor-made talent management, recruitment process, resource development and career modelling for Customs and Excise.

Continue with implementation of the New Customs Acts

In the context of SARS' funding constraints, SARS will:

- Review the pace of executing this programme and undertake a peer review to determine the extent to which legislation kept up with recent international developments.

OUTCOME 2: Increased Tax compliance

Conduct targeted compliance interventions

SARS will:

- Continue to improve compliance and address identified risks in the following areas:
 - **Large Companies and High Net-worth Individuals (HNWIs):**
 - » Embed the reconstituted Large Business model, and effectively execute the service, education and compliance activity to rebuild confidence in this segment of SARS' business.
 - **Small, Micro and Medium Enterprises (SMMEs):**
 - » Improve compliance by continuing to craft strategies based on compliance behaviours in the SMME segment with specific focus on the informal or cash economy:
 - › During 2019/20, we will visit 1500 businesses with a view to strengthen awareness and education and dedicate special focus in high risk SMME sectors.
 - › Achieve audit coverage on Medium sized enterprises to establish visibility and improve compliance.

Strengthen SARS' enforcement capabilities

SARS will:

- Conclude the implementation of CIT Penalties.
- Continue to integrate outstanding returns as part of service and compliance processes, levy penalties, increase prosecutions and elevate awareness. The conclusion of register clean-up activities will enable SARS to define metrics and baseline performance in this regard.
- Recommend 500 criminal investigations cases for both Customs and Tax for prosecution.
- Achieve a 95% criminal case prosecution conviction rate per annum.
- Establish a dedicated multi-team capability aimed at combating illicit economic activities by 30 September 2019.
- Process 80% of voluntary disclosure applications in under 180 days.



Strengthen SARS' capacity and capability to manage debt

SARS will:

- Consider requests for deferral or suspension of payments within 21 days of receipt of the completed application and communicate accordingly.
- Consider requests for debt compromise within 30 days of receipt of the completed application and communicate accordingly.

Improve case selection

SARS will:

- Refine the SARS Risk Engine to reduce the number of cases and minimise the false positive rate, in line with SARS' Audit capacity, risk appetite and Service Charter commitments.

Improve integrity of taxpayer registers

SARS will:

- Conclude SARS' efforts to clean up the CIT register (i.e. Third-party data exchanges, periodic bulk data comparisons) and put mechanisms in place to maintain the integrity of the CIT register.

Continue to collaborate and work with other Tax and Customs jurisdictions on global compliance and enforcement efforts

SARS will:

- Review the Davis Tax Committee's recommendations on HNWIs and provide the Minister of Finance with an action plan and implementation approach.
- Conclude a feasibility study of alternative taxation regime strategies identified for the passenger transportation sector, by 30 December 2019.
- Continue to collaborate with the Companies and Intellectual Property Commission (CIPC) to align registers and share information.

Collect Tax Revenue

SARS will:

- Maintain the focus on its Tax Revenue Programme, with specific focus on Estates, SARS' VDP programme and tax gap claw-back initiatives.
- Undertake all routine filing season activities and associated interventions to improve filing and payment compliance across tax products.
- Improve cash collections from overdue debt by 30% year-on-year.

OUTCOME 3: Increased ease and fairness of doing business with SARS

Reduce volumes of manual activity for SARS and taxpayers through automation and digital migration

SARS will:

- Continue to collaborate with the Master of the High Court in accordance with the signed Memorandum of Understanding between SARS and the Department of Justice and Constitutional Development which allows for sharing of trust register information.
- Implement Auto Assessment functionality for simple PIT tax returns as part of the 2019/20 PIT Filing Season. The objective is to reduce the cost of filing compliance for taxpayers and the cost of servicing taxpayers for filing related service requests.
- Design the future of fully automated registration and consequent taxpayer engagement, based on the “Cradle-to-Grave” principle as well as leveraging relevant information sources triggered by economic activity.

Deliver effective education and outreach programmes to build a better understanding and awareness by all South Africans of their tax responsibilities and how to meet them

SARS will:

- Deliver 8 high impact campaigns aimed at reducing traffic at branch offices, during and after the filing season, in order to promote the use of SARS digital channels.
- Roll-out the Income Tax Registration Programme at identified institutions of higher learning, by June 2019.
- Pilot registration of Grade 12 learners in Kwa-Zulu Natal, by June 2019.
- Roll-out the “Tax Practitioner” queue at all Mobile Tax Unit (MTU) Interventions nationally, by June 2019.
- Roll-out an education programme for Newly Registered Individuals and Small Business (Income Tax, VAT & PAYE) through various platforms, with the aim to improve tax awareness and to increase the usage of the SARS digital channels, by March 2020.
- Deploy MTUs to top 10 sites based on the SARS location strategy, by October 2019.
- Promote fiscal citizenship amongst grade 11 and 12 learners at identified schools across the country, by October 2019.
- Conduct a sector-based education programme for the top 10 identified, non-compliant industries to improve compliance, by March 2020.

Improve the efficiency and effectiveness of the taxpayer complaints management process

SARS will:

- Resolve all complaints received by SARS within turnaround-times as published in the SARS Service Charter.
- Resolve all cases received from the OTO in line with the timelines agreed to between SARS and the OTO.



OUTCOME 4: Increased cost effectiveness and internal efficiencies

Improve SARS' information communications technology capability

SARS will:

- Stabilise and sufficiently capacitate its Strategic ICT & Digital transformation capability.
- Review and continue its Modernisation Programme.
- Continue to provide uninterrupted access to mission critical systems by ensuring 99% system uptime/availability for e-Channels. Should funding become available, we will continue with the infrastructure refresh programmes, as part of a multi-year initiative over the MTEF period consisting of the following:
 - Network Refresh
 - Server Refresh
 - Desktop, laptops and multifunction devices
 - Storage
 - Software upgrades
 - Security patches.
- Continue to improve SARS' cyber security posture by implementing:
 - Data Loss Prevention Program, including email monitoring and Universal Serial Bus (USB) control by Dec 2019.
 - Mobile Data Management to monitor and control mobile devices containing sensitive information by September 2019.
- Implement e-Services Data Centre Migration by May 2019 which entails:
 - Relocating the eFiling channel services and bank payment gateways.
 - Refreshing the hardware and software technology stack.
- Renew relevant enabling agreements with development partners in line with National Treasury and procurement guidelines by 31 December 2019.
- Review the IT and Security Strategy by August 2019, to ensure that it aligns with SARS, taxpayer and trader needs.
- Undertake scheduled bi-annual disaster recovery testing of SARS critical systems.
- Continue to maintain and strengthen SARS' enterprise-wide information security programme to protect its information and communication assets. During 2019/20 we will conduct security assessments and establish SARS' maturity in line with industry standards, Government standards and protocols by May 2019.

Identify, recruit and retain the right, diverse, engaged and highly skilled people

SARS will:

- Deal with inappropriate appointments, performance and malpractices regarding disciplinary actions over the past 4 years.
- Evangelize our staff to adopt and commit to the Higher Purpose and restore a sense of pride.
- Reach out and where appropriate re-engage those who were ostracized, neutralised or disillusioned.
- Implement measures to improve Recruitment turn-around-times by 100% (from 6 months to 3 months) and stabilise the organisation through making permanent appointments in key roles, especially in the first three layers of organization, where there is an unhealthy prevalence of people in an acting capacity.
- Solicit trust from its stakeholders, including its staff, by the ability to attract and retain top talent, especially in leadership positions.
- Provide Leadership to inspire and ensure high performance.
- Ensure that staff engages in meaningful work.
- Increase Employee Engagement, by a simplified employee value proposition, which comprises 5 principles:
 - Love the work you do
 - Have clarity on the impact of the work you do and how it aligns to the Higher purpose

- Understand what success means for the work you do
- Have the right to honest feedback, both positive and negative
- Have the right to a fair deal in terms of recognition and rewards as well as consistent application of consequence management
- Enable compliance with Employment Equity (EE) policy and strategy to ensure improved EE representation that is aligned to the Department of Labour report. SARS compliance will be measured against its quarterly and annual targets as set out in the SARS EE plan.
- Optimise the SARS Institute of Learning (SIOL) by focusing on building capability and standardising learning and development processes, based on recommendations from the benchmarking and diagnostic processes carried out during the year, with specific focus on Tax, Customs and Integrated Audits.
- Implement Succession Management for identified priority leadership roles, which have been identified as critical to the organisation, to ensure continuity and stability. By the end of the financial year we will have identified successors for these roles and put them on development plans.
- Design and implement a Career Management Framework for SARS by 31 March 2020, which will assist enable with improved career planning.
- Conclude a current state assessment and conceptual design for Human Capital and Development processes to better enable SARS' HCD requirements for the future.

Practice prudent financial management and discipline to ensure SARS operates within the budget allocation, and to increase efficiency

SARS will:

- Review Procurement transactions and contracts for impropriety and take corrective action by enforcing our commercial rights and recover losses, as well as working with Investigation and Prosecuting Authorities to hold perpetrators to account.
- Collaborate and closely work with National Treasury's central procurement office to enable SARS's integrated demand plan with strategic and agile sourcing vehicles and enabling contracts as a precursor to its capital investment and modernization programmes.
- Review and reposition the continuation of the migration of SARS' Revenue Accounting to Generally Recognised Accounting Practice (GRAP), within budget constraints.
- Continue to roll out the new corporate real estate strategy to deliver a fit for purpose real estate portfolio for SARS, with the broad objective of increasing space utilisation, acquisition of key properties and reducing overall running costs by more than 5%.
- Automate up to 80% of key financial reports to enable intelligence driven real-time and agile decision-making.
- Commence with regular identification and testing of key internal controls to address deficiencies and residual risks that may adversely impact the Auditor-General of South Africa's (AGSA) audit opinion on the SARS annual financial statements.
- Resolve 80% of outstanding Internal Audit and AGSA findings before the end of the financial year.
- Continue managing operational and project costs within 95% of the budget by identifying efficiencies in our baseline and operations. Focus for 2019/20 will be on achieving cost savings through contract management and reviews.
- Continue with SARS' supplier transformation agenda by ensuring that 7% of SARS' procurement spend is on black women owned (BWO) entities, 15.5% on Exempted Micro Enterprises (EME's) and 5% on Qualifying Small Enterprises (QSE's).



SARS will:

- Initiate and complete research projects to inform organizational strategy and operations in line with the SARS Research Plan for the 2019/20 fiscal year.
- Develop an enterprise knowledge management strategy by 31 July 2019 to capture, align, disseminate, facilitate access and preservation of institutional knowledge.

Improve communication activities to keep SARS employees, taxpayers and the general public well informed and engaged

SARS will:

- Improve SARS branding by rolling out digital communication signage at identified branch offices to improve taxpayer communication.
- Develop and implement media roundtable discussions and briefing sessions at least once per quarter.
- Develop and implement an engagement programme between employees and senior leadership, by August 2019.
- Conduct SARS Language policy awareness campaigns at all branches by end of June 2019.
- Roll-out the Sign Language to all identified SARS branches by end of September 2019.
- Hold annual engagements with captains of Industry to inculcate the philosophy of collaborative compliance.

