



OFFICE OF THE
TAX OMBUD
Ensuring fairness

TAX OMBUD

ANNUAL PERFORMANCE PLAN

2019/20

ANNUAL
REPORT
FOR
MANAGEMENT
PLAN



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1. ABBREVIATIONS

APP	Annual Performance Plan
CAPEX	Capital expenditure
CEO	Chief Executive Officer
CMO	Complaints Management Office
eChannels	Electronic channels
ENE	Estimates of National Expenditure
GTAC	Government Technical Advisory Centre
IT	Information technology
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
ENPS	Employee Net Promoter Score
NT	National Treasury
OTO	Office of the Tax Ombud
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
PFMA	Public Finance Management Act 1 of 1999
RCB	Recognised Controlling Bodies
SARS	South African Revenue Service
SCOF	Standing Committee on Finance
SLA	Service level agreement
SP	Strategic Plan
SWOT	Strength, Weakness, Opportunities and Threats
TAA	Tax Administration Act
TID	Technical Indicator Descriptions
TO	Tax Ombud
VOIP	Voice Over Internet Protocol



FOREWORD BY THE TAX OMBUD
JUDGE BERNARD MAKGABO NGOEPE

2. FOREWORD

BY THE TAX OMBUD

WITH A SOUND FIVE-YEAR STRATEGIC PLAN AND AN AMBITIOUS PERFORMANCE PLAN FOR THE 2019/20 FINANCIAL YEAR, WE ARE MORE THAN READY TO IMPROVE ON OUR TRACK RECORD IN SERVING TAXPAYERS AS A FREE, FAIR AND IMPARTIAL RECOURSE CHANNEL.

I am pleased with the substantial progress made regarding our financial independence and the appointment of additional specialists to help ensure that we continue to serve taxpayers efficiently and expeditiously. Proper planning is essential for the success of the organisation and I am delighted to present the Tax Ombud Annual Performance Plan 2019/20.

FINANCIAL INDEPENDENCE AND RECRUITMENT

In terms of financial independence, the situation has improved immensely since the early days when our finances were embedded in SARS's budget and virtually controlled by them. Currently, our budget is determined by the Minister of Finance, and ring-fenced within SARS. We have also made great progress with regards to the recruitment of staff so that we can employ directly, without going through SARS and without the approval of the SARS Commissioner.

While there has been progress in terms of independence and recruitment of staff, our biggest priority as we move forward is to achieve full financial independence from SARS and to have a footprint in each province. Currently we have only one office, in Pretoria, that services the entire country. In our various engagements with stakeholders in all other provinces, a positive impact was made toward improving access to our services. We are optimistic that provincial footprints will be a reality sooner rather than later.

BECOMING CUSTOMER-CENTRIC

The Office has been embarking on numerous communication and outreach campaigns to raise awareness and educate taxpayers throughout the country about its existence and services. The number of taxpayers approaching the Office continues to grow as indicated in the 2017/18 Annual Report. This is indicative of the fact that taxpayers have confidence in this institution, which was established to further strengthen our tax administration system. As the institution continues to grow, it is imperative that we channel more efforts into ensuring that more and more taxpayers know about and have access to the free and impartial services we offer to those who have complaints against SARS.

More effort and resources will be channelled into communication and outreach activities such as mass media campaigns and stakeholder engagements in the provinces. Through our intensive media engagements, media coverage continues to create awareness about our services, but there is still a large percentage of our population that is not aware of the existence of the OTO, not to mention services offered.

OPERATIONAL EFFICIENCY

The OTO will continue to play a significant role in the country's tax administration system and every effort will be made to ensure that the Office continues to be efficient and have tangible results. It is envisaged that continuous operational improvements and communication and outreach initiatives will benefit taxpayers and promote the utilisation of the Office. To ensure that the Office can cope with the expected influx of complaints, we are rapidly expanding our dispute resolution handling capacity and looking at streamlining the way we handle cases to make our processes quicker, without



“More effort and resources will be channelled into communication and outreach activities.”

compromising the standards of service and quality. We continue to be an innovative institution, always looking for a smarter and more expeditious way to resolve tax complaints. The Office of the Tax Ombud will strive to further strengthen taxpayers’ trust and confidence in tax administration by providing an impartial mechanism for dispute resolution. The Office will also intensify its endeavours to deal with taxpayers’ complaints as expeditiously as possible. We strive for excellence in carrying out our mandate to ensure that taxpayers have confidence in our work, and feel that their complaints are being addressed timeously and efficiently.

WAY FORWARD

Moving forward we remain committed to developing a reputable institution that stakeholders trust. We want to provide taxpayers with the highest quality standard of service for resolving their disputes fairly and impartially. I am fortunate to have an exceptionally strong senior management team, led by the CEO, Advocate Hanyana Eric Mkhawane. I am also impressed with the talent and commitment of our employees at all levels and their determination to deliver the best possible service when dealing with taxpayers’ complaints. I value the working relationship with Recognised Controlling Bodies and other strategic partners; they too have the best interests of the taxpayer at heart in supporting the mandate of the Office of the Tax Ombud.



JUDGE BERNARD MAKGABO NGOEPE
TAX OMBUD



OVERVIEW BY THE
CHIEF EXECUTIVE OFFICER
ADVOCATE HANYANA ERIC MKHAWANE

3. OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

THIS ANNUAL PERFORMANCE PLAN STRIVES TO PROMOTE ACCOUNTABILITY AND COMMITMENT TO SERVICE DELIVERY AND EXCELLENCE WITHIN THE ORGANISATION, WHICH EXISTS TO ENSURE THAT TAXPAYERS HAVE RECOURSE TO A FAIR AND IMPARTIAL MECHANISM FOR DISPUTE RESOLUTION.

Just a few months ago we celebrated “Five Years of Fairness”, marking the first five years of our existence as an institution, a period synonymous with the relentless pursuit of excellence in the execution of our duties and bringing much-needed fairness to the South African tax administration system, and specifically to the way SARS treats taxpayers. This Annual Performance Plan (APP) 2019/20 marks a new era for the organisation, focused on transforming it into a more agile institution. This shift is being driven by an APP containing ambitious targets and objectives aimed at promoting and protecting the rights of taxpayers and also promoting tax compliance.

PRIORITISATION

For the year 2019/20, and the following four years, our focus will be on prioritising and improving accessibility to our office, as well as on introducing measures, such as policy and technology, to galvanise efficiency and agility. It is important to note that a national footprint has always been our objective but the financial constraints facing our country have delayed this. Nevertheless, we are still confident that sooner rather than later we will have a physical presence outside Pretoria, the only city where we currently have an office.

Another area we are prioritising is introducing simplicity and more efficiency in the value chain of the complaints process. We are looking at technology to help address this and have made some proposals, one being the introduction of an interactive, paperless complaints platform for capturing and processing taxpayers’ complaints. There is also room to shorten and improve the current complaints process

and we are committed to finding a quicker and simpler way of enabling taxpayers to lodge complaints, along with better ways of expeditiously resolving taxpayers’ complaints.

IMPROVING TRUST WITH STAKEHOLDERS

Another focus is on improving trust between the Office and taxpayers. One way of doing this is to diligently and expeditiously attend to taxpayers’ complaints while providing sound and easy-to-understand reasons for decisions taken regarding their complaints. We have always been transparent in how we deal with both SARS and taxpayers (transparency being one of our core values) and we will continue to work on measures to improve this. There is still a perception in some quarters of our population that our institution is dependent on SARS but rest assured that the decisions we make and the way we attend to and resolve taxpayers’ complaints is completely independent and free of any influence from the revenue collector.

