



OFFICE OF THE
TAX OMBUD
Ensuring fairness

TAX OMBUD

ANNUAL PERFORMANCE PLAN

2020/21





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MINISTER OF FINANCE
TITO TITUS MBOWENI

MESSAGE BY THE MINISTER OF FINANCE

“The OTO instils a culture of governance that promotes the principles of transparency, integrity, accountability and stakeholder engagement in the tax administration sphere, in support of democracy and inclusive growth.”

Since its establishment six years ago, the Office of the Tax Ombud (OTO) has been striving to execute its mandate of promoting a fair and effective tax administration. The work of the Tax Ombud and his Office should not be underestimated, as it plays a vital role in ensuring that taxpayers comply with their tax obligations, while at the same time promoting taxpayers’ rights and fairness, by serving as a mechanism that helps resolve taxpayers’ complaints against the revenue collector. In executing its mandate, the OTO relies on the South African Revenue Service (SARS) to ensure that the recommendations that it makes are adequately implemented, and that taxpayers receive proper feedback. The relationship between SARS and the OTO is important in promoting a fair process in terms of taxpayer complaints, and I am confident that, through their Memorandum of Understanding, the two offices will complement each other.

I have no doubt that the Tax Ombud Strategic Plan 2020 - 2025 will inspire taxpayer confidence, as the Office becomes more effective and accessible.

The OTO instils a culture of governance that promotes the principles of transparency, integrity, accountability and stakeholder engagement in the tax administration sphere, in support of democracy and inclusive growth. The Office will continue to interact with taxpayers to oversee the process of ensuring that their rights are respected. The commitment of National Treasury is crucial in supporting the OTO to achieve the

highest standards of corporate governance. This entails ensuring that there is a sound governance framework that encompasses the requisite internal and external assurances. This will assist the Office to achieve its strategic objectives, by evaluating and improving the adequacy and effectiveness of its governance, risk management and control processes.

I recently extended the term of office of the Tax Ombud, Judge Bernard Makgabo Ngoepe, for three years, commencing 1 October 2019, and both my office and National Treasury will continue to support the Tax Ombud in executing the given mandate.

I welcome and support the Annual Performance Plan 2020/21 as the next chapter for the Office to continue as an efficient, independent, impartial and fair redress channel for the resolution of taxpayers’ complaints about SARS matters. I look forward to continuing to work with the OTO in contributing towards building taxpayers’ confidence in the tax system.

I am confident that the Tax Ombud will continue to guide the OTO to greater heights during the coming years, through his strong leadership.



T.T. MBOWENI, MP
MINISTER OF FINANCE



TAX OMBUD
JUDGE BERNARD MAKGABO NGOEPE

FOREWORD BY THE TAX OMBUD

“Minister Mboweni’s appreciation of our contribution to the country’s tax administration system reassures me that we are on the right path and working towards ensuring a fair tax administration system.”

As an institution that operates in the service environment, the OTO has displayed its commitment to resolving taxpayers’ complaints and promoting a fair tax administration system for the last six years. Six years ago, when I started this Office, my vision was to ensure that it served taxpayers by informing them of their rights and responsibilities, as per the Constitution of the country. It was also to ensure that taxpayers knew that there was an impartial and fair avenue available to help resolve their tax complaints against the South African Revenue Service (SARS). I can confidently say that we will continue to strive to be a trusted organisation and display integrity in the work of this office, which is something we have done since inception, if the commendations we receive from taxpayers and other stakeholders are anything to go by.

In the 2018/19 Tax Ombud Annual Report, Finance Minister Tito Mboweni said in his overview that he could “... confidently state that the improvement we have seen within the revenue collector is partly attributable to the work done by the OTO, which has helped promote a healthy balance between SARS’ powers and duties, on the one hand, and taxpayers’ rights and obligations, on the other”.

I concurred with the Minister’s sentiments, as the OTO has made a significant contribution to improving public confidence in the tax administration system, by ensuring that there is a fair and independent avenue to address their issues with SARS. Minister

Mboweni’s appreciation of our contribution to the country’s tax administration system reassures me that we are on the right path and working towards ensuring a fair tax administration system.