Improve planning, execution and reporting discipline and capabilities

SARS will:

- Design a conceptual “SARS of the Future Model” that will inform the drafting of the next version of SARS’s Strategic Plan.
- Table a clear Strategic Plan covering the next 5 years.
- Continue to deliver improved enterprise planning, execution and reporting discipline, through strict implementation and monitoring of enterprise planning and reporting procedures. Focus for 2019/20 is on ensuring that that key statutory and enterprise plans and reports are submitted on time and meet all the required parameters to improve organisational performance.
- Implement a revised strategic project/initiative prioritisation process and tool to improve project selection and prioritisation by December 2019.
- Continue to enhance performance and capacity models for all operational business areas and conclude the development of all support areas by 31 March 2020, to ensure alignment of resource requirements to effectively execute the enterprise strategy.
- Extend the project repository tool functionality to the leadership in SARS responsible for project ownership. The target will be to incrementally extend to the various levels of leadership per quarter of the financial year by giving access, providing the relevant training and contracting increased use of real time project information.
- Enhance the hardware and software used in the data value chain through an infrastructure refresh and streamlining of the data warehouse and consolidation of data layers by December 2019.
- Leverage existing 3rd party data sources and the introduction of additional sources by December 2019.
- Deliver a proposal on the enhancement of structures, culture and value systems that support data-based decision making to drive data fluency within the organisation by August 2019.

Conduct internal and external research to improve organisational decision-making and insights

SARS will:

- Initiate and complete research projects to inform organisational strategy and operations in line with the SARS Research Plan for the 2019/20 fiscal year.
- Develop an enterprise knowledge management strategy by 31 July 2019 to capture, align, disseminate, facilitate access and preserve of institutional knowledge.

OUTCOME 5: Increased public trust and credibility

Restoring Integrity

SARS will:

- Set up a dedicated Whistleblower capability and invite the public and staff to come clean.
- Create a dedicated capacity to deal with complaints, requests for engagement as well as to address work arising from various Commissions such as Nugent and Zondo.
- Engage its stakeholders in good faith and in a spirit of renewed cooperation.
- Increase clarity through rulings and interpretation notes.
- Resolve disputes rapidly with high integrity and consistency.

Improve organisational governance frameworks and processes

SARS will:

Continue with the implementation of a SARS-wide governance framework to enhance and support organisational decision-making and ensure adherence to good governance principles. During 2019/20 we will:

- Establish a focused Compliance function.
- Update and socialise the approved SARS Governance Framework across management levels by 31 March 2020.
- Develop and promote the use of risk appetite and risk tolerance as an executive management tool by 31 December 2019.
- Embed the SARS Quality Management Framework across all management levels by 31 March 2020.
- Execute the Internal Audit plan for 2019/20 as approved by the SARS Audit Committee.

Continue to adopt a zero tolerance approach to fight fraud and corruption

SARS will:

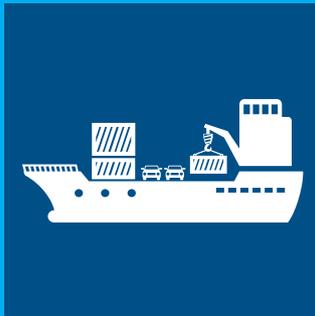
- Investigate and prosecute all reported incidents of fraud and corruption by SARS employees and/or third parties.
- Conduct at least one fraud and corruption awareness campaign per quarter in identified regions.

Manage public trust and reputation to support compliance efforts

SARS will:

- Communicate a plan of action to restore SARS to a respected institution.
- Drive specific campaigns to raise awareness of Tax Morality and re-ignite Citizen Activism around Tax Compliance.
- Continue our commitment to deliver on SARS Service Charter commitments, track our performance and transparently report on achievement.
- Develop an annual key stakeholder engagement plan for domestic and international stakeholders by 30 April 2019 and implement it throughout the year.
- Develop a SARS reputation management framework by 30 June 2019 and implement it over the remainder of the financial year.
- Undertake a Public Opinion Survey covering Tax, Customs and Excise Compliance and attitudes by 31 October 2019.

Measuring SARS' performance



Measuring SARS' Performance

Aligning SARS performance with the government-wide performance measurement framework

We seek to align SARS' performance management and reporting processes with the South African government's outcomes-based approach to measuring and assessing the performance of government entities. The SARS Strategic Plan 2016/17 – 2020/21 provides the basis for the organisation's outcomes-based performance management and planning processes. The Strategic Plan describes SARS' long-term objectives and actions that detail the measurable outcomes we seek to achieve over the next five years. From the Strategic Plan, we develop SARS annual business plans, annual budgets and annual performance measures which are presented in this SARS 2019/20 Annual Performance Plan. We report on the performance of SARS in the Annual Report and we use this performance information to track progress towards achieving the long-term goals as set out in the Strategic Plan.

In developing and setting out SARS performance measures, we continue to look for new ways to reflect and report on performance in a more meaningful manner. We rely on accurate data, including efficient and effective systems of gathering and analysing data. In this regard, we have updated some of SARS' strategic outcome measures to reflect appropriate targets and baselines for this planning period. This also reflects SARS' measured approach to how we are transitioning the organisation to outcomes-based performance measurement and reporting. We continue to focus on creating the most meaningful set of strategic outcome measures that we can use as a tool to measure and report SARS' performance.

2019/20 SARS APP key strategic measures for each core outcome

Increased Customs and Excise Compliance: SARS seeks to further government's aim of growing the economy and creating employment through effective and efficient trade and travel facilitation and effectively combating illicit trade activities.

2019/20 Targets

Strategic Outcome	Measures	Baseline	Annual Targets 2019/20	Quarterly targets			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Increased Customs & Excise compliance	Customs & Excise revenue collected	Actual Collections for 2018/19	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance
	% of trade attributable to Preferred Traders*	25.49	15.00	15.00	15.00	15.00	15.00
	% Audit coverage of Excise clients	41.00**	40.00	7.00	17.00	27.00	40.00
	% matching of Customs declarations to cargo reports***	Sea 31% Air 26% Rail 0% Road 98%	Sea 70% Air 50% Rail 70% Road 98%	Annual target			

Baselines are 2017/18 actual achievements.

* Definition/calculation of measure has shifted from PTP audited traders to accredited traders.

** Baseline is 2017/18 Quarter 2 actual achievement.

*** New measure. Baselines are 2018/19 Quarter 2 actual achievements.



2019/20 – 2021/22 Targets

Strategic Outcome	Measures	Baseline	Targets		
			2019/20	2020/21	2021/22
Increased Customs and Excise Compliance	Customs & Excise revenue collected	Actual Collections for 2018/19	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance
	% of trade attributable to Preferred Traders*	25.49	15.00	15.00	15.00
	% Audit coverage of Excise clients	41.00**	40.00	40.00	40.00
	% matching of Customs declarations to cargo reports***	Sea 31% Air 26% Rail 0% Road 98%	Sea 70% Air 50% Rail 70% Road 98%	Sea 80% Air 80% Rail 90% Road 98%	Sea 90% Air 90% Rail 95% Road 98%

Baselines are 2017/18 actual achievements.

* Definition/calculation of measure has shifted from PTP audited traders to accredited traders.

** Baseline is 2017/18 Quarter 2 actual achievements.

*** New measure. Baselines are 2018/19 Quarter 2 actual achievements

Increased Tax Compliance: SARS seeks to increase voluntary compliance across a broader taxpayer base. In this regard, SARS wants taxpayers to calculate their tax liabilities correctly, file their returns on time, report their income accurately and duly pay what is due.

2019/20 Targets

Strategic Outcome	Measures	Baseline	Annual Targets 2019/20	Quarterly targets			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Increased Tax Compliance	Total revenue (excluding Customs & Excise revenue) collected	Actual Collections for 2018/19	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance
	Debt to Revenue ratio	7.28	7.00	7.50	7.40	7.20	7.00
	% Improvement in the collection of overdue debt*	29.50	30.00	Annual target			
	% PIT filing compliance	94.00	92.00	Annual target			
	% PIT payment compliance	44.28	75.00	Annual target			
	% CIT filing compliance	38.26	75.00	Annual target			
	% CIT payment compliance	66.93	85.00	Annual target			
	% VAT filing compliance	52.23	90.00	60.00	70.00	80.00	90.00
	% VAT payment compliance	85.12	90.00	86.00	87.00	88.00	90.00
	% PAYE filing compliance	59.19	80.00	60.00	70.00	80.00	80.00
	% PAYE payment compliance	85.83	90.00	86.00	87.00	88.00	90.00
	% Audit coverage of registered taxpayers (PIT, CIT, VAT, PAYE & Trusts)	14.47	6.00	Annual target			

Baselines are 2017/18 actual achievements.

* New measure.



2019/20 – 2021/22 Targets

Strategic Outcome	Measures	Baseline	Targets		
			2019/20	2020/21	2021/22
Increased Tax Compliance	Total revenue (excluding Customs & Excise revenue) collected	Actual Collections for 2018/19	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance
	Debt to Revenue ratio	7.28	7.00	6.00	6.00
	% improvement in the collection of overdue debt*	29.50	30.00	20.00	15.00
	% PIT filing compliance	94.00	92.00	92.00	92.00
	% PIT payment compliance	44.28	75.00	80.00	82.00
	% CIT filing compliance	38.26	75.00	80.00	83.00
	% CIT payment compliance	66.93	85.00	90.00	93.00
	% VAT filing compliance	52.23	90.00	90.00	91.00
	% VAT payment compliance	85.12	90.00	94.00	96.00
	% PAYE filing compliance	59.19	80.00	85.00	87.00
	% PAYE payment compliance	85.83	90.00	90.00	93.00
	% Audit coverage of registered taxpayers (PIT, CIT, VAT, PAYE & Trusts)	14.47	6.00	6.00	6.00

Baselines are 2017/18 actual achievements.

* New measure.

Increased Ease and Fairness of Doing Business with SARS: SARS seeks to make it as straight-forward as possible for taxpayers and traders to register, file their returns, calculate their tax liability and pay the correct taxes and duties due. We want to reduce the costs of compliance for taxpayers and traders by simplifying processes and requirements to improve SARS' data accuracy, and by being easily accessible to taxpayers and traders when they want to contact us.

2019/20 Targets

Strategic Outcome	Measures	Baseline	Annual Targets 2019/20	Quarterly targets			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Increased ease and fairness of doing business with SARS	% System Uptime for e-channels	99.67	99.00	99.00	99.00	99.00	99.00
	% Uptake of PIT eFiling channel	52.51	55.00	Annual target			
	Average processing turnaround time for VAT refunds in working days	23.17	21.00	21.00	21.00	21.00	21.00
	Customer satisfaction with Contact Centre service	90.00	90.00	90.00	90.00	90.00	90.00
	% first contact resolution in Contact Centre	96.00	96.00	96.00	96.00	96.00	96.00
	Payment turnaround time for supplier invoices in working days*	34.00	30.00	30.00	30.00	30.00	30.00

Baselines are 2017/18 actual achievements.