LEGALLY SOUND RECOMMENDATIONS

It is also important to note that although our recommendations are not binding, they are taken seriously by SARS and have important consequences for all our stakeholders, including taxpayers, tax practitioners and SARS, to mention a few, not to mention the country and its economy. These are some of the reasons why we continue to be committed to diligently investigating each complaint and providing legally sound and detailed recommendations to the revenue collector on how complaints should be resolved.

For the past five years, we have invested immensely in capacitating our people with the expertise required to deal with the sometimes complex tax issues that taxpayers complain about. Going forward, we will continue to make the necessary support available to our employees to ensure that they help the organisation provide

an excellent service to taxpayers and consequently to the country. We continue to recruit highly skilled and experienced individuals to help us grow as an organisation and to bring new and fresh ideas. We are also looking at bringing in several experts to help the organisation navigate the ever-changing environment in which we operate.

COLLABORATIVE ACHIEVEMENT

The OTO is cognisant that without the support of our stakeholders, our achievements in the past five years would have been impossible. As we take on the challenges of our sixth year in operation, we are reasonably optimistic about receiving the support of our stakeholders, including the South African government, Recognised Controlling Bodies and taxpayers. We will continue sharing information with all stakeholders and appealing for their input on many aspects of our organisation. After all, many of our stakeholders have been in the tax environment for much longer than the five years we have been operating. As the OTO, we will do our part to ensure that 2019/20 is a resounding success and surpasses what we have done in the past. With this APP as our guide, we are well equipped not only do what we are mandated to do but also go beyond and ensure that we have an organisation that keeps up with the demands of a changing world.

CONCLUSION

I would like to thank Judge Bernard Makgabo Ngoepe, the Tax Ombud, for his unstinting support and wise guidance. Sincere gratitude is also extended to the leadership of the OTO and the staff for their continuous commitment and dedication in ensuring that taxpayers receive efficient, impartial and independent redress. Finally, I wish to thank all our external stakeholders who have supported our endeavours and offered their input. We would not be able to do our work without them.



ADVOCATE HANYANA ERIC MKHAWANE
CHIEF EXECUTIVE OFFICER



“Our focus will be on prioritising and improving accessibility to our office.”

4. OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- was developed by the management of the Office of the Tax Ombud under the guidance of the Minister of Finance
- takes into account all the relevant policies, legislation and other mandates for which the Office of the Tax Ombud is responsible
- accurately reflects the strategic outcome-oriented goals and objectives which the Office of the Tax Ombud will endeavour to achieve in the period 2019/20.



JUDGE BERNARD MAKGABO NGOEPE
TAX OMBUD



ADVOCATE HANYANA ERIC MKHAWANE
CHIEF EXECUTIVE OFFICER

PART A

STRATEGIC OVERVIEW

MISSION

To be an efficient, independent, impartial and fair redress channel for taxpayers.

VISION

To strengthen taxpayers' trust and confidence in tax administration.

VALUES



ACCOUNTABILITY

Taxpayers are entitled to a rational and fair reason for decisions and actions taken.



INDEPENDENCE

In dealing with taxpayers' complaints, the Tax Ombud operates independently of SARS.



EFFICIENCY

The Office of the Tax Ombud ensures that all taxpayers' complaints are resolved promptly and efficiently.



FAIRNESS

The Tax Ombud acts in fairness at all times.



CONFIDENTIALITY

The Office of the Tax Ombud holds all communications with taxpayers in strict confidence unless authorised otherwise by the taxpayer.

LEGISLATIVE AND OTHER MANDATES

THE OFFICE OF THE TAX OMBUD OPERATES UNDER A LEGISLATIVE AND CONSTITUTIONAL MANDATE.

Constitutional mandate: In terms of s195 of the Constitution of the Republic Act 108 of 1996, public administration must be governed by the democratic values and principles enshrined in the Constitution, including a high standard of professional ethics; efficient, economic and effective use of resources; provision of impartial, fair and equitable

service; transparency and accountability. As an agent of public administration, the South African Revenue Service (SARS), the subject of the OTO's oversight, is bound by this Constitutional Mandate. The Office of the Tax Ombud is equally bound by the Constitutional Mandate.

LEGISLATIVE MANDATE: TAX ADMINISTRATION ACT, 28 OF 2011

The Office of the Tax Ombud was established in terms of sections 14 and 15 of the Tax Administration Act, 28 of 2011 (Tax Administration Act). The Office was established in October 2013 and launched by the Minister of Finance in April 2014. The Tax Ombud reports to the Minister

of Finance as the executive authority. In terms of the relevant legislation, the Tax Ombud submits the Strategic Plan, Annual Performance Plan and Annual Report to the Minister, who must table these in the National Assembly.

Section 16(1) of the act spells out the Ombuds mandate as being to:

- a) Review and address any complaint by a taxpayer regarding a service matter or a procedural or administrative matter arising from the application of the provisions of a tax Act by SARS; and
- b) Review, at the request of the Minister or at the initiative of the Tax Ombud with the approval of the Minister, any systemic and emerging issue related to a service matter or the application of the provisions of this Act or procedural or administrative provisions of a tax Act.

Section 16(2):

In discharging his or her mandate, the Tax Ombud must:

- Review a complaint and, if necessary, resolve it through mediation or conciliation;
- Act independently in resolving a complaint;
- Follow informal, fair and cost-effective procedures in resolving a complaint;
- Provide information to a taxpayer about the mandate of the Tax Ombud and the procedure for pursuing a complaint;
- Facilitate access by taxpayers to complaint resolution mechanisms within SARS to address complaints; and
- Identify and review systemic and emerging issues related to service matters or the application of the provisions of this Act or procedural or administrative provisions of a tax Act that impact negatively on taxpayers.

REVIEW OF A COMPLAINT

In terms of section 18 of the Tax Administration Act, the Tax Ombud may review any issue within the Tax Ombud's mandate on receipt of a request from a taxpayer.

The Tax Ombud may—

- a) Determine how a review is to be conducted; and
- b) Determine whether a review should be terminated before completion.

In exercising the discretion set out in subsection 2, the Tax Ombud must consider such factors as:

- a) The age of the request or issue;
- b) The length of time that has elapsed since the requester became aware of the issue;
- c) The nature and seriousness of the issue;
- d) The question of whether the request was made in good faith; and
- e) The findings of other redress mechanisms with respect to the request.

The Tax Ombud may only review a request if the requester has exhausted the available complaints resolution mechanisms in SARS, unless there are compelling circumstances for not doing so.

To determine whether there are compelling circumstances, the Tax Ombud must consider factors such as whether:

- a) The request raises systemic issues;
- b) Exhausting the complaints resolution mechanisms will cause undue hardship to the requester; or
- c) Exhausting the complaints resolution mechanisms is unlikely to produce a result within a period of time that the Tax Ombud considers reasonable.

The Tax Ombud must inform the requester of the results of the review or any action taken in response to the request, but at the time and in the manner chosen by the Tax Ombud.

LIMITATIONS ON AUTHORITY

In terms of section 17 of the Tax Administration Act, the Tax Ombud may not review the following:

- a) Legislation or tax policy;
- b) SARS policy or practice generally prevailing, other than to the extent that it relates to a service matter or a procedural or administrative matter arising from the application of the provisions of a tax Act by SARS;
- c) A matter subject to objection and appeal under a tax Act, except for an administrative matter relating to such objection and appeal; and
- d) A decision of, proceeding in or matter before the tax court.