Tax collection remains a crucial aspect of ensuring a better life for all. I have stated before, and will reiterate, that we are committed to facilitating the fair collection of taxes and will assist SARS in doing so. In instances where the revenue collector treats taxpayers unfairly, we will intervene, seek to address the matter and sometimes quarrel with SARS. But this does not in any way mean that we are opposed to the legitimate collection of taxes.

BUILDING BLOCKS FOR OUR STRATEGIC INTENT

As part of my responsibility, I must provide clear direction for the OTO for the Annual Performance Plan 2020/21, and I would like to ensure that the OTO continues to be respected by all taxpayers and other stakeholders.

The Annual Performance Plan 2020/21 details our annual objectives and how we will go about achieving them. The senior leadership team and I have identified the pillars that are important to driving our strategic intent of improving the service provided by the OTO. Our first pillar is achieving independence from SARS. What is important now is to determine how to go about achieving this.

The OTO must limit the risk of being perceived as biased by taxpayers, and it is thus crucial not to just be viewed as independent by taxpayers, but to be structurally independent, which will enable us to fulfil our mandate efficiently. In doing so, we will continue to engage the Minister of Finance and consult with other stakeholders, in order to solicit their input on how to improve our legislative amendments, so as to enhance the OTO mandate and foster our independence.

Our second pillar is an efficient Office that is taxpayer-centric. It concerns me when taxpayers feel that they do not receive proper service from the Government, and in this regard, I commit the OTO to strive to be customer-centric, to serving our taxpayers well, and to be exemplary in terms of service delivery. We commit to improving our services and promoting confidence among all our stakeholders. This can be achieved by becoming accessible to all taxpayers, including under-serviced communities; promoting clarity and feedback, by being responsive; and improving taxpayer engagement, by offering a differentiated experience that integrates the human element with digital channels. This will require that we train our employees to be efficient and accountable when dealing with taxpayers.

Thirdly, as already said, we are committed to ensuring a system of fair collection of taxes. We are therefore committed to contributing to ensuring that the country's culture of tax compliance remains strong, and we call on all stakeholders to continue supporting the OTO and SARS in this regard.

In conclusion, the OTO has highly skilled personnel and plans to contribute to the process of improving the country's tax administration system. We have built and enjoyed excellent mutually beneficial partnerships with our stakeholders, and I am confident that, through these partnerships, we will ensure that we have an efficient Office that contributes positively to an efficient and fair tax administration system in the country.



JUDGE BERNARD MAKGABO NGOEPE
TAX OMBUD



ACTING CHIEF EXECUTIVE OFFICER
GERT VAN HEERDEN

OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

“In essence , our strategic intent will ensure a greater collective effort to achieve our strategic goals of Accountability; Efficacy; Independence; Security; and Confidentiality.”

The past six years of the OTO’s existence were characterised by laying a solid foundation and building strong pillars, which proved pivotal in creating an exemplary institution that is committed to making a significant impact on the South African tax administration system, and to making a difference in the lives of taxpayers. In support of the Government’s Vision 2030 and the seven electoral priorities, the OTO will contribute to building a capable, ethical and developmental State.

This period also allowed the OTO to intensify efforts aimed at improving the complaints resolution process, and ensuring that taxpayers’ complaints are resolved speedily and with sound reasons provided for the decisions or recommendations made. Strong principles of professional, ethical and accountable service delivery have put us in a good position to be regarded as having facilitated improved taxpayer perceptions and the experience of dealing with the South African Revenue Service (SARS). Taxpayers, tax practitioners and parliamentarians have spoken of the positive impact that the OTO has made in terms of revenue collection. As much as this is pleasing, a lot of work still needs to be done, before the OTO can say it is where it wants to be as an institution.

STRATEGIC OVERVIEW

The focus of the APP 2020/21 will be on intensifying the efficiency of OTO services by being accessible and responsive; promoting awareness of our services and the rights of taxpayers to under-serviced

communities; cementing strong partnerships with stakeholders; as well as assisting the country by promoting tax compliance.

In essence, our strategic intent will ensure a greater collective effort to achieve our strategic goals of Accountability; Efficacy; Independence; Security; and Confidentiality. This will, in turn, result in an efficient service and accountability to taxpayers.