* New measure

2019/20 – 2021/22 Targets

Strategic Outcome	Measures	Baseline	Targets		
			2019/20	2020/21	2021/22
Increased ease and fairness of doing business with SARS	% System Uptime for e-channels	99.67	99.00	99.00	99.00
	% Uptake of PIT eFiling channel	52.51	55.00	56.00	57.00
	Average processing turnaround time for VAT refunds (working days)	23.17	21.00	21.00	21.00
	Customer satisfaction with Contact Centre service (%)	90.00	90.00	90.50	90.50
	% first contact resolution in Contact Centre	96.00	96.00	96.00	96.00
	Payment turnaround time for supplier invoices in working days*	34.00	30.00	30.00	30.00

Baselines are 2017/18 actual achievements.

*New measure.



Increased Cost Effectiveness and Internal Efficiencies: SARS seeks to maximise its performance through prudent management of its resources.

2019/20 Targets

Strategic Outcome	Measures	Baseline	Annual Targets 2019/20	Quarterly targets			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Increased cost effectiveness and internal efficiencies	Cost to Revenue Ratio (%)	0.89	Below 1.00	Annual Target			

Baseline is 2017/18 actual achievement.

2019/20 – 2021/22 Targets

Strategic Outcome	Measure	Baseline	Targets		
			2019/20	2020/21	2021/22
Increased cost effectiveness and internal efficiencies	Cost to Revenue Ratio (%)	0.89	Below 1.00	Below 1.00	Below 1.00

Baseline is 2017/18 actual achievement.

Increased Public Trust and Credibility: SARS seeks to maximise its employee engagement, stakeholder management, good governance, and to minimise the incidence of corruption and fraud within and against the organisation.

2019/20 Targets

Strategic Outcome	Measures	Baseline	Annual Targets 2019/20	Quarterly targets			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Increased Public Trust and Credibility	Employee Engagement (%)	63.60	64.00	Annual Target			
	Leadership Effectiveness Index (%)	88.08	88.00	Annual Target			
	Employment Equity: Demographics (%)	76.01	79.40	Annual Target			
	Employment Equity: Gender on management level (%)	48.78	50.92	Annual Target			
	Employment Equity: Disability (%)	1.92	2.24	Annual Target			
	Public Opinion Score (%)	72.00*	72.50	Annual Target			
	% of acquisition spend through Exempted Micro Enterprises**	14.25	15.50	Annual Target			
	% of acquisition spend through Qualifying Small Enterprises**	3.69	5.00	Annual Target			
	% of acquisition spend through Black women owned entities	8.65	7.00	Annual Target			
	Unqualified report by Auditor-General	Unqualified Audit Report with findings	Clean Audit Report	Annual Target			
	Interfront Governance -Unqualified report by Auditor-General	Clean audit report	Clean audit report	Annual target			

Baselines are 2017/18 actual achievements, unless otherwise stated.

* Baseline is 2016/17 actual achievement.

**New measure. Baseline is 2017/18 actual achievement.



2019/20 – 2021/22 Targets

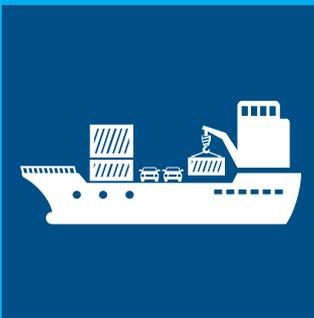
Strategic Outcome	Measures	Baseline	Targets		
			2019/20	2020/21	2021/22
Increased public trust and credibility	Employee Engagement (%)	63.60	64.00	-	64.40
	Leadership Effectiveness Index (%)	88.08	88.00	88.00	88.00
	Employment Equity: Demographics (%)	76.01	79.40	80.60	81.60
	Employment Equity: Gender on management level (%)	48.78	50.92	51.35	51.72
	Employment Equity: Disability (%)	1.92	2.24	2.66	3.16
	Public Opinion Index (%)	72.00*	72.50	73.00	73.50
	% of acquisition spend through Exempted Micro Enterprises**	14.25	15.50	17.50	20.00
	% of acquisition spend through Qualifying Small Enterprises**	3.69	5.00	7.50	10.00
	% of acquisition spend through Black women owned entities	8.65	7.00	10.00	12.50
	Unqualified report by Auditor-General	Unqualified Audit Report with findings	Clean Audit Report	Clean Audit Report	Clean Audit Report
	Interfront Governance -Unqualified report by Auditor-General	Clean Audit Report	Clean Audit Report	Clean Audit Report	Clean Audit Report

Baselines are 2017/18 actual achievements, unless otherwise stated.

* Baseline is 2016/17 actual achievement.

**New measure. Baseline is 2017/18 actual achievement.

Annexures





Annexure A: Materiality Framework

MATERIALITY FRAMEWORK: OWN ACCOUNTS

Section 55(2)(b) Public Finance Management Act (PFMA) - "The annual report and financial statements must include particulars of" -

PFMA Subsections	Qualitative	Quantitative
a) Any material losses through criminal conduct	Consolidated losses attributable to criminal conduct relating to own accounts.	100% of the monetary value of identified criminal cases during the financial year
b) Any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year	Consolidated irregular expenditure and fruitless and wasteful expenditure.	100% of the monetary value of irregular expenditure and fruitless and wasteful expenditure.
c) Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure	Disciplinary steps taken and/or criminal charges laid as a result of material losses through criminal conduct.	100% : Number of: <ul style="list-style-type: none"> • disciplinary cases opened • disciplinary cases concluded • criminal cases opened • criminal cases concluded during the financial year
d) Any losses recovered or written off	Losses written off or recovered as a result of criminal conduct.	100% of the monetary value of losses written off or recovered during the financial year

Annexure B: Significance Framework

SIGNIFICANCE FRAMEWORK		
Section 54(2) PFMA- "Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars to its executive authority for approval of the transactions":		
PFMA Subsection	Qualitative	Quantitative
a) Establishment or participation in the establishment of a company;	All transactions or actions entered in relation to section 54(2) (a) to (c) of the PFMA.	100%- as it is not normal business of SARS
b) Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;		
c) Acquisition or disposal of a significant shareholding in a company;		
d) Acquisition or disposal of a significant asset;	Any acquisition or disposal in relation to section 54(d) of the PFMA.	<ul style="list-style-type: none"> Acquisition of a single tangible or intangible asset to the value of 15% of the cost of the total fixed assets for the financial year prior to the year in which the acquisition takes place. Disposal of tangible assets individually or cumulatively to the value of 10% or more of the cost price of total tangible assets for the financial year prior to the year in which the disposal takes place. Scrapping of intangible assets, individually or cumulatively to the value of 10% or more of the cost price of total intangible assets for the financial year prior to the year in which the scrapping took place.
e) Commencement or cessation of a significant business activity; and	Any commencement or cessation of business activity outside of SARS' core business in relation to section 54(2) (e) of the PFMA.	100%- as it is not normal business of SARS
f) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.	Any change in nature or extent of interest in relation to section 54(2) (f).	100%- as it is not normal business of SARS



Annexure C: Changes to the 2016/17 – 2020/21 SARS Strategic Plan Performance Measures and Targets

SARS reviewed some of the targets as set out in the 2016/17 – 2020/21 Strategic Plan and came to the conclusion that some of these targets are not feasible given the current economic environment, performance trends and organisational constraints. We have also adjusted compliance targets upwards in an effort to improve compliance levels.

Targets for the following strategic outcome measures have been amended accordingly:

- % PIT filing compliance
- % PIT payment compliance
- % CIT filing compliance
- % CIT payment compliance
- % VAT filing compliance
- % VAT payment compliance
- % PAYE filing compliance
- % PAYE payment compliance
- Employment Equity: Demographics (%)
- Employment Equity: Gender on management level (%)
- Employment Equity: Disability (%)

We have also amended the titles of the following measures:

- Debt book as a % of Revenue to “Debt to Revenue ratio”
- % Compliance to Excise Framework to “% Audit coverage of Excise clients”
- Treasury allocation to revenue percentage to “Cost to Revenue Ratio”

The following new measures have been added:

- % matching of Customs declarations to cargo reports
- % improvement in the collection of overdue debt
- Customer satisfaction with Contact Centre service
- % first contact resolution in Contact Centre
- % of acquisition spend through Exempted Micro Enterprises
- % of acquisition spend through Qualifying Small Enterprises
- Payment turnaround time for supplier invoices in working days

The following measures have been dropped to an operational level:

- % of goods declarations targeted
- Average processing turnaround time for PIT returns (working days)
- Average processing turnaround time for CIT returns (working days)
- Debtor days

The new targets are reflected in the updated tables below, which will replace the current published tables in the 2016/17 – 2020/21 SARS Strategic Plan:

Outcome 1: Increased Customs and Excise Compliance

Strategic Outcome	Measures	Baseline	Targets				
			2016/17	2017/18	2018/19	2019/20	2020/21
Increased Customs and Excise Compliance	Customs & Excise revenue collected	Actual Collections for 2015/16	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance
	% Audit coverage of trade (Title of the measure changed to "% trade attributable to preferred traders")	26.42	25.00	20.00	20.00	15.00	15.00
	% of goods declarations targeted	13.39	13.00	13.00	13.00	Measure dropped to operational level	
	% Compliance to Excise Framework (Title of the measure changed to "% Audit coverage of Excise clients")	66.00	70.00	75.00	80.00	40.00	40.00
	% matching of Customs declarations to cargo reports	Sea 31% Air 26% Rail 0% Road 98%	New measure			Sea 70% Air 50% Rail 70% Road 98%	Sea 80% Air 80% Rail 90% Road 98%
	Interfront Governance – Unqualified audit report by AG	Unqualified audit report	Unqualified audit report	Unqualified audit report	Unqualified audit report	Moved to Outcome 5: Increased public trust and credibility	



Outcome 2: Increased Tax Compliance

Strategic Outcome	Measures	Baseline	Targets				
			2016/17	2017/18	2018/19	2019/20	2020/21
Increased Tax Compliance	Total revenue (excluding Customs & Excise revenue) collected	Actual Collections for 2015/16	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance
	Debt book as a % of revenue (Title of the measure changed to "Debt to Revenue ratio")	7.65	7.00	6.40	6.00	7.00	6.00
	% improvement in the collection of overdue debt	29.50	New measure			30.00	20.00
	% PIT filing compliance	94.49	92.00	92.00	92.00	92.00	92.00
	% PIT payment compliance	42.28	50.00	60.00	70.00	75.00	80.00
	% CIT filing compliance	39.59	50.00	60.00	70.00	75.00	80.00
	% CIT payment compliance	66.64	70.00	75.00	80.00	85.00	90.00
	% VAT filing compliance	54.62	60.00	70.00	80.00	90.00	90.00
	% VAT payment compliance	82.85	85.00	90.00	90.00	90.00	94.00
	% PAYE filing compliance	62.41	65.00	70.00	75.00	80.00	85.00
	% PAYE payment compliance	84.16	85.00	90.00	90.00	90.00	90.00
	% Audit coverage of registered taxpayers (PIT, CIT, VAT, PAYE & Trusts)	12.11	12.00	12.00	12.00	6.00	6.00