RESOLUTIONS AND RECOMMENDATIONS

Section 20 of the Tax Administration Act sets out how the resolutions and recommendations of the Tax Ombud are dealt with:

1. The Tax Ombud must attempt to resolve all issues within the Tax Ombud's mandate at the level at which they can most efficiently and effectively be resolved and must, in so doing, communicate with SARS officials identified by SARS.
2. The Tax Ombud's recommendations are not binding on taxpayers or SARS, but if not accepted by a taxpayer or SARS, reasons for such a decision must be provided to the Tax Ombud within 30 days of notification of the recommendations and may be included by the Tax Ombud in a report to the Minister or Commissioner under section 19.



SITUATIONAL ANALYSIS

OUR CORE PROCESSES

To deliver against the legislative and other mandates, we follow a simple process with clearly defined operational targets. This consists of the following process steps:

1. ACKNOWLEDGE COMPLAINT

We undertake to acknowledge receipt of a complaint within two days of receiving it.

2. INVESTIGATE AND REVIEW A COMPLAINT

We undertake to complete an investigation and review a complaint within eight days from the date of acknowledgement of receipt:

- For accepted cases we send recommendations to SARS for consideration and notify the complainant accordingly.
- For rejected and terminated cases we provide an outcome of the investigation to the complainant.

3. CLOSE-OUT REPORT RECEIVED

SARS considers our recommendations and responds with a close-out report. This step of the process is not within our control and the time scales may vary.

4. CLOSE-OUT REPORT ACTIONED

Within four days of receiving the close-out report, we verify the actions agreed to in the report and communicate with the taxpayer about the outcome of the complaint.



PERFORMANCE ENVIRONMENT

The Office updated the environmental scan, using the Political, Economic, Social, Technological, Environmental and Legal (PESTEL) framework, which included an analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT). This updated scan highlighted the dynamic nature of the environment in which the OTO operates, the many challenges that need to be overcome and the opportunities that can be seized in order to fulfil its vision of building trust and confidence in the tax administration system.

The following internal and external factors were among the considerations taken into account in developing the PESTEL and SWOT analyses:

- An ongoing increase in the number of complaints the Office receives,
- A significant number of complaints that are rejected year-on-year,
- Delays by SARS in implementing the recommendations of the Tax Ombud, and
- Lack of understanding of the mandate of the Tax Ombud among taxpayers.

The scan revealed continuing themes in the political and economic environment, with taxpayers seeking more accountability in terms of government spending and the impact of the fiscal climate on the growth of the economy.

Politically and economically, the public and taxpayers are expecting increasing levels of transparency and corporate governance. Governance arrangements must take cognisance of the likelihood that tightening fiscal conditions will increase the demand for the OTO's services, and that the Office must nevertheless maintain the highest levels of efficiency.

The social and technological dimensions of the Office's operating environment have shown an interesting convergence, with increased national communications connectivity and the resulting uptake in digital technology providing opportunities to increase awareness and accessibility through social media and eChannels. On the other hand, this has also created risks that need to be managed, including social media brand perception and the evolving threat of cyber-crime in relation to the confidentiality of information and communications.

From a legislative perspective, the opportunity for mandate amendments to deliver structural independence from SARS is seen as having the potential to improve taxpayers' perception of the OTO's independence, which would in turn help build trust and confidence in the tax administration system.

POLITICAL FACTORS

- Changes in leadership and/or tax policy may change the authorities' approach to tax recoveries. A more "aggressive" approach, as is evident in the current fiscal climate, is likely to result in higher demand for the OTO's services.
- Increasing strength of oversight institutions and pressure from civil society will demand increasing levels of tax administration transparency, accountability and governance. This requires the OTO to be impartial and independent at all times, and to exhibit the highest levels of corporate governance.
- With recent changes in the political environment, it is important that support is obtained from the Executive and Minister of Finance, if the OTO is to be positioned to achieve its mandate.
- With citizens being aware of corruption through multiple commissions of inquiries, it is important that the OTO actively demonstrates ethical leadership.

ECONOMIC FACTORS

Taxpayers are being challenged by significant levels of inflation, low levels of economic growth and policy uncertainty. This will impact on the OTO in a number of ways:

- Increasing public interest in tax administration and public expenditure, requiring the OTO to maintain exceptional transparency and corporate governance,
- A high probability of dispute volumes increasing as taxpayers and businesses seek to minimise their tax burden, or SARS becoming more "aggressive" with tax collections, and
- The prevalence of certain reported practices, such as holding back tax refunds, may increase the likelihood of businesses requiring the OTO to support them.

The public and private sectors seek to grow the South African economy significantly through entrepreneurship and small business development. Many new entrants to the formal economy may have a limited understanding of the tax administration system, which may result in dispute volumes increasing.

Increasing strain on the South African fiscus also means financial resources will continue to be constrained. As such the operations of the OTO will require ongoing optimisation to ensure maximum efficiency.

SOCIAL FACTORS

Taxpayers are expecting easier accessibility when dealing with government and its associated administrative agencies. They are demanding a customer-centric approach that includes:

- Easy access via the web, either through a portal or applications,
- Simple processes that require minimal information, all accessible online,
- Continuous and instantaneous feedback on process status,
- An ability to engage with knowledgeable agents who can resolve queries at the first point of contact, and
- Quick turnaround times, with promises consistently met.

The demand from millennials is increasing, requiring OTO to adapt its service offering to meet their expectations, which include eChannels, simplification and speed.

When developing channels of engagement, the OTO will continue to recognise that accessibility to online services is not as widespread in rural areas and will adapt its approach in line with its mandate. This means providing the appropriate mix of online and physical services.

Also, recognising the complexity and unfamiliarity of tax administration for many requires a personal approach that will help build understanding and trust, and in turn confidence in the tax administration system.

TECHNOLOGY

- Taxpayers are becoming increasingly comfortable engaging electronically, via multiple channels, which creates opportunities to extend access via eChannels.
- Social media is allowing consumers to report poor service immediately, and bad brand publicity can go viral almost instantly. The OTO will need to be equipped to maximise the impact of social media and have strategies in place to manage negative publicity.
- The growing use of eChannels is also increasing the opportunities for cyber-crime and will require the OTO to respond by ensuring appropriate levels of electronic security.
- Cloud-based computing, Voice over Internet Protocol (VOIP) and video communication services such as Skype will also provide opportunities for improved accessibility to taxpayers, and potentially allow for innovative working practices among staff. Such services would allow for increased flexibility such as home working, extended operating hours or face-to-face services via eChannels.

ENVIRONMENTAL FACTORS

Owing to many of the factors listed above, taxpayers are increasingly using tax practitioners to resolve tax disputes. In general, these practitioners are highly trained specialists, frequently from a tax administration background. Accordingly, tax practitioners are an important customer segment that requires the same customer-centric approach, but will be even more demanding of technical excellence and speed of response.

LEGAL

It is possible that a change in legislation may favour the structural independence of the OTO and in due course improved accountability on the part of SARS. As it currently stands, the OTO is unable to enter into contractual agreements on its own, and is dependent on SARS.

Increasing public interest in law-making provides an opportunity for the OTO to promote independence and, in turn, trust in the tax administration system.

EXTERNAL THREATS

In addition to the factors and trends described above, a number of specific external threats are noteworthy as they are outside the direct control and influence of the OTO, and could have a material impact on building trust and confidence in the tax administration system:

- Delays by SARS in finalising taxpayer complaints from the OTO within a stipulated time frame materially diminish taxpayers' confidence in the system.
- Lack of awareness and understanding among taxpayers about SARS's complaints process

and procedures leads to taxpayers submitting complaints prematurely to the OTO, creating unnecessary work for the Office and delaying the resolution of genuine complaints; frequently, this results in taxpayer frustration and the perception of an unresponsive Ombud.