AN INDEPENDENT OFFICE

For many, the OTO is regarded as an extension of SARS. This is a perception that has serious operational and reputational risks. To a certain extent, it is understandable that some taxpayers believe we are part of an institution over which we have oversight, as our budget falls within that of SARS, and we still rely on the revenue collector for operational support. I must stress that SARS has no influence over the decisions taken regarding complaints received by the OTO, but this arrangement and the related risks is not ideal. For this reason, one of our goals for the near future is to strengthen our mandate, by achieving structural independence for the OTO.

So as we plan for the next five years, our attention shifts to focus more on achieving the structural and operational independence of the OTO from SARS. Tax Ombud, Judge Bernard Ngoepe, has been supported by many of our stakeholders in calling for independence from SARS since the establishment of the office.

ACCOUNTABILITY TO TAXPAYERS

The service that we provide to taxpayers is very important to the country's coffers, as it contributes to tax compliance. Therefore, it is important that we take accountability for ensuring that taxpayers are treated fairly and that they are aware of their rights as taxpayers, as well as of their tax obligations to the country. A balanced and fair application of the tax administration process can contribute to a culture of tax compliance and increased revenue that can be utilised to the benefit of all citizens. It is thus important that the complaints processes we use to address complaints made by taxpayers against SARS are transparent, fair and efficient.

INTENSIFYING OUR EFFICIENCY

We have indicated our ambitions and put plans in place to provide a consistently high-quality service that is both taxpayer-centric and provided at minimal cost. We will accomplish this by creating an agile organisation that is able to scale efficiently to meet taxpayer demands, by embracing the new technologies. We believe that technology can help simplify our complaints processes and the way that taxpayers interact with the organisation; and improve accessibility and engagement with taxpayers through effective and real-time communication tools. In addition, the effectiveness of our service will ensure that taxpayers are treated fairly. With adequate resources - both financial and personnel - there is no reason why we cannot be a leader in using technology to service our stakeholders and improve our customer-centricity.

The studies we have conducted in the past show that a considerable percentage of our population is still oblivious of the existence of the OTO. This needs to change sooner rather than later. The focus in the next five years will be on public relations and using freely available marketing tools, in order to assist Government with reducing expenditure. Judge Ngoepe and his senior leadership team have been most accommodating in being accessible to all media, including the often neglected community radio stations and their print counterparts.

We fully understand the importance and benefits of collaboration. Whilst we have nurtured many mutually beneficial partnerships with stakeholders, there is still room for improvement. The Memorandum of Understanding signed with SARS is already proving beneficial. Our goal is to ensure that we form partnerships and collaborate with more stakeholders in both the private and public sector. We want to see ourselves co-hosting imbizos and other events with various stakeholders to educate taxpayers about our services and promote these much-needed services.

PROMOTING A SECURE AND CONFIDENTIAL ENVIRONMENT

Taxpayer information is very important for the OTO, and we will continuously address the evolving threats associated with ensuring that all stakeholder information and communication remains confidential. This will be done by: improving the security and confidentiality of the organisation's information; by utilising the latest technology; and by ensuring that all our employees continue to espouse all our values, including full respect and adherence to the requirement for confidentiality.

CONCLUSION

In conclusion, I would like to thank the Tax Ombud and all our colleagues for their efforts to date, and urge them to continue the pursuit of excellence when providing service to taxpayers. I would also like to express my gratitude for the contributions made by all our colleagues to the development of this plan, and for providing an excellent service to taxpayers. Our commitment to contributing to a culture of tax compliance is still strong, and we call on all stakeholders to continue supporting our efforts.



ACTING CHIEF EXECUTIVE OFFICER
GERT VAN HEERDEN

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 that the Office of the Tax Ombud will endeavour to achieve in the 2020/21 period.



TAX OMBUD
JUDGE BERNARD MAKGABO NGOEPE



ACTING CHIEF EXECUTIVE OFFICER
GERT VAN HEERDEN



PART A**STRATEGIC OVERVIEW****VISION**

To strengthen taxpayers' trust and confidence in tax administration.

MISSION

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

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.

**IMPARTIALITY**

The Tax Ombud will review taxpayer complaints fairly.