Outcome 3: Increased Ease and Fairness of Doing Business with SARS

Strategic Outcome	Measures	Baseline	Targets				
			2016/17	2017/18	2018/19	2019/20	2020/21
Increased ease and fairness of doing business with SARS	% System Uptime for e-channels	99.00	99.00	99.00	99.00	99.00	99.00
	% Uptake of PIT eFiling channel	53.90	60.00	65.00	70.00	55.00	56.00
	Average processing turnaround time for PIT returns (working days)	0.05	Less than 1 day	Less than 1 day	Less than 1 day	Measure dropped to operational level	
	Average processing turnaround time for CIT returns (working days)	0.63	Less than 1 day	Less than 1 day	Less than 1 day	Measure dropped to operational level	
	Average processing turnaround time for VAT refunds (working days)	32.85	21.00	21.00	21.00	21.00	21.00
	Customer satisfaction with Contact Centre service (%)	90.00	New measure		90.00	90.00	90.50
	% first contact resolution in Contact Centre	96.00	New measure		96.00	96.00	96.00
	Payment turnaround time for supplier invoices in working days	34.00	New measure			30.00	30.00



Outcome 4: Increased Cost Effectiveness and Internal Efficiencies

Strategic Outcome	Measure	Baseline	Targets				
			2016/17	2017/18	2018/19	2019/20	2020/21
Increased cost effectiveness and internal efficiencies	Cost to Revenue Ratio (%)	0.97	Between 0.95 to 1.00			Below 1.00	Below 1.00

Outcome 5: Increased Public Trust and Credibility

Strategic Outcome	Measures	Baseline	Targets				
			2016/17	2017/18	2018/19	2019/20	2020/21
Increased public trust and credibility	Employee Engagement (%)	66.42	-	66.00	-	64.00	-
	Leadership Effectiveness Index (%)	86.53	88.00	88.00	88.00	88.00	88.00
	Employment Equity: Demographics (%)	72.62	75.10	76.60	78.30	79.40	80.60
	Employment Equity: Gender on management level (%)	48.52	48.70	48.90	49.00	50.92	51.35
	Employment Equity: Disability (%)	1.95	1.40	2.20	2.90	2.24	2.66
	Public Opinion Index (%)	73.00	74.50	75.50	76.50	72.50	73.00
	% of acquisition spend through Exempted Micro Enterprises	14.25	New measure			15.50	17.50
	% of acquisition spend through Qualifying Small Enterprises	3.69	New measure			5.00	7.50
	% of acquisition spend through Black women owned entities	8.65	New measure		5.00	7.00	10.00
	Unqualified report by Auditor-General	Unqualified Audit report	Unqualified Audit report			Clean Audit Report	
	Interfront Governance - Unqualified report by Auditor-General	Unqualified Audit report	Unqualified Audit report			Clean Audit Report	

Annexure D: Technical Indicator Descriptions for SARS Performance Measures

1. Outcome: Increased Customs and Excise Compliance

1.1 Customs and Excise Revenue Collected

Purpose/Importance

The purpose of this measure is to track the revenue emanating from Customs and Excise activities, and is one of the proxies for measuring Customs and Excise compliance.

Short Definition/Method of Calculation

Customs and Excise revenue includes revenue from:

- VAT collected on imports,
- Customs duties collected,
- Incandescent light bulb levy,
- Health Promotion Levy – Domestic and Imported
- Miscellaneous customs and excise receipts, including provisional payments, state warehouse rent, license fees, interest, forfeitures, penalty, special attendance, etc.
- Excise duties:
 - Specific Excise (S1P2a) - Domestic
 - Beer - Domestic
 - Sorghum beer - Domestic
 - Wine - Domestic
 - Spirits - Domestic
 - Cigarette - Domestic
 - Pipe tobacco - Domestic
 - Petroleum products - Domestic
 - Revenue from Neighbouring countries - Domestic
 - Ad valorem excise (S1P2b) - Domestic
 - Fuel levy
 - Plastic bags levy
 - Air departure tax
 - Electricity levy
 - CO₂ tax - motor vehicle emissions
 - Tyre levy
 - International Oil Pollution Compensation
 - Diamond export levy



Data Source

Revenue data is extracted from Customs & Excise core systems.

Data Limitations/Exclusions

Receipts which are not of a Customs and Excise nature are excluded. 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

This is an output measure.

Reporting Cycle

This is a quarterly measure.

Responsible Unit/Owner

Chief Officer: Customs & Excise

2019/20 Quarterly Targets:

Baseline	Annual target 2019/20	Quarterly Targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Actual collections for 2018/19	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance

Annual targets over the next 3 years:

Baseline	Annual Targets		
	2019/20	2020/21	2021/22
Actual collections for 2018/19	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance

1.2 % of trade attributable to preferred traders

Purpose/Importance

The purpose of this measure is to track and monitor the trade contribution of traders accredited for the preferred trader programme against total trade.

Short Definition

The share of the overall trade that can be attributed to accredited traders for the preferred trader programme, divided by total trade.

Method of Calculation

$$\text{Trade Coverage of accredited Clients (\%)} = \left(\frac{\text{Accredited Clients trade stats (v)}}{\text{Total trade (v)}} \right) \times 100$$

Business rules

- All import and export declarations per line will be obtained on a monthly basis from Data Analytics. The statistics show trade from accredited and unaccredited clients separately
- The Customs division will submit an updated list of accredited clients when data requests are done.

Data Source

Data is extracted from the Trade Statistics Database.

Data Limitations/Exclusions

Clients audited but not accredited by the Accreditation Review Customs Committee (ARCC) are excluded. Trade statistics taken into account are only for the period the trader has accreditation.

Type of Indicator

This is an output measure.

Reporting Cycle

This is a quarterly measure.

Responsible Unit/Owner

Chief Officer: Customs & Excise

2019/20 Quarterly Targets:

Baseline	Annual target 2019/20	Quarterly Targets (%)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
25.49	15.00	15.00	15.00	15.00	15.00

Annual targets over the next 3 years:

Baseline	Annual targets (%)		
	2019/20	2020/21	2021/22
25.49	15.00	15.00	15.00

Note: Baseline is 2017/18 actual achievement



1.3 % Audit Coverage of Excise clients

Purpose/Importance

The purpose of this measure is to track and monitor the completed Excise audits against the Excise register. SARS has adopted a strategy of risk-based control and assurance through, amongst others, compliance audit programmes to provide proper assurance of the Excise business. These programmes include both high risk audits and inspections on significant clients, and indicate the number of traders that are audited by SARS.

Short Definition

Total number of audited Excise clients as a percentage of the Excise register.

Method of Calculation

$$\text{Audit Coverage of Excise Clients(\%)} = \left(\frac{\text{Audited Excise Clients (v)}}{\text{Excise Register (v)}} \right) \times 100$$

Business rules

- The Excise Register will cover all the Active clients and the measurement will be calculated based on the register at the start of the financial year.
- A client may be audited more than once in the reporting period however the client will be recorded once for the calculation of this measure.

Data Source

Data is extracted from the Service Manager system.

Data Limitations/Exclusions

Diesel Refund audits are excluded as Diesel Refund clients do not form part of the Excise Client Register.

Type of Indicator

This is an activity measure.

Reporting Cycle

This is a quarterly measure.

Responsible Unit/Owner

Chief Officer: Enforcement

2019/20 Quarterly targets:

Baseline	Annual target 2019/20	Quarterly Targets (%)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
41.00	40.00	7.00	17.00	27.00	40.00

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
41.00	40.00	40.00	40.00

Note: Baseline is 2017/18 Quarter 2 actual achievement.

1.4 % matching of Customs declarations to cargo reports¹

Purpose/Importance

The purpose of this measure is to track and monitor the rate of submission of electronic cargo reports by matching customs clearances to such reports in order to promote the electronic submission thereof. This matching takes place for sea, air and rail modalities and is divided into matching on master and house bill of lading level (excluding rail which is only matched on master level).

Short Definition

Total number of cargo reports submitted as a percentage of the total number of Customs clearances (per modality and per master / house).

Method of Calculation

- SEA - Direct Match (Master) for straight Cargo - % Matched Declarations: the number of straight consignments received that have been linked / matched between CUSDEC (customs declaration) and CUSCAR (Custom cargo report) of type ALM (Advanced Load Master) and BBB (Break Bulk / Bulk) cargo, divided by the total number of straight sea consignments received.
- SEA - Direct Match (House) for consolidated Cargo - % Matched Declarations: the % of the number of consignments received that have been linked / matched to a CUSDEC including COH (Container House), ALH (Advanced Load House) type CUSCAR, divided by the total number of consolidated sea consignments received.
- AIR - Direct Match (Master) for straight Cargo – % Matched Declarations: Is the % of the number of straight consignments received that have been linked/matched to a CUSDEC, including FWB (Flight Waybill) type CUSCAR, divided by the total number of straight air consignments received.
- AIR - Direct Match (House) for consolidated Cargo – % Matched Declarations: Is the % of the Number of consignments received that have been linked/matched to a CUSDEC, including HAB (House Air Waybill) type CUSCAR, divided by the total number of consolidated air consignments received.
- RAIL - Direct Match (Master) for straight Cargo – % Matched Declarations: the % of the number of straight consignments received that have been linked/matched to a CUSDEC, including RMA (Rail Manifest) type CUSCAR, divided by the total number of straight rail consignments received.

¹ New measure



- ROAD - Direct Match (Master) for straight Cargo – % Matched Declarations: the % of the number of straight consignments received that have been linked/matched to a CUSDEC (declaration), including RFM (Road Freight Manifest) type CUSCAR, divided by the total number of straight road consignments received.

Business rules

- For sea, air and rail modalities - Compare customs clearance declarations and cargo reports eligible for matching as reflected in the Cargo Processing System (CPS) – Goods Accounting (GAC) module using the above calculation.
- For road modality – Use the data reflected in the Land Border Gate (LBG) report “LBG Report per Manifest Type” which records the number of electronic road freight manifest used for cross border truck movements. One road freight manifest can have one or more consignments thereon.
- A composite score (with each modality carrying a 25% weight) will be calculated to determine an overall performance score for the measure.

Data Source

Data is extracted from the Cargo Processing System.

Data Limitations/Exclusions

Matching for export cargo is excluded.

Type of Indicator

This is an efficiency measure.

Reporting Cycle

This is a quarterly measure.