- The growing prevalence of social media is dramatically increasing the risk of wrong or inaccurate perceptions being created about the OTO through social media platforms, again undermining trust and confidence.
- The rapidly evolving threat of cyber-crime will mean that the OTO will regularly require assurance that its systems, processes and policies are suitably configured to minimise the risk of confidentiality breaches. Funding will be needed to address identified weaknesses. A single breach may destroy the reputation of the OTO.
- With increasing public awareness, tightening fiscal conditions and the improved reputation of the OTO, complaints volumes are likely to increase dramatically over the coming years. Fiscal constraints may hamper the growth of the Office and the execution of the mandate of the Tax Ombud.
- Perceived and alleged corruption, as well as the misuse of public funds, may reduce taxpayer confidence and compliance. This may lead to more aggressive tax collection measures by SARS and an increase in the number of complaints to the Office of the Tax Ombud.
- Fiscal constraints may hamper the growth of the Office and the execution of the mandate of the Tax Ombud.

ORGANISATIONAL ENVIRONMENT

THE INSTITUTIONAL CAPACITY OF THE OTO IS CURRENTLY STRONG, WITH CONTINUED FOCUS ON INCREASING PRODUCTIVITY AND CLIENT SERVICE. SPECIFIC HIGHLIGHTS INCLUDE:

- A young workforce, with an average age of 39, indicating sustainability of skills in the coming years.
- Respected leadership.
- Service-oriented organisation that provides efficient service, with improvements on service indicators based on a study that was conducted in the 2018/2019 financial year on customer satisfaction and staff engagement showing:
 - Productivity up by 17%.
 - Complaints resolution up 24%.
 - Absenteeism down 12%.
- A strong brand presence for the OTO, with major attributes identified by respondents in a recent independent survey being:
 - Seen as knowledgeable (68%).
 - Having competent, skilled and professional staff (65%).
 - Seen as sincere, honest and truthful (65%).
 - Having a good reputation and being respected (64%).
- Ability to assist taxpayers in understanding their rights and meeting their tax obligations.
- Good relationships and collaboration with major stakeholders, including public and private sector groups, and SARS.
- Strong internal processes, systems and infrastructure, effectively utilising SARS support services when appropriate.
- Strong IT system supported by SARS.

However, to successfully build trust and confidence in the tax administration system, several internal challenges need to be addressed in the near term.

- The Net Promoter Score, the rating system the OTO uses to measure customer satisfaction, from people who had made use of the OTO service, was at -3. This indicates the need for further improvement in becoming more taxpayer-centric, through improved turnaround times and simpler processes.
- Institutional independence (operational and structural) is required for the OTO to be seen as truly independent, and to support the building of trust and confidence in the OTO and in turn the tax administration system.
- The organisational mandate may need to be extended. A study should be conducted to determine whether the mandate of the Ombud should, for instance, be extended to assist taxpayers in distress with the revenue authority or provide redress to taxpayers as a result of poor service. This would be in line with practice in other jurisdictions.
- Commensurate with all the above, sufficient funding is required to deal with the increased complaints volumes that will arise as more taxpayers and tax professionals become aware of the OTO and have increasing confidence that their complaints will be addressed impartially and quickly.
- The employee engagement requires greater focus, as indicated by the Employee Net Promoter Score (ENPS) of -28. While career growth and the work environment were ranked highly, the survey showed that greater focus is required on team engagement, collaboration and autonomy.
- The information technology support systems must be strengthened to improve efficiency and accessibility.
- The culture of professionalism and excellence should continue to be reinforced.

STRATEGIC OUTCOME-ORIENTED GOALS

The vision of the Office of the Tax Ombud is to strengthen taxpayers' trust and confidence in tax administration by providing an impartial mechanism for dispute resolution. In order to achieve trust and confidence, four strategic goals have been identified.



ACCOUNTABILITY

Rational and fair application of the tax administration process

It is important to continuously provide rational and fair reasons for recommendations and action taken, while also ensuring that complainants understand the rationale and feel that the process has provided sufficient opportunity for their case to be reviewed fairly and impartially.



INDEPENDENCE

Structurally independent Tax Ombud

By becoming truly independent, structurally and operationally, it will be possible to limit the risk of perceived bias.



EFFICACY

Prompt and efficient resolution of complaints

The objective is to become truly taxpayer-centric by providing a consistently high-quality service at no cost to the taxpayer, with specific attention to:

- Consistently achieving a taxpayer service promise;
- Meeting the specific needs of taxpayer segments (practitioners, individuals, businesses, corporates);
- Enabling taxpayers to access services through the channel of their choice;
- Engaging taxpayers through easy-to-understand, simple, transparent and quick processes;
- Ensuring all complainants (whether their complaints are valid or not) trust the tax administration system;
- Ensuring staff are customer orientated, technically proficient and professional; and
- Adopting technologies that make processes easy and convenient for taxpayers and staff.



SECURITY AND CONFIDENTIALITY

All information is secure and treated in strict confidence

It is vital to continuously address the evolving threats associated with ensuring all information, data and communications remain confidential.

PART B

STRATEGIC OBJECTIVES

The following strategic objectives have been identified to achieve the four strategic goals. These objectives are structured within a matrix, allowing for alignment to the OTO's simplified value chain.

STRATEGIC GOALS		AWARENESS AND EDUCATION	ACCESSIBILITY	
ACCOUNTABILITY	Continuously ensure rational and fair reasons are given for recommendations and action taken; while also ensuring that complainants understand the rationale, and feel that the process has provided sufficient opportunity for their case to be reviewed fairly and impartially.	Continuously improve taxpayers' awareness of the services of the OTO.	Ensure taxpayers understand the rationale for the recommendations made.	
INDEPENDENCE	To become truly independent in order to limit the risk of perceived bias.	Ensure taxpayers perceive the OTO to be independent.	Investigate all complaints independently from SARS and taxpayers and make recommendations that are fair and impartial.	
EFFICACY	To become truly taxpayer centric, by providing a consistently high-quality service at minimal cost.	Ensure taxpayers understand how to lodge a complaint. Positive brand recognition.	Achieve targeted complainant satisfaction index scores.	
SECURITY AND CONFIDENTIALITY	To continuously address the evolving threats associated with ensuring all information, data and communications remain confidential.	Ensure no security or confidentiality breaches.		

	OPERATIONS	LEGAL AND SUPPORT	SYSTEMIC INVESTIGATION
	Ensure all recommendations are perceived as fair and impartial.	Ensure the highest levels of corporate governance.	
		<p>Achieve relevant legislative changes to achieve independence from SARS accountability</p> <p>Achieve structural independence as an entity from SARS.</p>	<p>Identify and investigate systemic issues from complaints received.</p> <p>Provide reports on systemic investigations requested by the Minister and/or initiated by the Tax Ombud.</p>
	<p>Create an agile organisation able to efficiently scale to meet demand.</p> <p>Ensure the highest level of technical professionalism.</p> <p>Establish governance and processes with SARS to support responsiveness.</p>	<p>Ensure performance management throughout the organisation.</p> <p>Build a culture of professionalism and excellence.</p>	

1. PROGRAMME: ACCESSIBILITY AND OPERATIONS

PROGRAMME PURPOSE: To review and address complaints in a fair, efficient and impartial manner.