4. LEGISLATIVE AND OTHER MANDATES

The OTO complies with the legislative mandates of the Constitution of the Republic of South Africa, Act No 108 of 1996 (the Constitution), and the Tax Administration Act, Act No 28 of 2011 (TAA).

4.1. 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, economical and effective use of resources; the provision of impartial, fair and equitable service; transparency and accountability.

4.2. TAX ADMINISTRATION ACT 28 OF 2011

The mandate of the Tax Ombud is 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 provisions of a tax Act by SARS.
- b) Review, at the request of the Minister or at the initiative of the Tax Ombud, and 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.

5. SITUATIONAL ANALYSIS

The situational analysis for the Office of the Tax Ombud is based on both local and international financial framework reporting. The situational analysis comprises a PESTEL (political, economic, social, technological, environmental and legal factors) framework and a SWOT analysis (strengths, weaknesses, opportunities and threats).

5.1. PERFORMANCE ENVIRONMENT

5.1.1. POLITICAL FACTORS

1. Ombud institutions - both local and international - promote an open government, and mainly serve to improve the transparency, accountability and responsiveness of the public sector. But they also serve to: increase trust; fight corruption; improve citizen participation; and improve the effectiveness and efficiency of the public sector. With citizens being conscious of and sensitive to corruption, it is important that the OTO actively demonstrates ethical leadership.
2. In general, support and guidance from the Minister of Finance and the Government is important for the OTO to successfully achieve its mandate.
3. The general political climate in South Africa is stabilising and there is a need to grow the economy and ensure that the public is tax compliant.
4. During the 2019 Medium Term Budget Policy Statement, the Minister of Finance stated that tax policy measures to raise the R15 billion tax increase for 2020/21 will be announced in the 2020 Budget. These tax policy proposals are designed to raise additional tax revenue and reflect the Government's commitment to narrow the budget deficit and stabilise government debt. As a result, there will be more revenue collection pressure on SARS, and this will most likely result in more complaints by taxpayers against SARS regarding services or procedural, administrative processes not being followed properly.
5. The Commission of Inquiry into Tax Administration and Governance, has recommended steps to improve governance at the agency. SARS is strengthening its operations by, amongst others, re-establishing the Large Business Centre (LBC) and setting up a dedicated unit to tackle syndicated tax evasion. SARS has re-established the LBC, which will likely result in the Office receiving complex tax complaints.
6. The Minister of Finance will introduce legislative amendments to implement the recommendations of the SARS Commission and to strengthen tax administration and the capacity of SARS. Changes to the tax administration system may result in new complaints from taxpayers.

5.1.2. ECONOMIC FACTORS

1. GDP growth has been revised down since the 2018 Medium Term Budget Policy Statement (MTBPS), due to the fragile recovery in employment and investment, and a less supportive global trade environment. Real GDP growth for 2019 is expected to reach 1.5 per cent and to improve moderately to 2.1 per cent in 2021.

Taxpayers are being challenged by 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, which will require the OTO to maintain exceptional transparency and corporate governance.
 - There is a high probability of the volume of complaints increasing, as taxpayers and businesses seek to minimise their tax burden, or SARS becoming more 'aggressive' with tax collections.
 - Reported practices, such as holding back VAT refunds, may increase the likelihood of businesses seeking intervention by the OTO.
2. The public and private sectors seek to grow the South African economy significantly through entrepreneurship and small business development. However, many new entrants to the formal economy may have a limited understanding of the tax administration system, which may result in complaint volumes increasing.
 3. High compliance and statutory cost requirements, such as VAT registration for small and medium firms, will hinder or limit the contribution to economic growth. These costs could result in the closure of firms. Complaints are likely to increase due to a lack of knowledge and understanding by taxpayers of taxation requirements.
 4. Increasing strain on the South African fiscus also means that financial resources will continue to be constrained. Therefore, the operations of the OTO will require ongoing optimisation to ensure maximum efficiency.
 5. Tax fraud, such as with VAT refunds, is likely to increase refunds due to taxpayers, which will subsequently increase complaints received by the OTO from taxpayers.