Responsible Unit/Owner

Chief Officer: Customs and Excise

2019/20 Quarterly targets:

Baseline	Annual target 2019/20	Quarterly Targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Sea 31%	Sea 70%	Sea 70%	Sea 70%	Sea 70%	Sea 70%
Air 26%	Air 50%	Air 50%	Air 50%	Air 50%	Air 50%
Rail 0%	Rail 70%	Rail 70%	Rail 70%	Rail 70%	Rail 70%
Road 98%	Road 98%	Road 98%	Road 98%	Road 98%	Road 98%

Annual targets over the next 3 years:

Baseline	Annual Targets		
	2019/20	2020/21	2021/22
Sea 31%	Sea 70%	Sea 80%	Sea 90%
Air 26%	Air 50%	Air 80%	Air 90%
Rail 0%	Rail 70%	Rail 90%	Rail 95%
Road 98%	Road 98%	Road 98%	Road 98%

Note: Baseline is 2018/19 Quarter 2 actual achievement

2. Outcome: Increased Tax Compliance

2.1 Total revenue (excluding Customs & Excise revenue) collected

Purpose/Importance

The purpose of this measure is to track revenue emanating from all tax-generating activities, excluding revenue from Customs & Excise activities, and is one of the proxies for measuring tax compliance. This measure takes into account all debt collected, links debt to economic activity through the level of taxes received, has consideration for changes in tax collections and can be benchmarked against other countries' tax agencies.

Short Definition/Method of Calculation

Tax revenue from all types of tax-generating activities.

Data Source

Data is extracted from the SARS Core tax systems.

Data Limitations/Exclusions

- VAT collected on imports
- Customs duties collected
- Incandescent light bulb levy
- Health Promotion Levy – Domestic and Imported
- Miscellaneous Customs and Excise receipts
- Excise duties are excluded (as indicated under 1.1)

Targets are set by the Revenue Analysis Working Committee (RAWC), and susceptible to economic performance of the country as well as corporate performance of companies.

Type of Indicator

This is an output measure.

Reporting Cycle

This is a quarterly measure.

Responsible Unit/Owner

Chief Officer: BAIT

2019/20 Quarterly targets:

Baseline	Annual target 2019/20	Quarterly Targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Actual collections for 2018/19	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance



Annual targets over the next 3 years:

Baseline	Annual Targets		
	2019/20	2020/21	2021/22
Actual collections for 2018/19	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance	Collect 100% of the target as agreed with the Minister of Finance

2.2 Debt to Revenue ratio

Purpose/Importance

The purpose of this measure is to monitor the growth in the debt book relative to the total revenue that SARS collects.

Short Definition/Method of Calculation

The calculation is undisputed debt divided by the total revenue collected. Undisputed debt excludes all objections and appeals. Total revenue is defined as the printed estimate during the year, and the measure is then calculated on the actual revenue achieved at the end of the financial year.

Business rules

Disputed debt is made up of taxpayers that are aggrieved by assessments done by SARS in respect of those taxpayers, and subsequently lodged as objections and appeals with SARS.

Data Sources

Data used for the calculation of this measure is derived from SARS core/mainframe tax systems and is accessed by the Debt team in the DTCT (Debit, Credit) reporting portal.

Data Limitations/Exclusions

- The debt under dispute that is excluded is from objections and appeals only.
- Debt that is more than 4 years is included.
- Debt from taxpayers no longer operational is included.

Type of Indicator

This is an efficiency measure.

Reporting Cycle

This is a quarterly measure.

Responsible Unit/Owner

Chief Officer: BAIT

2019/20 Quarterly targets:

Baseline	Annual target 2019/20	Quarterly Targets (%)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
7.28	7.00	7.50	7.40	7.20	7.00

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
7.28	7.00	6.00	6.00

Note: Baseline is 2017/18 actual achievement.

2.3 % Improvement in the collection of overdue debt²

Purpose/Importance

The purpose of this measure is to monitor the year-on-year improvement in the collection of overdue debt to achieve the SARS revenue target.

Short Definition/Method of Calculation

Cash collected from overdue debt at the end of the current financial year less cash collected at the end of the previous financial year as a percentage of the cash collected in the previous financial year.

Method of Calculation

$$\text{Increase in debt collection (\%)} = \left(\frac{\text{Cash collected in FY2 less cash collected in FY1}}{\text{Cash collected in FY1}} \right) \times 100$$

FY = Financial Year

Business rules

- Data used for the calculation of this measure is contained in the Daily cash report.
- The measure includes all cash received after due date regardless of direct collection efforts on Service Manager.
- The targets will be split amongst collection efforts such as Debt Management, Contact Centre, Large Business Unit, Communications campaigns and any other efforts to collect overdue debt.
- The amounts are not adjusted for time value of money.
- Both disputed and undisputed debt is taken into consideration.

Data Sources

Data is extracted from the SARS Core/mainframe systems.

Data Limitations/Exclusions

None

² New measure



Type of Indicator

This is an efficiency measure.

Reporting Cycle

This is an annual measure

Responsible Unit/Owner

Chief Officer: BAIT

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
29.50	30.00	20.00	15.00

Note: Baseline is 2017/18 actual achievement

2.4 % PIT filing compliance

Purpose/Importance

The purpose of this measure is to track and monitor the filing compliance of individual taxpayers with their filing obligations during a year of assessment.

Short Definition

The number of PIT returns required during the SARS Financial year and received on or before the due date of that return, expressed as a percentage of the total number of PIT returns required with a due date falling within a specific SARS financial year.

Method of Calculation

$$PIT \text{ Filing Compliance } (\%) = \left(\frac{\text{Returns Received on time } (v)}{\text{Returns Required } (v)} \right) \times 100$$

v = volume

Business rules

- All PIT returns required from active individual taxpayers that are due within a specific financial year.
- Active individual taxpayers are taxpayers coded as Status: Active and Sub-status: Active on the Income Tax system (ITS)
- Return is required if coded "required" on the Return Control Table on ITS
- A return is deemed on time if it is received on or before the due date within a specific SARS financial year.

Data Source

Data is extracted from the Compliance Evaluation Monitoring Information System (CEMIS).

Data Limitations/Exclusions

PIT Filing transactions that occurred in other financial years are excluded. Individuals whose circumstances changed during the relevant year, in relation to the thresholds published in the Government Gazette and who subsequently became eligible or ineligible to file, but not reflected in SARS systems or not verifiable through reliable third party information.

Type of Indicator

This is an equity measure.

Reporting Cycle

This is measured once a year on the last day of the Financial Year (31 March).

Responsible Unit/Owner

Chief Officer: BAIT

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
94.00	92.00	92.00	92.00

Note: Baseline is 2017/18 actual achievement.

2.5 % PIT payment compliance

Purpose/Importance

The purpose of this measure is to track and monitor the compliance of individual taxpayers in settling their gross PIT payment obligations in full and on time.

Short Definition

PIT payment compliance is defined as the total number of PIT payment obligations in respect of individual taxpayers which became due during the SARS financial year and where the full tax liability was settled on or before the specific due date of that debt, expressed as a percentage of the total number of PIT payment obligations which became due during the SARS financial year, i.e. payment liability with a second due date falling within the financial year.

An individual's income tax payment obligations are based on a tax assessment, which determines the tax liability, being issued to the relevant taxpayer. Only debit assessments where the net result of the assessment is a debit on the account greater than one rand (R1.00) is taken as a payment obligation. The Tax Administration Act (TAA) indicates three types of assessments which can create a payment obligation which are an original assessment, an additional assessment and a jeopardy assessment. The tax liability must be settled in full within the period indicated by SARS in the ITA34 (notice of assessment).

Method of Calculation

$$PIT \text{ Payment on Time (\%)} = \left(\frac{\text{Payments on Time (v)}}{\text{Payments Due (v)}} \right) \times 100$$



Business rules

- All assessments where the net results of the assessments are:
 - A debit on the account of more than R1.00
 - Second due date falls within the SARS financial year
- A gross payment is deemed on time or compliant if the amount paid is equal or greater than the assessment amount and the remittance date is between the assessment process date and the second due date within the SARS financial year

Data Source

Data is extracted from CEMIS.

Data Limitations/Exclusions

Payment transactions that occurred in other financial years are excluded.

Type of Indicator

This is an output measure.

Reporting Cycle

This measure is reported annually, but tracked monthly.

Responsible Unit/Owner

Chief Officer: BAIT

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
44.28	75.00	80.00	82.00

Note: Baseline is 2017/18 actual achievement.

2.6 % CIT filing compliance

Purpose/Importance

The purpose of this measure is to track and monitor the compliance of registered companies with their filing obligations.

Short Definition

Number of CIT returns required during the SARS Financial year and received on or before the due date of that return, expressed as a percentage of the total number of CIT returns required with a due date falling within a specific SARS financial year.

Method of Calculation

$$CIT \text{ Filing Compliance (\%)} = \left(\frac{\text{Returns Received on time (v)}}{\text{Returns Required (v)}} \right) \times 100$$

Business rules

- CIT returns from the active register which are due within a specific financial year.
- Active corporate taxpayers are taxpayers coded as Status: active and Sub-status: Active on the Income Tax system (ITS)
- Return is required if coded "required" on the Return Control Table on ITS
- A return is deemed on time if it is received on or before the due date within a specific SARS financial year.

Data Source

Data is extracted from CEMIS.

Data Limitations/Exclusions

CIT Filing transactions that occurred in other financial years are excluded. Companies whose circumstances changed during the relevant year, in relation to the thresholds published in the Government Gazette and who subsequently became eligible or ineligible to file, but not reflected on SARS systems or not verifiable through reliable third party information.

Type of Indicator

This is an output measure.

Reporting Cycle

This is measured once a year on the last day of the Financial Year (31 March).

Responsible Unit/Owner

Chief Officer: BAIT

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
38.26	75.00	80.00	83.00

Note: Baseline is 2017/18 actual achievement.

2.7 % CIT payment compliance

Purpose/Importance

The purpose of this measure is to track and monitor the extent to which assessed corporate taxpayers are settling their CIT gross payment obligations in full and on time.



Short Definition

CIT payment compliance is defined as the total number of CIT payment obligations which became due during the SARS financial year and where the full tax liability was settled on or before the specific due date of that debt, expressed as a percentage of the total number of CIT payment obligations which became due during the SARS financial year, i.e. payment liability with a second due date falling within the financial year. A corporate taxpayer's income tax payment obligations are based on a tax assessment, which determines the tax liability being issued to the relevant taxpayer. The TAA indicates three types of assessments which can create a payment obligation, which are an original assessment, an additional assessment and a jeopardy assessment.

Method of Calculation

$$CIT\ Payment\ on\ Time\ (\%) = \left(\frac{Payments\ on\ Time\ (v)}{Payments\ Due\ (v)} \right)$$

Business rules

- All assessments where the net results of the assessments are:
 - A debit on the account of more than R100
 - Second due date falls within the SARS financial year
- A gross payment is deemed on time or compliant if the amount paid is equal or greater than the assessment amount and the remittance date is between the assessment process date and the second due date within the SARS financial year

Data Source

Data is extracted from CEMIS.