1.1. Programme performance indicators and targets for 2019/20 - 2021/22

STRATEGIC OBJECTIVES	INDICATORS	PAST PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Create an agile organisation able to efficiently scale to meet demand.	% of taxpayer complaints acknowledged within 2 business days of receipt.	Target not planned	Target not planned	Target not planned	Target not planned	80%	90%	90%
	% of complaints reviewed within 8 business days of acknowledgement of receipt.	Target not planned	Target not planned	Target not planned	Target not planned	80%	90%	90%
	% of close-out reports received from SARS and actioned within 4 business days of receipt.	Target not planned	Target not planned	Target not planned	Target not planned	90%	92%	95%
	% of recommendations implemented by SARS.	Target not planned	Target not planned	Target not planned	Target not planned	90%	95%	98%
Provide and maintain a high standard of service in our interaction with taxpayers.	% of customers satisfied about the OTO complaints resolution process based on taxpayer survey results.	Target not planned	Target not planned	0%	60%	80%	85%	90%

1.2. Quarterly targets for 2019/20

STRATEGIC OBJECTIVES	INDICATORS	REPORTING PERIOD	ANNUAL TARGET 2019/20	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Create an agile organisation able to efficiently scale to meet demand.	% of taxpayer complaints acknowledged within 2 business days of receipt.	Quarterly	80%	80%	80%	80%	80%
	% of complaints reviewed within 8 days of acknowledgement of receipt.	Quarterly	80%	80%	80%	80%	80%
	% of close-out reports received from SARS and actioned within 4 days of receipt.	Quarterly	90%	90%	90%	90%	90%
	% of recommendations implemented by SARS.	Quarterly	90%	90%	90%	90%	90%
Provide and maintain a high standard of service in our interaction with taxpayers.	% of customers satisfied about the OTO complaints resolution process based on taxpayer survey results.	Quarterly	80%	80%	80%	80%	80%

2. PROGRAMME: SYSTEMIC INVESTIGATION

PROGRAMME PURPOSE: To identify and review systemic and emerging issues related to service matters or the application of the provisions of the Tax Administration Act or procedural or administrative provisions of a tax Act that impact negatively on taxpayers.

2.1. Programme performance indicators and targets for 2019/20 - 2021/22

STRATEGIC OBJECTIVES	INDICATORS	PAST PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Provide reports on systemic investigations requested by the Minister and/or initiated by the Tax Ombud.	% of systemic investigations approved by the Minister of Finance completed within an agreed turnaround time.	Target not planned	Target not planned	Target not planned	100%	100%	100%	100%
Identify and investigate systemic issues from complaints received.	% of systemic issues identified and investigated within 3 months.	Target not planned	Target not planned	Target not planned	100%	100%	100%	100%

2.2. Quarterly targets for 2019/20

STRATEGIC OBJECTIVES	INDICATORS	REPORTING PERIOD	ANNUAL TARGET 2019/20	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Provide reports on systemic investigations requested by the Minister and/or initiated by the Tax Ombud.	% of systemic investigations approved by the Minister of Finance completed within an agreed turnaround time.	Annually	100%	Progress reporting	Progress reporting	Progress reporting	100%
Identify and investigate systemic issues from complaints received.	% of systemic issues identified and investigated within 3 months.	Quarterly	100%	100%	100%	100%	100%

3. PROGRAMME: AWARENESS AND EDUCATION

PROGRAMME PURPOSE: To promote awareness about the services of the Office of the Tax Ombud.

3.1. Programme performance indicators and targets for 2019/20 - 2021/22

STRATEGIC OBJECTIVES	INDICATORS	PAST PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Improve taxpayers' awareness of the services of the OTO.	Number of educational outreach campaigns and stakeholder engagements, media engagements advertising conducted.	70	139	194	160	160	190	220
	Number of external newsletters published.	Target not planned	Target not planned	Target not planned	Target not planned	4	4	4
Positive brand recognition.	Net promoter score in taxpayers' brand awareness survey.	Target not planned	Target not planned	Target not planned	Target not planned	Target not planned	+1	0

3.2. Quarterly targets for 2019/20

STRATEGIC OBJECTIVES	INDICATORS	REPORTING PERIOD	ANNUAL TARGET 2019/20	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Improve taxpayers' awareness of the services of the OTO.	Number of educational outreach campaigns and stakeholder engagements.	Quarterly	160	18	20	18	18
	Number of advertising campaigns conducted.			10	25	20	5
	Number of media engagements conducted.			5	11	5	5
	Number of external newsletters published.	Quarterly	4	1	1	1	1

4. PROGRAMME: LEGAL AND SUPPORT SERVICES

PROGRAMME PURPOSE: In support of the strategic goals, legal and support services will ensure the highest level of corporate governance, including financial management, strive for the relevant legislative and structural changes for independence, ensure performance management throughout the organisation and build a culture of professionalism and excellence.

4.1. Programme performance indicators and targets for 2019/20 - 2021/22

STRATEGIC OBJECTIVES	INDICATORS	PAST PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Ensure that an MOU exists between the OTO and SARS to formalise the relationship.	MOU signed off by both parties.	Target not planned	Target not planned	0	1	Target not planned	Target not planned	Target not planned
Provide effective, good-quality recommendations on complaints presented to the review committee.	Number of committee review decisions overturned by the OTO's appeals' committee.	Target not planned	Target not planned	Target not planned	Target not planned	8	5	2
Develop OTO Employment Equity numerical targets (EE, gender and disability).	Percentage of disabled persons employed by the OTO.	Target not planned	Target not planned	Target not planned	2%	2%	2%	2%
	Percentage of female employees employed by the OTO.	Target not planned	Target not planned	Target not planned	51%	51%	51%	51%
	Percentage of black employees employed by the OTO.	Target not planned	Target not planned	Target not planned	75%	90%	90%	90%
Effectively and economically reduce the cost of reviewing and addressing complaints.	Average cost reduction per complaint, year on year.	Target not planned	Target not planned	-100%	0%	1%	1%	1%

4.2. Quarterly targets for 2019/20

STRATEGIC OBJECTIVES	INDICATORS	REPORTING PERIOD	ANNUAL TARGET 2019/20	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Provide effective, good-quality recommendations on complaints presented to the review committee.	Number of committee review decisions overturned by the OTO's appeals' committee.	Quarterly	8	2	2	2	2
Develop OTO Employment Equity numerical targets (EE, gender and disability).	Percentage of disabled persons employed by the OTO.	Annual	2%	Progress reporting	Progress reporting	Progress reporting	2%
	Percentage of female employees employed by the OTO.	Annual	51%	Progress reporting	Progress reporting	Progress reporting	51%
	Percentage of black employees employed by the OTO.	Annual	90%	Progress reporting	Progress reporting	Progress reporting	90%
Effectively and economically reduce the cost of reviewing and addressing complaints.	Average cost reduction per complaint, year on year.	Quarterly	1%	1%	1%	1%	1%

7. RESOURCE CONSIDERATION AND RISK MANAGEMENT

7.1 RESOURCE CONSIDERATION

The current Estimate of National Expenditure (ENE) amounts allocated are R40.3 million, R42.5 million and R44.8 million for the 2019/20, 2020/21 and 2021/22 financial years, respectively. The funding is not sufficient for the Office to continue delivering on its mandate and meeting its strategic objectives. During the MTEF period, there will be a reduction of R1.2 million (-3%) in the baseline allocation for the 2019/20 financial year, then an increase of R2.2 million (6%) for the 2020/21 financial year and an increase of R2.3 million (5%) in the 2021/22 financial year. The Office requires additional employees to meet the demand for service and as per the approved organisational structure for the 2019/20 financial year but will defer the appointments to the next MTEF period due to a reduction of funding.