5.1.3. SOCIAL FACTORS

1. 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 web apps.
 - Simple processes that require minimal information, and that are all accessible online.
 - Continuous and instantaneous feedback on process status.
 - The ability to engage with knowledgeable agents who can resolve queries at the first point of contact.
 - Quick turnaround times, with promises being met consistently.
2. The demand for the OTO to adapt its service offering to meet taxpayer expectations is increasingly including the provision of eChannels, simplification and speed.

3. When developing channels of engagement, the OTO will continue to recognise that access to online services is not common in rural areas and it will adapt its approach in line with its mandate. This means ensuring an appropriate mix of online and physical services.
4. Recognising that the complexity of tax administration and the lack of familiarity of the process for many requires a personal approach that will help build understanding and trust, and, in turn, confidence in the tax administration system.

5.1.4. TECHNOLOGICAL FACTORS

1. Taxpayers are becoming increasingly comfortable with engaging electronically, via multiple channels, which creates opportunities to extend access via eChannels.
2. 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.
3. The growing use of eChannels is also increasing the opportunities for cyber-crime, and this will require the OTO to respond by ensuring appropriate levels of electronic security.
4. The introduction of new digital channels will also provide opportunities for improved access for taxpayers, and will potentially allow for innovative working practices among staff. These services would allow for increased operational flexibility, such as working from home, extended operating hours and face-to-face services via eChannels.
5. SARS is continually improving its information technology (IT) systems, which might be a challenge for taxpayers who are less technologically aware or not aware at all. Technologically-challenged taxpayers are more likely to raise invalid complaints against SARS and subsequently to the Office of the Tax Ombud.

5.1.5. ENVIRONMENTAL FACTORS

The objective of the government's National Climate Change Response white paper is to effectively manage the inevitable climate change impact through interventions that build and sustain South Africa's social, economic and environmental resilience and emergency response capacity. It recognises that public finance can support climate change through the procurement of sustainable technologies by government, as well as by developing catalytic projects and programmes.

5.1.6. LEGAL FACTORS

The OTO is unable to enter into contractual agreements on its own, without the assistance of SARS; however, the awaited amendments to the legislation may favour structural independence of the OTO. Increasing public interest in law-making provides an opportunity for the OTO to promote independence and, in turn, trust in the tax administration system.

5.1.7. SWOT ANALYSIS

In analysing strengths, weaknesses, opportunities and threats, past surveys and studies done by the office were utilised. These include an employee engagement survey, a capacity study, and a customer satisfaction and brand equity survey.

STRENGTHS

- Strong and respected leadership.
- Growing brand recognition and media presence and stakeholder collaboration, with the major attributes of the Office identified by respondents in a recent independent survey being:
 - Knowledgeable (68%).
 - Competent, skilled and professional staff (65%).
 - Sincere, honest and truthful (65%).
 - A good reputation and being respected (64%).
- Committed to continuous staff development.
- Open door policy for taxpayers, as no appointment is needed to visit the office.
- Commitment to taxpayer education and awareness of the Office and its functions.
- Qualified, committed and dedicated employees.
- Ability to deliver services optimally with minimum resources.
- Good relationships and collaboration with major stakeholders, including public and private sector groups,

WEAKNESSES

- Under-utilisation of available technical skills.
- A low staff net promoter score of -28. 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 in terms of:
 - team engagement
 - collaboration
 - autonomy.
- A low taxpayer net promoter score of -3. The rating system that the OTO uses to measure customer satisfaction, from people who have made use of the OTO's service, delivered a score of -3. This indicates the need for further improvement in terms of becoming more taxpayer-centric, through improved turnaround times and simpler processes.
- Lack of automation of the complaints system (technology deficiency).

OPPORTUNITIES

- Promote employee engagement.
- Advocate for a structurally independent organisation.
- Develop a human resources strategy.
- Improve technology:
 - Provide service via online lodging of complaints, and increase the number of digital channels used.
 - Improve the complaints management process.
- Collaborate with SARS on taxpayer awareness, engagement and education.
- Gauge and improve customer satisfaction with the OTO's services.