Data Limitations/Exclusions

Payment transactions that occurred in other financial years are excluded.

Type of Indicator

This is an output measure.

Reporting Cycle

This measure is reported annually, but tracked monthly.

Responsible Unit/Owner

Chief Officer: BAIT

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
66.93	85.00	90.00	93.00

Note: Baseline is 2017/18 actual achievement.

2.8 % VAT filing compliance

Purpose/Importance

The purpose of this measure is to track and monitor the compliance of registered vendors with their filing obligations.

Short Definition

VAT filing compliance is defined as the total number of VAT201 returns legally required during the SARS financial year and received on or before the due date of that return, expressed as a percentage of the total number of VAT201 returns legally required with a due date falling within the specific SARS financial year.

Method of Calculation

$$\text{VAT Filing on Time (\%)} = \left(\frac{\text{Returns on Time (v)}}{\text{Returns Required(v)}} \right) \times 100$$

Business rules

- All VAT returns that are due for a specific period within the SARS financial year according to VAT segments
- A return is deemed on time if it is received on or before the due date of a specific period during SARS financial year

Data Source

Data is extracted from CEMIS.

Data Limitations/Exclusions

Filing transactions that occurred in other financial years are excluded. Companies whose circumstances changed during the relevant year, in relation to the thresholds published in the Government Gazette and who subsequently became eligible or ineligible to file, but not reflected on SARS systems or not verifiable through reliable third party information.

Type of Indicator

This is an output measure.

Reporting Cycle

This measure is reported quarterly, but tracked monthly.

Responsible Unit/Owner

Chief Officer: BAIT

2019/20 Quarterly targets:

Baseline	Annual target 2019/20	Quarterly Targets (%)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
52.23	90.00	60.00	70.00	80.00	90.00

Note: Baseline is 2017/18 actual achievement.



Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
52.23	90.00	90.00	91.00

Note: Baseline is 2017/18 actual achievement.

2.9 % VAT payment compliance

Purpose/Importance

The purpose of this measure is to track and monitor the extent to which assessed vendors are settling their VAT payment obligation in full and on time.

Short Definition

VAT payment compliance is defined as the total number of payment obligations which became due during the SARS financial year and was settled in full on or before the due date of that specific payment obligation (tax period), expressed as a percentage of the total number of payment obligations (per tax period) with a due date during the SARS financial year.

A VAT vendor's payment obligations are based on a tax assessment, which determines the tax liability being issued to the relevant vendor. The TAA indicates three types of assessments which can create a payment obligation, which are an original assessment, an additional assessment and a jeopardy assessment.

Method of Calculation

$$VAT \text{ Payments on Time } (\%) = \left(\frac{Payments \text{ on Time}(v)}{Payments \text{ Due}(v)} \right) \times 100$$

Business rules

- All payment liabilities due for a specific period during the SARS financial year
- A payment is deemed on time if the amount paid is equal or greater than the payment due for a specific period during the SARS financial year and the remittance date is on or before the payment due date.

Data Source

Data is extracted from CEMIS.

Data Limitations/Exclusions

Payment transactions that occurred in other financial years are excluded.

Type of Indicator

This is an output measure.

Reporting Cycle

This measure is reported quarterly, but tracked monthly.

Responsible Unit/Owner

Chief Officer: BAIT

2019/20 Quarterly targets:

Baseline	Annual target 2019/20	Quarterly Targets (%)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
85.12	90.00	86.00	87.00	88.00	90.00

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
85.12	90.00	94.00	96.00

Note: Baseline is 2017/18 actual achievement.

2.10 % PAYE filing compliance

Purpose/Importance

The purpose of this measure is to track and monitor the compliance of registered employers with their filing obligations.

Short Definition

PAYE filing compliance is defined as the total number of EMP201 returns which are legally required during the SARS financial year and received on or before the due date of that return, expressed as a percentage of the total number of EMP201 returns legally required with a due date falling within the specific SARS financial year.

Method of Calculation

$$\text{PAYE Filing on Time (\%)} = \left(\frac{\text{Returns on Time (v)}}{\text{Returns Required (v)}} \right) \times 100$$

Business rules

- All PAYE returns that are due for a specific period within the SARS financial year according to PAYE segments
- A return is deemed on time if it is received on or before the due date of a specific period during the SARS financial year

Data Source

Data is extracted from CEMIS.

Data Limitations/Exclusions

Filing transactions that occurred in other financial years are excluded. Companies whose circumstances changed during the relevant year, in relation to the thresholds published in the Government Gazette and who subsequently became eligible or ineligible to file, but not reflected on SARS systems or not verifiable through reliable third party information.



Type of Indicator

This is an output measure.

Reporting Cycle

This measure is reported quarterly, but tracked monthly.

Responsible Unit/Owner

Chief Officer: BAIT

2019/20 Quarterly targets:

Baseline	Annual target 2019/20	Quarterly Targets (%)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
59.19	80.00	60.00	70.00	80.00	80.00

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
59.19	80.00	85.00	87.00

Note: Baseline is 2017/18 actual achievement.

2.11 % PAYE payment compliance

Purpose/Importance

The purpose of this measure is to track and monitor the extent to which assessed employers are settling their gross PAYE payment obligation in full and on time.

Short Definition

PAYE payment on time compliance is defined as the total number of payment obligations with a due date during the SARS financial year which were settled in full on or before the due date of those specific payment obligations (tax periods), expressed as a percentage of the total number of payment obligations (per tax period) with a due date during the SARS financial year.

An employer's payment obligations are based on a tax assessment, which determines the tax liability being issued to the relevant employer. The TAA indicates three types of assessments which can create a payment obligation, which are an original assessment, an additional assessment and a jeopardy assessment.

Method of Calculation

$$PAYE \text{ Payments on Time } (\%) = \left(\frac{\text{Payments on Time } (v)}{\text{Payments Due}(v)} \right) \times 100$$

Business rules

- All payment liabilities due for a specific period during the SARS financial year
- A payment is deemed on time if the amount paid is equal or greater than the payment due of a specific period during the SARS financial year and the remittance date is on or before the payment due date.

Data Source

Data is extracted from CEMIS.

Data Limitations/Exclusions

Payment transactions that occurred in other financial years are excluded.

Type of Indicator

This is an output measure.

Reporting Cycle

This measure is reported quarterly, but tracked monthly.

Responsible Unit/Owner

Chief Officer: BAIT

2019/20 Quarterly targets:

Baseline	Annual target 2019/20	Quarterly Targets (%)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
85.83	90.00	86.00	87.00	88.00	90.00

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
85.83	90.00	90.00	93.00

Note: Baseline is 2017/18 actual achievement.

2.12 % Audit coverage of registered taxpayers (PIT, CIT, VAT, PAYE & Trusts)

Purpose/Importance

The purpose of this measure is to monitor SARS' audit coverage of registered taxpayers to ensure a fair and equitable tax system.

Short Definition/Method of Calculation

% audit coverage of active registered taxpayers (PIT, CIT, VAT, PAYE and Trusts) is the total number of audited taxpayers (including Compliance Audits and Investigative Audits) as a percentage of the active tax register.



Business rules

- Audits are conducted per main tax type (PIT, CIT, VAT, PAYE and Trusts) on active registered taxpayers only. A taxpayer is counted once irrespective of how many audits were conducted on that taxpayer.
- An audit includes cases completed by Investigative Audit (on Large Businesses and Small, Medium, Micro Enterprises) and Compliance Audit.

Data Source

Data is extracted from CEMIS and Service Manager.

Data Limitations/Exclusions

Audit cases which are auto finalised are excluded.

Type of Indicator

This is an activity measure.

Reporting Cycle

This is an annual measure.

Responsible Unit/Owner

Chief Officer: Enforcement

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
14.47	6.00	6.00	6.00

Note: Baseline is 2017/18 actual achievement.

3. Outcome: Increased ease and fairness of doing business with SARS

3.1 % System Uptime for e-channels

Purpose/Importance

The purpose of this measure is to monitor electronic channel availability targeted at eFiling and business-to-business gateway. This measure gauges the availability of SARS electronic channels which enable taxpayers to transact and submit returns to honour their commitments.

Short Definition

% System Uptime is calculated as the total available hours minus the total duration of actual downtime including unplanned outages affecting e-channels, divided by total available hours, multiplied by 100.

Method of Calculation

Targeted Uptime = $C/A * 100 = ((730-7)/730) * 100 = 99\%$,
Actual Uptime = $(A-B-D)/A * 100 = ((730-B-D)/730) * 100$, where;

A = Total available hours is measured as the number of hours per month (24 hours per day multiplied by number of days in a month).

B = Planned downtime hours are the down time number of hours affecting e-channels that have been pre-planned, approved, communicated and which occur within an approved maintenance window. The number of planned downtime hours affecting e-channels will be capped at a maximum of 7 hours per month for SARS. Any downtime hours in excess of 7 hours, planned or not, will be regarded as part of an unplanned outage.

C = Committed hours are total available hours in a month (A) **less** the allowed 7 hours of planned downtime in any month.

D = The total of unplanned outage hours affecting e-channels and any actual downtime hours in excess of 7 hours in the month affecting e-channels.

Business rules

- 730 hours per month will be used for SARS.
- Actual quarterly system uptime will be calculated as the average of the actual uptime for the 3 (three) months within the relevant SARS financial year quarter.
- Actual annual system uptime will be calculated as the average of the 4 (four) actual quarterly system uptime within the specific SARS financial year.

Data Source

Data is extracted from the Remedy system.

Data Limitations/Exclusions

None

Type of Indicator

This is an efficiency measure.

Reporting Cycle

This is a quarterly measure.

Responsible Unit/Owner

Chief Officer: DIST



2019/20 Quarterly targets:

Baseline	Annual target 2019/20	Quarterly Targets (%)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
99.67	99.00	99.00	99.00	99.00	99.00

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
99.67	99.00	99.00	99.00

Note: Baseline is 2017/18 actual achievement.

3.2 % Uptake of PIT eFiling channel

Purpose/Importance

The purpose of this measure is to assess the extent to which SARS is providing an advanced service to PIT taxpayers to engage using eFiling. The eFiling platform enables the personal income tax payer to submit tax returns via the Internet, using tax preparation software pre-approved by the tax authority. eFiling has multiple benefits; the taxpayer can file from the comfort of their home, office or any other place, and at a convenient time. SARS intends to increase this channel usage through channel migration activities.

Short Definition

% Uptake of PIT eFiling is the number of electronic PIT filing submissions expressed as a percentage of the total PIT filing submissions in a tax season.

Method of Calculation

$$eFiling (\%) = \left(\frac{eFiling\ Returns(v)}{Total\ Returns(v)} \right) \times 100$$

Business rules

- eFiling Returns: All ITR12 returns received in the current financial year to date for the current year of assessment via the eFiling channel
- Total Returns: All ITR12 returns received in the current financial year to date for the current year of assessment

Data Source

Data is extracted from the SARS Service Manager System.