There are other overhead costs that are incurred by SARS on behalf of OTO; those costs include building expenses such as rental, water, electricity, security services, cleaning services and protection services. The expenditure relating to those items is estimated at R6.4 million in the 2019/20 financial year, R6.9 million in 2020/21 and R7.4 million in 2021/22. The Office will continue to rely on SARS to assist in financing those overhead costs.

PERSONNEL EXPENDITURE

Currently, employee cost remains one of the main cost drivers and represent 84% of the total budget. The Office increased headcount during the 2018/19 financial year.

During the MTEF period, 85% of the budget allocation (including expenditure incurred by SARS on behalf of the OTO) will be spent on personnel cost and a small portion of the budget will be utilised on operational expenditure. The Office is required to contribute towards a cost-cutting and cost-saving approach as a result of reductions in funding. The allocation on the MTEF will only address the remuneration obligations.

EXPENDITURE ESTIMATES

COST ELEMENT	AUDITED OUTCOMES				CURRENT ESTIMATES	ESTIMATES OF NATIONAL EXPENDITURE		
	R Thousand	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
Personnel Expenditure	8 116	18 672	23 698	28 462	39 020	39 715	42 235	44 431
Administrative Expenditure	682	1 169	991	1 159	1 435	132	110	116
Inventory and Printing	139	656	400	487	534	131	50	180
Professional and Special Services	187	5 569	4 143	6 105	4 067	172	60	63
Land and Buildings	1 837	715	254	4 316	780	128	50	53
Capex	1 400	3 942	269	395	607	30	20	21
TOTAL OPERATIONAL AND CAPEX	12 361	30 723	29 755	40 924	46 443	40 308	42 525	44 864

COSTS INCURRED BY SARS ON BEHALF OF OTO			
DESCRIPTION	2019/20	2020/21	2021/22
Building Rent	2 690 497	2 905 737	3 138 196
Operating Cost	578 329	624 595	674 563
Water and Electricity	734 192	844 379	911 929
Rates and Taxes	403 663	431 919	466 473
Cleaning	367 513	393 239	424 698
Refuse	9 769	10 453	11 289
Security	808 199	880 937	951 412
Protection Services	813 263	871 818	919 768
TOTAL	6 405 425	6 963 078	7 498 328

7.2 RISK REGISTER

During the strategic planning process, risk management was a key element considered. The management of the OTO then embarked on the process of identifying risks that could negatively affect the realisation of strategic goals and objectives. Mitigating strategies have been put in place to counter the identified risks.

RISK TITLE	RISK DESCRIPTION	INHERENT RISK RATINGS	RESIDUAL RISK RATINGS	CONTRIBUTING FACTOR TITLE	ACTION PLAN TITLE
Lack of financial and support service independence from SARS.	<p>Although the budget is determined by the Minister and ring-fenced, in terms of the PFMA the Commissioner of SARS remains the Accounting Authority.</p> <p>Reliance on SARS for administrative (IT, HR, Facilities, etc) support.</p>	25	20	Deficiency in the TAA.	<p>MOU with SARS to ensure financial and support service autonomy.</p> <p>Business case to strengthen independence.</p> <p>SLA with other support divisions of SARS.</p>
Lack of understanding of the OTO mandate and general tax matters by taxpayers, creating unrealistic expectations among taxpayers.	Taxpayers see the OTO as their last resort and may have expectations of having their complaints resolved in their favour irrespective of the OTO mandate.	20	16	Taxpayers do not understand the mandate of the OTO.	<p>Continuous communication through taxpayer engagement and educational activities through media and other channels.</p> <p>Yearly surveys to be performed.</p>
Failure by SARS to finalise OTO recommendations timeously, which impacts on the reputation of the OTO.	The TAA states that the Tax Ombud's recommendations are not binding on a taxpayer or SARS.	25	16	Deficiency in the TAA.	<p>MOU/ SLA with SARS to resolve turnaround times.</p> <p>To continue holding monthly operational governance meetings with the SARS Complaints Management Office.</p>
Lack of legal capacity to enter into contracts for organisational independence.	<p>Perceived lack of independence, possible undue level of influence by SARS.</p> <p>The Tax Ombud cannot be an employer or engage in other contracts.</p>	20	20	Deficiency in the TAA.	<p>MOU with SARS to strengthen autonomy.</p> <p>Business case to strengthen independence.</p>

8. TECHNICAL INDICATOR DESCRIPTIONS (TID_s)

TID NO: 1

REQUIRED FIELDS	DESCRIPTION
Indicator title	% of taxpayer complaints acknowledged within two business days from the date of receipt.
Short definition	The Office acknowledges complaints received within two days after each complaint has been checked for completeness and registered on the system.
Purpose/importance	The indicator is aimed at informing the taxpayer that the Office has received their complaints and to communicate any missing information from the complaints form.
Source/collection of data	Service Manager system generates letters of acknowledgement for dispatching to taxpayers who lodge complaints.
Method of calculation	Total complaints acknowledged within two days divided by total complaints received and acknowledged multiply by 100.
Data limitations	None
Type of indicator	Efficiency and inputs.
Calculation type	Non-cumulative.
Reporting cycle	Quarterly and annually.
New indicator	Newly added indicator on the APP.
Desired performance	Capture all complaints within two days of receipt.
Indicator responsibility	Senior Manager Office Enablement.

A complaint is received when all required or necessary documents are submitted by the taxpayer (complainant).

TID NO: 2

REQUIRED FIELDS	DESCRIPTION
Indicator title	% of complaints reviewed within eight business days of receipt.
Short definition	The indicator measures the period it takes to capture, investigate and review accepted complaints that are sent to SARS and/or outcome to the complainant (including rejection and termination).
Purpose/importance	To become truly taxpayer-centric, providing a consistently high-quality service at minimal cost by creating an agile organisation able to efficiently scale to meet demand.
Source/collection of data	Service Manager System data.
Method of calculation	Total complaints sent to SARS within eight days of receipt of a complaint divided by total complaints sent to SARS for the reporting period.
Data limitations	High volume of receipt vs resources available to review.
Type of indicator	Efficiency and output.
Calculation type	Non-cumulative.
Reporting cycle	Quarterly and annually.
New indicator	Existing indicator from the previous APP.
Desired performance	Desire to have higher number of complaints sent to SARS within eight days of receipt of a complaint.
Indicator responsibility	Senior Manager Operations.

TID NO: 3

Indicator title	% of close-out reports received from SARS and actioned within four business days of receipt.
Short definition	Finalisation of completed cases received from SARS.
Purpose/importance	To become truly taxpayer-centric, providing a consistently high-quality service at minimal cost by creating an agile organisation able to efficiently scale to meet demand.
Source/collection of data	Service Manager reports.
Method of calculation	Total number of close-out reports actioned within four days of receipt divided by total number of close-out reports finalised/overruled within the reporting period.
Data limitations	Manual process to allocate close-out reports to operational specialists and delays from taxpayers in responding.
Type of indicator	Impact, efficiency and equity.
Calculation type	Non-cumulative.
Reporting cycle	Quarterly and annually.
New indicator	Newly added indicator on the APP.
Desired performance	Higher performance of resolution time against set target of four days.
Indicator responsibility	Senior Manager Operations.