THREATS

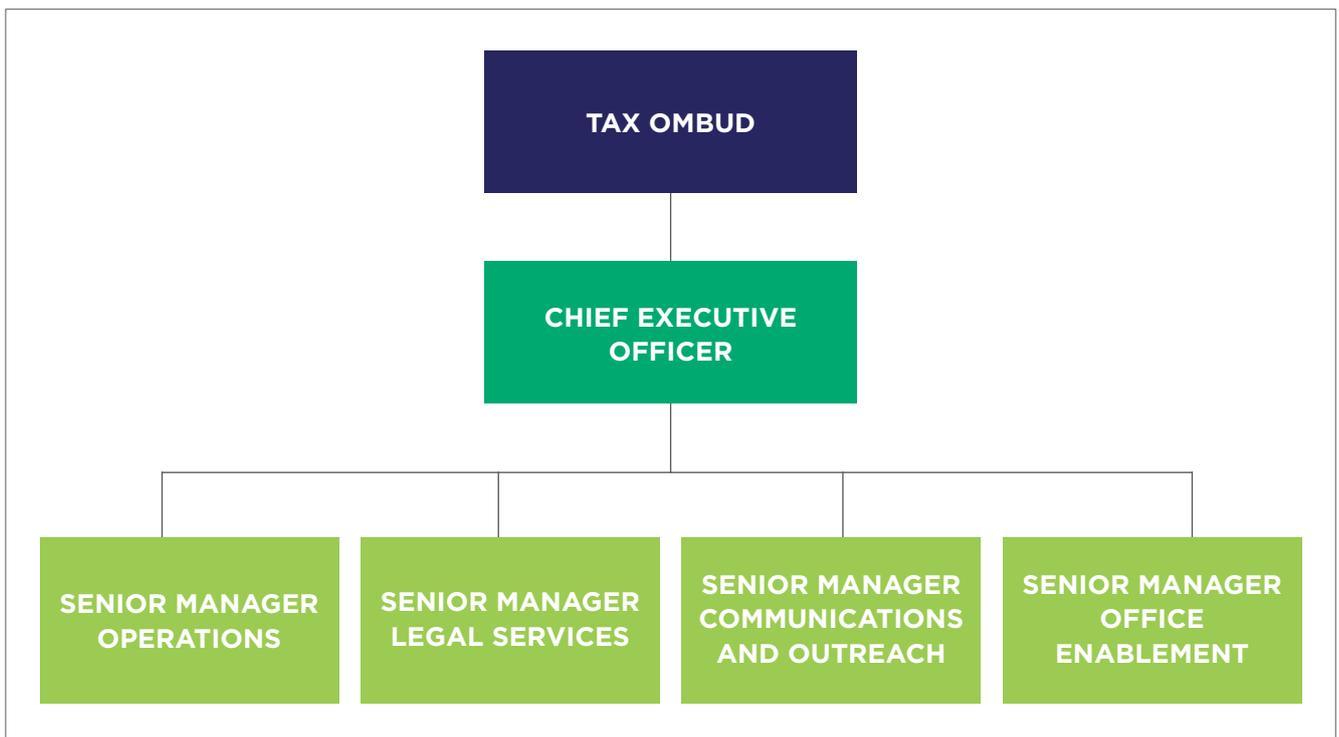
- Delays by SARS in finalising taxpayer complaints submitted to the OTO within a stipulated timeframe materially diminishes taxpayer confidence in the system.
- Lack of awareness and understanding among taxpayers about the SARS complaints management process and procedure leads to taxpayers submitting complaints to the Office of the Tax Ombud prematurely.

- 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, which, again, undermines trust and confidence.
- The rapidly evolving threat of IT crimes will mean that the OTO will regularly require assurance that its systems, processes and policies are suitably configured, to minimise the risk of a confidentiality breach. Funding will be needed to address identified weaknesses, as a single breach may destroy the reputation of the OTO.

5.2. ORGANISATIONAL ENVIRONMENT

The OTO is led by the Tax Ombud, who is supported by the Chief Executive Officer.

The Office consists of four business units, as per the approved structure. These business units are Operations, Office Enablement, Legal Services, and Communications and Outreach. They report to the Chief Executive Officer. The diagram provided below depicts the structure of the OTO.



The service rendered by the OTO is labour intensive; therefore, human capital will continue to play a vital role in the achievement of the mandate of the organisation. As a result, personnel cost represents 72% of the total allocated budget. An increase in demand for the services rendered by the OTO will require additional human resources, to render service optimally.