Data Limitations/Exclusions

ITR12 Returns for other years of assessment are excluded.

Type of Indicator

This is an economy measure.

Reporting Cycle

Tracked monthly but reported annually.

Responsible Unit/Owner

Chief Officer: BAIT

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
52.51	55.00	56.00	57.00

Note: Baseline is 2017/18 actual achievement.

3.3 Average processing turnaround time for VAT refunds in working days

Purpose/Importance

The purpose of this measure is to assess the duration that SARS takes to process VAT refunds. It is in line with SARS' commitment to provide an advanced service delivery to all taxpayers and traders. SARS has recognised the positive influence that quicker turn around processing times have on achieving improved compliance.

Short Definition

The average processing time taken to pay out all VAT refunds to vendors where a physical VAT return was submitted and the refund amount was above R100.00 with no outstanding document.

Method of Calculation

$$\text{Working Days}^* (d) = \text{Refund Pay Date} - \text{Return Receipt Date}$$

*Excluding weekends and public holidays

$$\text{Average VAT Refund Processing TAT}(d) = \frac{\sum_{\text{Total Refunds}} \text{Working Days}(d)}{\text{Total Refunds}(v)}$$

Business rules

- Total Refunds: All refunds paid year-to-date for the current financial year, excluding the exclusions listed below
- Identify the VAT201 returns associated with the VAT refunds
- Working days: Use the applicable date stamps for:
 - receive date of the latest version of the VAT201 return
 - the payment date of the refund

(Currently no waiting time for taxpayers is excluded from the turnaround time calculation.)



Data Source

Data is extracted from CEMIS.

Data Limitations/Exclusions

The below are excluded:

- VAT201 Returns with refunds of R100 and less
- Credits caused by over payments
- System generated refunds
- Refunds older than 5 years

Type of Indicator

This is an efficiency measure.

Reporting Cycle

Tracked monthly but reported quarterly.

Responsible Unit/Owner

Chief Officer: BAIT

2019/20 Quarterly targets:

Baseline	Annual target 2019/20	Quarterly Targets (days)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
23.17	21.00	21.00	21.00	21.00	21.00

Annual targets over the next 3 years:

Baseline	Annual Targets (days)		
	2019/20	2020/21	2021/22
23.17	21.00	21.00	21.00

Note: Baseline is 2017/18 actual achievement.

3.4 Customer satisfaction with Contact Centre service

Purpose/Importance

The purpose of this measure is to provide and maintain a high quality of service at the Contact Centre point of engagement between SARS and the customer (taxpayer/vendor/trader).

Short Definition

The customer satisfaction index (CSI) will be derived from customer feedback which remains optional. The feedback is obtained immediately after the service is rendered by the Contact Centre and enabled by the Interactive Voice Response (IVR) technology platform. Each customer is requested to rate the SARS Contact Centre service experience by submitting their responses to certain questions “on the back of the call” based on the inbound or outbound interaction at the time. Not all IVR questions are deemed relevant and applicable to the Contact Centre service delivery standards, therefore a predestined set of questions are filtered and applied in computing the applicable Customer satisfaction perception.

A rating of '1' will represent the bottom scale while '5' represents the top scale. The measured outcome only considers the IVR survey ratings of 4 and 5 as it relates to the Top 2 rating selections.

The following relevant and applicable IVR set of customer satisfaction questions are to be used as inputs into the KPI measure:

	IVR CSI questions	Reason for inclusion/ exclusion from KPI	Include vs. Exclude from KPI Measure
1	Ability to resolve first time?	Already measured as part of First Call Resolution	Exclude from KPI formula
2	Attention to detail?	Agent engaged	Include in KPI calculation
3	Communication skills and friendliness?	Agent engaged	Include in KPI calculation
4	Ease of access?	Already measured as part of speed to answer	Exclude from KPI formula
5	Efficiency in dealing with the query?	Relates to SARS value-chain	Exclude from KPI formula
6	How many times did you have to call to get the resolution for your query?	Relates to SARS value-chain	Exclude from KPI formula
7	Knowledge about tax affairs?	Agent knowledge	Include in KPI calculation
8	Overall Experience?	Overall SARS experience	Include in KPI calculation
9	Overall satisfaction with service?	Measured as an internal DC measure	Exclude from KPI formula
10	Relevance of the response?	Duplicate of agent knowledge	Exclude from KPI formula
11	Time taken to resolve your query?	Relates to SARS value-chain	Exclude from KPI formula
12	User friendliness?	Agent engaged	Include in KPI calculation

Table: IVR CSI Questions Included vs. Excluded from KPI formula

Method of Calculation

$$\text{Customer satisfaction Index (\%)} = \left(\frac{\text{IVR survey questions rated as } \geq 4 (v)}{\text{IVR Questions Submitted } (v)} \right) \times 100$$



Business rules

- IVR survey questions rated: All IVR questions rated between 4 and 5 and deemed relevant and applicable to the Contact Centre service delivery standards within the current financial year.
- IVR questions submitted: All IVR questions deemed relevant and applicable to the Contact Centre service delivery standards submitted within the current financial year.
- Only 5 of the 12 questions are considered applicable and relevant as part of this measure
- A question can be rated between 1 (inferior low performance) and 5 (excellent performance), only questions rated as 4 and 5 are viewed as Satisfied Responses from a taxpayer.

Data Sources

Data is extracted from the SAP system and Service Manager.

Data Limitations/Exclusions

All 7 questions deemed irrelevant or not applicable to the Contact Centre service delivery standards on the current telephony/IVR platform are excluded.

Type of Indicator

This is an efficiency measure.

Reporting Cycle

This is a quarterly measure.

Responsible Unit/Owner

Chief Officer: BAIT

2019/20 Quarterly targets:

Baseline	Annual target 2019/20	Quarterly Targets (%)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
90.00	90.00	90.00	90.00	90.00	90.00

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
90.00	90.00	90.50	90.50

Note: Baseline is 2017/18 actual achievement.

3.5 % first contact resolution in Contact Centre

Purpose/Importance

The purpose of this measure is to provide and maintain a high standard of service at the second tier of engagement between the taxpayer/tax practitioner/trader and the SARS Contact Centre, with a view to achieving “first time” resolution, thereby minimising undue escalations and complaints.

Short Definition

First Contact Resolution (FCR) is where SARS Service Manager cases are created and completed the same day by the contact centre for inbound calling customers and which is then represented as a percentage of total cases created to arrive at the measure % First Contact Resolution.

Method of Calculation

$$\text{First contact resolution (\%)} = \left(\frac{\text{First Contact Resolution Cases (v)}}{\text{Inbound SARS Service Manager Cases (v)}} \right) \times 100$$

Business rules

- The population of inbound cases for Direct Channels are determined by the applicable Service Manager cases where the creation date of the case coincides with the start date of an associated voice log (voice recording).
- This population above only exists of cases created in the current financial year.
- First Contact Resolution (FCR) Cases: The part of the population of cases that were created and completed on the same day. A case is deemed FCR if:
 - The case 'procStatus' is 'Completed' AND
 - The case 'CaseCreatedDate' is equal to the case 'procEndDate'
- Inbound SARS Service Manager cases: The total population of inbound cases for Direct Channels

Data Sources

Data is extracted from the SAP system and Service Manager.

Data Limitations/Exclusions

- The following Process Types are excluded from the inbound pool either due to their nature or because they are old process types which are no longer in use (Generic e-Case, Escalations, AuthEscalationsUnauth (Authorised, Escalations, Unauthorised cases), Taxpayer IRP5 Matching, View Penalty Details, Request for ITREG (Income Tax registration) form, Penalty Assessment Notice Reprint)
- All Service Manager cases that were cancelled are excluded from the calculation

Type of Indicator

This is an efficiency measure.

Reporting Cycle

This is a quarterly measure.

Responsible Unit/Owner

Chief Officer: BAIT



2019/20 Quarterly targets:

Baseline	Annual target 2019/20	Quarterly Targets (%)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
96.00	96.00	96.00	96.00	96.00	96.00

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
96.00	96.00	96.00	96.00

Note: Baseline is 2017/18 actual achievement.

3.6 Payment turnaround time for supplier invoices in working days³

Purpose/Importance

The purpose of this measure is to enhance compliance with Section 38(1)(f) of the Public Finance Management Act (PFMA) which requires accounting officers to settle all contractual obligations and pay all amounts owing, including intergovernmental claims, within the prescribed or agreed period. Delayed payments have the tendency of severely affecting the cash flow positions and sustainability of businesses, especially the small medium and micro enterprises (SMME's).

Short Definition/Method of Calculation

Effecting payment within 30 days from date of invoice in terms of Treasury Regulation 8.2.3.

Business rules

- Only valid invoices are considered for this measure. Validity could be satisfactory performance of work/services, correct amount as agreed by both parties, etc.
- The "30 days" are determined from invoice date or, in the case of civil claims, from the date of settlement or court judgement.

Data Source

Data is extracted from the SAP system.

Data Limitations/Exclusions

Contractual agreements with their own payment terms are excluded.

Type of Indicator

This is an efficiency measure.

Reporting Cycle

This is a quarterly measure.

³ New measure

Responsible Unit/Owner

Chief Officer: Finance

2019/20 Quarterly targets:

Baseline	Annual target 2019/20	Quarterly Targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
34 days	30 days	30 days	30 days	30 days	30 days

Annual targets over the next 3 years:

Baseline	Annual Targets		
	2019/20	2020/21	2021/22
34 days	30 days	30 days	30 days

Note: Baseline is 2017/18 actual achievement.

4. Outcome: Increased cost effectiveness and internal efficiencies

4.1 Cost to Revenue Ratio

Purpose/Importance

The purpose of this measure is to assess the extent to which SARS is achieving its five outcomes in a cost-effective manner. SARS is mandated to achieve its outcomes in a manner that is cost effective and optimises all its available resources. This measure seeks to track and monitor the cost efficiency of its operations in relation to the revenue that it collects. This will in turn be compared with international best practices and benchmarks.

Short Definition

This measure is defined as the total year-end actual spend expressed as a percentage of total tax and customs revenue collected.

Method of Calculation

This measure is calculated as the total operating costs of the controlling entity for the year divided by the total revenue collected.

Business rules

- All elements reported on are based on own accounts, unless otherwise stated.
- The financial information is prepared in accordance with the applicable Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board on a basis consistent with prior years.

Data Source

Data is extracted from the SAP system.



Data Limitations/Exclusions

Revenue collected excludes non-tax revenue collected on-behalf of other institutions i.e. Unemployment Insurance Fund (UIF), Road Accident Fund (RAF) levies and Mineral and Petroleum Resources Royalty (MPRR) collections.

Type of Indicator

This is an efficiency measure.

Reporting Cycle

This is an annual measure.