TID NO: 4

REQUIRED FIELDS	DESCRIPTION
Indicator title	% of recommendations implemented by SARS.
Short definition	The accepted complaints are reviewed and recommendations drafted and sent to SARS to implement.
Purpose/importance	Measures the quality of the work done by the Office; SARS implements or rejects a complaint based on the recommendations made by the Office.
Source/collection of data	Service Manager System and close-out reports.
Method of calculation	Number of recommendations implemented by SARS divided by number of close-out reports (recommendations implemented and not implemented) multiply by 100.
Data limitations	The indicator only measures the accepted complaints sent to SARS for implementation.
Type of indicator	Output.
Calculation type	Non-cumulative.
Reporting cycle	Quarterly.
New indicator	Newly added indicator on the APP.
Desired performance	All recommendations sent to SARS are implemented.
Indicator responsibility	Review committee.

TID NO: 5

Indicator title	% of customers satisfied with the OTO complaints resolution process based on taxpayer survey results.
Short definition	Survey to taxpayers on the complaints resolution process.
Purpose/importance	To continuously provide rational and fair reasons for recommendations and action taken, while also ensuring that complainants understand the rationale and feel that the process has provided sufficient opportunity for their case to be reviewed fairly and impartially.
Source/collection of data	Survey results.
Method of calculation	Average score of survey results per quarter (The annual report will be a culmination of all four quarters).
Data limitations	Non-participation by taxpayers or no responses received from taxpayers.
Type of indicator	Efficiency and impact.
Calculation type	Non-cumulative.
Reporting cycle	Quarterly and annually.
New indicator	Newly added indicator on the APP.
Desired performance	Desire to have higher number or more taxpayers understanding our recommendations.
Indicator responsibility	Senior Manager Operations.

TID NO: 6

REQUIRED FIELDS	DESCRIPTION
Indicator title	% of systemic investigations approved by the Minister of Finance completed within an agreed upon turnaround time.
Short definition	These are investigations conducted as a result of requests by the Minister of Finance or initiated by the Tax Ombud with the permission of the Minister. The issues that are investigated affect or might affect a number of taxpayers in the tax system.
Purpose/importance	To identify procedural, administrative or policy weakness within the tax administration system as a result of a particular matter that can be regarded as an underlying cause for a complaint that affects or will affect a number of taxpayers in the tax system.
Source/collection of data	Progress report on investigation(s) / reports issued pertaining to the investigation.
Method of calculation	Number of systemic investigations approved by the Minister completed divided by number of systemic investigations approved by the Minister multiply by 100.
Data limitations	The commencement of the investigation is dependent on the Minister's approval. The approach will be very subjective in estimating the percentage of investigation completed of the final report.
Type of indicator	Output.
Calculation type	Non-cumulative.
Reporting cycle	Annually.
New indicator	Existing indicator from the previous APP.
Desired performance	To investigate 100% of approved investigations. Actual performance that is higher than targeted performance is desirable.
Indicator responsibility	Senior Manager Legal.

TID NO: 7

Indicator title	% of systemic issues identified and investigated within three months.
Short definition	These are issues identified from the complaints received and classified as systemic in nature. The issues that are investigated affect or might affect a number of taxpayers in the tax system.
Purpose/importance	To identify procedural, administrative or policy weakness within the tax administration system as a result of a particular matter that can be regarded as the underlying cause of a complaint that affects or will affect a number of taxpayers in the tax system.
Source/collection of data	Systemic register-approved review committee template.
Method of calculation	Number of approved systemic issues identified and investigated within three months divided by the number of systemic issues identified and investigated.
Data limitations	n/a.
Type of indicator	Outputs.
Calculation type	Non-cumulative.
Reporting cycle	Quarterly.
New indicator	Existing indicator from the previous APP.
Desired performance	To identify all systemic issues that affect or will affect a number of taxpayers. Actual performance that is higher than targeted performance is desirable.
Indicator responsibility	Senior Manager Legal.

TID NO: 8

REQUIRED FIELDS	DESCRIPTION
Indicator title	Number of educational outreach campaigns and stakeholder engagements, media engagements and advertising campaigns conducted.
Short definition	Activities aimed at educating stakeholders about the OTO and services offered.
Purpose/importance	Educate and create awareness about the existence of the OTO and services offered.
Source/collection of data	Stakeholders, media houses and media buying agency.
Method of calculation	Simple count.
Data limitations	The OTO will only count information at its disposal due to the unavailability of media monitoring resources.
Type of indicator	Output.
Calculation type	Non-cumulative.
Reporting cycle	Quarterly.
New indicator	Existing indicator from the previous APP.
Desired performance	Widespread awareness of the OTO and services offered.
Indicator responsibility	Senior Manager Communications and Outreach.

TID NO: 9

Indicator title	Number of external newsletters published.
Short definition	Platform to engage and communicate with external stakeholders.
Purpose/importance	Keep stakeholders abreast of important developments in the OTO and the tax recourse sphere.
Source/collection of data	Business units and stakeholders.
Method of calculation	Simple count.
Data limitations	None.
Type of indicator	Output.
Calculation type	Non-cumulative.
Reporting cycle	Quarterly.
New indicator	Newly added indicator on the APP.
Desired performance	Informed and engaging stakeholders.
Indicator responsibility	Senior Manager Communications and Outreach.

TID NO: 10

REQUIRED FIELDS	DESCRIPTION
Indicator title	Net Promoter Score in taxpayers' brand awareness survey.
Short definition	Fact-finding study to establish the level of public awareness about the organisation.
Purpose/importance	Gain insight into stakeholder awareness about the OTO and services offered, and utilise data collected to improve brand awareness.
Source/collection of data	Survey results.
Method of calculation	Simple count.
Data limitations	No limitations.
Type of indicator	Output.
Calculation type	Non-cumulative.
Reporting cycle	Annual.
New indicator	Existing indicator from the previous APP.
Desired performance	Survey results/report.
Indicator responsibility	Senior Manager Communications and Outreach.

TID NO: 11

Indicator title	Percentage of disabled employees employed by the OTO.
Short definition	The indicator measures the level of disabled employees employed by the Office in terms of the Employment Equity requirements.
Purpose/importance	Accelerate the employment opportunities for disabled employees across the organisation.
Source/collection of data	Register of OTO employees. Use vacancies to drive recruitment of disabled employees.
Method of calculation	Use total staff headcount register (including graduate trainees): Number of disabled employees (including graduate trainees) divided by total employees multiplied by 100.
Data limitations	Limited CVs from disabled candidates with relevant experience and qualifications
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Annually.
New indicator	Existing indicator from the previous APP.
Desired performance	Desire to recruit people with disability who comply with job specifications.
Indicator responsibility	Senior Manager Office Enablement.

TID NO: 12

REQUIRED FIELDS	DESCRIPTION
Indicator title	Percentage of females employed by the OTO.
Short definition	The indicator measures the level of female employees employed by the Office.
Purpose/importance	Accelerate the employment opportunities for female employees across the organisation.
Source/collection of data	Register of OTO employees. Use vacancies to drive recruitment of female employees.
Method of calculation	Use total staff headcount register (including graduate trainees) by gender: Number of female employees (including graduate trainees) divided by total employees multiply by 100.
Data limitations	Limited female CVs with relevant experience and qualifications.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Annually.
New indicator	Existing indicator from the previous APP.
Desired performance	More than 50% females.
Indicator responsibility	Senior Manager Office Enablement.