Responsible Unit/Owner

Chief Officer: Finance

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
0.89	Below 1.00	Below 1.00	Below 1.00

Note: Baseline is 2017/18 actual achievement.

5. Outcome: Increased public trust and credibility

5.1 Employee Engagement

Purpose/Importance

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. This measure is tracked biennially (after every 2 years).

Short Definition/Method of Calculation

Results of the employee engagement are derived from a survey (Connexion survey) conducted biennially by SARS and facilitated by an independent company.

Business rules

- An independent company provides the survey tool and handles all responses, data analysis and results reporting.
- Every employee, including temporary, graduate trainees, contract staff and the visually impaired are invited to participate in the survey.
- The measure is tracked and reported on once every two years.

Data Source

The survey is carried out by an independent company.

Data Limitations/Exclusions

- Employees on suspension and those whose access has been revoked on the SARS network do not participate.
- Employees who have not completed a full month in SARS' employment at the point of survey deployment are also excluded.

Type of Indicator

This is an outcome measure.

Reporting Cycle

This measure is tracked and reported on biennially (once every 2 years).

Responsible Unit/Owner

Chief Officer: HCD

Annual targets over the next 3 years:

	Baseline	Annual Targets (%)		
		2019/20	2020/21	2021/22
Employee Engagement	63.60	64.00	-	64.40

Note: Baseline is 2017/18 actual achievement.

5.2 Leadership Effectiveness Index (LEI)

Purpose/Importance

The purpose of this measure is to gauge the effectiveness of SARS managers through the use of a 360 degree assessment process.

Short Definition/Method of Calculation

An organisational index is derived from an aggregation of the annual 360-degree Leadership Effectiveness assessment conducted by SARS and facilitated by an independent company.

Business rules

- An independent company is engaged to oversee the Leadership Effectiveness 360-degree evaluation process and provide the survey outcomes.
- An appropriate out-sourced system is used to carry out the survey.
- The Organisational LEI is calculated as an aggregate of all grade 7+ Leadership Effectiveness Indices of members that qualify for a full report.

Data Source

The survey is carried out by an independent company.



Data Limitations/Exclusions

Employees who are in Grade 6 and below are excluded. The LEI is calculated with grade 7+ staff members only.

Type of Indicator

This is an impact measure.

Reporting Cycle

This is an annual measure.

Responsible Unit/Owner

Chief Officer: HCD

Annual targets over the next 3 years:

	Baseline	Annual Targets (%)		
		2019/20	2020/21	2021/22
Leadership effectiveness	88.08	88.00	88.00	88.00

Note: Baseline is 2017/18 actual achievement.

5.3 Employment Equity

Purpose/Importance

The purpose of this measure is to gauge how adequately SARS is representing the country's demographics in the workforce, and to promote gender equality and create opportunities for people with disabilities.

Short Definition/Method of Calculation

- Demographics: Total number of African, Indian and Coloured employees as a percentage of total headcount.
- Gender on Management level: Total female employees from Grade 6 to 9B as a percentage of total employees on Grade 6 to 9B.
- Disability: Total number of disabled employees as a percentage of total headcount.

Business rules

- The headcount numbers used are taken at the last day of the financial year.
- The headcount is derived from all employees (permanent employees as well as employees with a 3-month or longer work contract).
- Disability is defined and measured in line with the provisions laid out in the Employment Equity Act.

Data Source

Data is extracted from the SAP system.

Data Limitations/Exclusions

- Gender on Management level does not include female employees in Grade 10, Grade 5 and below. Only Grades 6-9B are included.
- Changing the demographic make-up of SARS is an important objective but is also highly dependent on the availability of funded vacant positions to recruit staff into. The SARS Employment Equity Targets are set in line with the Department of Labour expectations and are based on the approved SARS Employment Equity Plan. SARS remains committed to achieving these targets. It is also critical to point out that there is a correlation between achievement of these targets and a number of critical factors, namely:
 - Sufficient funding to fill all vacancies, including the maintenance of the current SARS Graduate Programme
 - Alignment of the relevant HR policies and procedures to facilitate targeted recruitment and selection of designated groups
 - Concerted and sustained efforts to eradicate barriers in implementing employment equity, thus enabling the retention of designated groups.

Type of Indicator

This is an output measure.

Reporting Cycle

These are annual measures.

Responsible Unit/Owner

Chief Officer: HCD

Annual targets over the next 3 years:

	Baseline	Annual Targets (%)		
		2019/20	2020/21	2021/22
Demographics	76.01	79.40	80.60	81.60
Gender on management level	48.78	50.92	51.35	51.72
Disability	1.92	2.24	2.66	3.16

Note: Baselines are 2017/18 actual achievement.

5.4 Public Opinion Score (%)

Purpose/Importance

The purpose of this measure is to gauge the public's perceptions and attitudes towards tax compliance. The purpose of this measure is to help SARS to better understand the public's attitudes towards tax compliance, and obtain feedback to enable SARS to track and monitor tax compliance over time.



Short Definition

The Public Opinion Score is a measure, expressed as percentage, of what the public thinks about complying with tax legislation. The public opinion survey will be carried out once every year.

Method of Calculation

The calculation of the public opinion score is based on a survey conducted by an independent research company. The survey combines quantitative and qualitative factors to arrive at a composite score.

Business rules

- The survey collects national data on factors that drive or influence taxpayer compliance.
- The score is in the form of an Attitude to Tax Compliance Index (ATCI), and has 5 dimensions, namely Information and process accessibility, Government stewardship, Tax compliance ethics, Tax morale and Institutional integrity.

Data Source

The survey is carried out by an independent company.

Data Limitations/Exclusions

Limitations existing in coverage/sample sizes and response rates.

Type of Indicator

This is an efficiency measure.

Reporting Cycle

This is an annual measure.

Responsible Unit/Owner

Group Executive: TCEI

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
72.00	72.50	73.00	73.50

Note: Baseline is the 2016/17 actual achievement.

5.5 % of acquisition spend through Exempted Micro Enterprises ⁴

Purpose/Importance

The purpose is to gauge the extent to which SARS' procurement spend is achieving supplier base transformation.

Short Definition/Method of Calculation

Total spend on Exempted Micro Enterprises as a percentage of total procurement spend.

Business rules

- The SAP system is used to store and extract the data required to track and report on this measure.
- Entities included are all Exempted Micro Enterprises that have at least a 51% black ownership component, with the commensurate black ownership percentage used to calculate the share of procurement spend on that entity.

Data Source

Data is extracted from the SAP system.

Data Limitations/Exclusions

Exempted Micro Enterprises that have less than a 51% black ownership component are excluded.

Type of Indicator

This is an equity measure.

Reporting Cycle

This is an annual measure.

Responsible Unit/Owner

Chief Officer: Finance

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
14.25	15.50	17.50	20.00

Note: Baseline is the 2017/18 actual achievement.

⁴ New measure



5.6 % of acquisition spend through Qualifying Small Enterprises⁵

Purpose/Importance

The purpose is to gauge the extent to which SARS' procurement spend is achieving supplier base transformation.

Short Definition/Method of Calculation

Total spend on Qualifying Small Enterprises as a percentage of total procurement spend.

Business rules

- The SAP system is used to store and extract the data required to track and report on this measure.
- Entities included are all Qualifying Small Enterprises that have at least a 51% black ownership component, with the commensurate black ownership percentage used to calculate the share of procurement spend on that entity.

Data Source

Data is extracted from the SAP system.

Data Limitations/Exclusions

Qualifying Small Enterprises that have less than a 51% black ownership component are excluded.

Type of Indicator

This is an equity measure.

Reporting Cycle

This is an annual measure.

Responsible Unit/Owner

Chief Officer: Finance

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
3.69	5.00	7.50	10.00

Note: Baseline is the 2017/18 actual achievement.

⁵ New measure

5.7 % of acquisition spend through Black women owned entities

Purpose/Importance

The purpose is to gauge the extent to which SARS' procurement spend is achieving supplier base transformation (in this case, black women owned entities).

Short Definition/Method of Calculation

Total spend on Black women owned (with at least a 30% ownership)⁶ entities as a percentage of total procurement spend.

Business rules

- The SAP system is used to store and extract the data required to track and report on this measure.
- Entities included are all entities that have a black women-ownership component (with at least a 30% ownership), with the commensurate black women ownership percentage used to calculate the share of procurement spend on that entity.

Data Source

Data is extracted from the SAP system.

Data Limitations/Exclusions

Entities that have no black women ownership component are excluded.

Type of Indicator

This is an equity measure.

Reporting Cycle

This is an annual measure.

Responsible Unit/Owner

Chief Officer: Finance

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
8.65	7.00	10.00	12.50

Note: 2019/20 targets are lower than baselines due to B-BBEE reclassifications and the approval of the BBBEE transformation policy.

⁶ The emphasis is on empowering suppliers who have a 30% or more black women ownership; this measure is weighted at 5 out of 50 points on the BBBEE scorecard under Preferential Procurement.



5.8 Unqualified report by Auditor General

Purpose/Importance

The purpose of this measure is to assess SARS' commitment to maintain and promote good governance in the organisation.

Short Definition/Method of Calculation

Compliance with all Government's statutory requirements.

Data Sources

The report of the Auditor-General.

Data Limitations/Exclusions

None

Type of Indicator

This is a governance measure.

Reporting Cycle

This is an annual measure.

Responsible Unit/Owner

Chief Officer: Finance

Annual targets over the next 3 years:

Baseline	Annual Targets		
	2019/20	2020/21	2021/22
Unqualified Audit Report with findings	Clean Audit Report		

Note 1: Baseline is 2017/18 actual achievement.

Note 2: This is an annual measure; no quarterly targets are being reported externally.

5.9 Interfront governance - Unqualified report by Auditor-General

Purpose/Importance

The purpose of this measure is to assess SARS' commitment to maintain and promote good governance in the organisation. This measure seeks to monitor Interfront's compliance with all Government's statutory requirements.

Short Definition/Method of Calculation

Compliance with all Auditor-General requirements

Data Sources

The report of the Auditor-General.

Data Limitations/Exclusions

None

Type of Indicator

This is a governance measure.

Reporting Cycle

This is an annual measure.

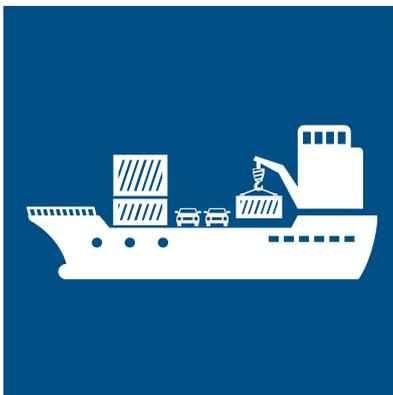
Responsible Unit/Owner

Chief Officer: DIST

Annual targets over the next 3 years:

Baseline	Annual Targets (%)		
	2019/20	2020/21	2021/22
Clean audit report	Clean audit report		

Note: This is an annual measure; no quarterly targets are being reported externally.



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