TID NO: 13

Indicator title	Percentage of black employees employed by the OTO.
Short definition	The indicator measures the level of black employees employed by the Office.
Purpose/importance	Accelerate the employment opportunities for black employees across the organisation.
Source/collection of data	Register of OTO employees. Use vacancies to drive recruitment of African employees.
Method of calculation	Use total staff headcount by race. Number of black employees (Including graduate trainees) divided by total employees multiply by 100.
Data limitations	Limited CVs of blacks with relevant experience and qualifications.
Type of indicator	Output.
Calculation type	Cumulative.
Reporting cycle	Annually.
New indicator	Existing indicator from the previous APP.
Desired performance	More than 75%.
Indicator responsibility	Senior Manager Office Enablement.

TID NO: 14

REQUIRED FIELDS	DESCRIPTION
Indicator title	Number of committee review decisions overturned by the appeals committee.
Short definition	Measures the quality of the decisions taken on complaints and ensures consistent application of the prescripts that govern the resolution of complaints.
Purpose/importance	The indicator is aimed at giving the operational specialist redress in cases where they have a different opinion to that of the review committee.
Source/collection of data	Appeals committee register.
Method of calculation	Simple count of overturned committee review decisions. The indicator is measured cumulatively; performance of the previous quarter will be added to the actual performance of the current quarter.
Data limitations	None.
Type of indicator	Output.
Calculation type	Cumulative (report on year-to-date performance). The achievement is equal to or less than the target.
Reporting cycle	Quarterly.
New indicator	Newly added indicator on the APP.
Desired performance	Fewer overturned committee review decisions.
Indicator responsibility	Senior Manager Legal.

TID NO: 15

Indicator title	Average cost reduction per complaint, year-on-year.
Short definition	Adopting efficient processes that reduce the cost of complaint resolution.
Purpose/importance	To measure efficiency in resolving complaint. To become truly taxpayer-centric, providing a consistently high-quality service at minimal cost by creating an agile organisation able to efficiently scale to meet demand.
Source/collection of data	SAP finance reports and Service System Manager.
Method of calculation	Total cost of complaints resolution divided by total number of complaints; resolution completed and compared quarterly.
Data limitations	Reduction in the number of complaints.
Type of indicator	Efficiency and economic.
Calculation type	Cumulative.
Reporting cycle	Quarterly.
New indicator	Existing indicator from the previous APP.
Desired performance	To reduce the cost of resolving a complaint.
Indicator responsibility	Senior Manager Office Enablement.

9. MINOR CHANGES TO THE STRATEGIC PLAN 2018-2023

In terms of paragraph 4.1 of the Framework for Strategic Plans and Annual Performance Plans, the Strategic Plan of an institution may be changed during the five-year period that it covers. However, such changes should be limited to revisions related to significant policy shifts or changes in the service delivery environment. The relevant institution does this by issuing an amendment to the existing plan, which may be published as an annexure to the Annual Performance Plan, or by issuing a revised Strategic Plan.

After the review of the OTO's Strategic Plan, no significant policy shifts or significant changes in the service delivery environment of the Office of the Tax Ombud were identified. There were, however, minor changes that were effected to this plan that are not reflected in the Strategic Plan. The table below reflects the changes effected on this plan that are not in the Strategic Plan for 2018/19 - 2022/23:

PROGRAMME	STRATEGIC PLAN (SP) 2018/19 - 2022/23	CHANGES TO THE SP	REASON FOR CHANGES	SP PAGE
Accessibility and Operations	Accessibility and operations will ensure that the OTO provides a high-quality, taxpayer-centric service, that taxpayers understand the rationale for all recommendations made and that recommendations are impartial and executed in a manner that is highly efficient.	To review and address complaints in a fair, efficient and impartial manner.	Simplify the purpose of the unit in accordance with the mandate of the Office.	20
	Feedback provided by stakeholders about the complaints resolution process by OTO, based on the survey results.	% of customers satisfied about the OTO complaints resolution process based on taxpayer survey results.	The indicator is revised to clarify its intended purpose as a customer satisfaction survey.	20
	N/A - Indicator not part of the Strategic Plan when it was drafted.	% of close-out reports received from SARS and actioned within five business days of receipt.	The indicator is introduced in order to allow for monitoring and improve performance of finalising the complaints after implementation by SARS.	New indicator.
	% of recommendations sent to SARS within 10 days from date of receipt.	% of taxpayer complaints acknowledged within 2 business days of receipt.	The process of the indicator on recommendations sent to SARS within 10 days is segregated to account for review of complaints and sending of recommendations to SARS processes.	New indicator.
% of complaints reviewed within 8 business days of acknowledgement of receipt.		20		

PROGRAMME	STRATEGIC PLAN (SP) 2018/19 - 2022/23	CHANGES TO THE SP	REASON FOR CHANGES	SP PAGE
Accessibility and Operations	N/A – Indicator not part of the Strategic Plan when it was drafted.	% of recommendations implemented by SARS.	The indicator is included to measure the quality of the recommendations sent to SARS by OTO for implementation.	New indicator.
	N/A – Indicator not part of the Strategic Plan when it was drafted.	% of taxpayer complaints acknowledged within two business days.	The indicator is introduced to account for the process of acknowledging complaints within the defined turnaround time.	New indicator.
	Average cost reduction per complaint.	N/A – The indicator did not change; it has been moved from one business unit to another.	The indicator has been moved from Accessibility and Operations to Legal and Support Services.	20
Systemic Investigation	% of systemic investigations completed.	% of systemic investigations approved by the Minister completed within an agreed upon turnaround time.	The indicators are revised to ensure that there is a clear distinction between the investigations of systemic issues approved by the Minister of Finance and those that are identified and investigated during the complaint resolution process.	20
	Number of systemic investigations completed.	% of systemic issues identified investigated within 3 months.		
Awareness and Education	In support of the strategic objectives, the OTO will promote awareness and education through outreach campaigns, advertising and public relations services. The activities will be measured according to the level of stakeholder awareness within the taxpayer population, perceived level of independence, understanding of the complaints procedure and brand recognition.	To promote awareness about the services of the Office of the Tax Ombud.	The purpose is revised to ensure alignment with the mandate of the Office.	21
	Number of educational outreach campaigns, stakeholder engagements, public relations and advertising activities.	Number of external newsletters published.	The quarterly external newsletters were part of the engagements; the unit will now measure these newsletters separately as an activity.	21
	N/A – Indicator was not part of the Strategic Plan when it was drafted.	Net Promoter Score on taxpayers' brand awareness survey.	The Office is introducing this indicator in order to measure the outcome of the brand recognition survey.	New Indicator.
Legal and Support Services	Ensure the highest levels of corporate governance.	Objective has been removed.	The objective and its indicator about governance and audit findings have been removed as the Office is not yet audited.	21
	Zero governance and audit findings.	The indicator has been removed.		21

PROGRAMME	STRATEGIC PLAN (SP) 2018/19 - 2022/23	CHANGES TO THE SP	REASON FOR CHANGES	SP PAGE
Legal and Support Services	Indicator: 2% of disabled persons. Target: 100%	Percentage of disabled persons employed by the OTO. Target: 2%	The change is intended to simplify the indicator and the target.	21
	Gender: 49% and 51%. Target: 100%	Percentage of female employees employed by the OTO. Target: 51%	The change is intended to simplify the indicator and the target.	21
	Race: 75% black.	Percentage of black employees employed by the OTO.	The change is intended to simplify the indicator and the target.	21
	N/A - Indicator was not part of the strategic plan when it was drafted.	Number of committee review decisions overturned by the appeals committee.	Measures the quality of the decisions taken on complaints and ensures consistent application of the prescripts that govern the resolution of complaints.	21