National Treasury is encouraging government institutions to cut their budgets over the next three financial years and to also do more with less. The OTO’s financial resources are currently constrained and it will prove difficult to reduce its budget allocation.

5.3. COMPLAINTS RESOLUTION CORE PROCESS

OUR CORE PROCESS

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

01. Acknowledge complaint:

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

02. Review complaint:

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

- For accepted cases, we send a recommendation to SARS for consideration and notify the complainant accordingly.
- For rejected and terminated cases, we provide an outcome of the review to the complainant.

03. Closeout report received:

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

04. Closeout report actioned:

Within four days of receiving the close-out report, we verify if the close-out report is aligned with our recommendations and communicate the outcome to the complainant.



PART B

PROGRAMME PLANS

6. STRATEGIC OUTCOME-ORIENTED GOALS

STRATEGIC GOALS	GOAL STATEMENT	LINK TO KEY PERFORMANCE AREA / STRATEGIC OBJECTIVE
Accountability	Ensure a balanced and fair application of the tax administration process and contribute to a culture of tax compliance.	Review and address complaints by taxpayers against SARS.
		Contribute to improvement of the tax administration system and build confidence in the system.
Efficacy	Provide a consistently high-quality service that is taxpayer-centric and provided at minimal cost.	Create an agile organisation that can scale efficiently to meet taxpayer demands.
		Promote stakeholder engagement and collaboration.
Independence	An Office of the Tax Ombud that is independent structurally and operationally, so as to limit the risk of perceived bias.	Optimise governance structures, risk management and business processes.
		Enhance and strengthen the mandate of the Office of the Tax Ombud.
Security and Confidentiality	To continuously address the evolving threats associated with ensuring that all information data and communications remain confidential.	Maintain security and confidentiality of organisational information.

7. OFFICE OF THE TAX OMBUD ANNUAL PLAN

1. STRATEGIC OBJECTIVE: REVIEW AND ADDRESS COMPLAINTS BY TAXPAYERS AGAINST SARS

OBJECTIVE STATEMENT:

The OTO will review 98% of complaints received from taxpayers within eight working days from the date the complaint is captured, and communicate the outcome within four days from the date the closeout report is received from SARS.

ANNUAL PERFORMANCE INDICATORS AND TARGETS

INDICATOR	PAST PERFORMANCE			ESTIMATED PERFORMANCE		MTEF	
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage of complaints acknowledged within two business days of receipt.	Target not planned	Target not planned	Target not planned	95%	95%	98%	100%
Percentage of complaints reviewed within eight days of date captured.	Target not planned	Target not planned	Target not planned	93%	93%	95%	96%
Percentage of close-out reports actioned within four business days of date received.	Target not planned	Target not planned	Target not planned	83%	83%	85%	88%

QUARTERLY TARGETS

INDICATOR	ANNUAL TARGET	FREQUENCY	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Percentage of complaints acknowledged within two business days of receipt.	95%	Quarterly	95%	95%	95%	95%
Percentage of complaints reviewed within eight days from date captured.	93%	Quarterly	93%	93%	93%	93%
Percentage of close-out reports actioned within four business days from date received.	83%	Quarterly	83%	83%	83%	83%

2. STRATEGIC OBJECTIVE 2: CONTRIBUTE TO IMPROVEMENT OF THE TAX ADMINISTRATION SYSTEM AND BUILD CONFIDENCE IN THE SYSTEM.

OBJECTIVE STATEMENT:

- Identify and investigate systemic issues for improved tax administration.
- Promote fairness in the administration of the tax system, by being an impartial redress mechanism.

ANNUAL PERFORMANCE INDICATORS AND TARGETS

INDICATOR	PAST PERFORMANCE			ESTIMATED PERFORMANCE		MTEF	
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage of systemic issues identified and investigated within three months.	Target not planned	Target not planned	Target not planned	100%	100%	100%	100%
Time taken to complete systemic reports approved/requested by the Minister.	Target not planned	Target not planned	Target not planned	Target not planned	6 months	12 months from date of approval	12 months from date of approval
Percentage reduction of existing systemic issues implemented by SARS.	Target not planned	Target not planned	Target not planned	Target not planned	10%	10%	10%
Develop a taxpayer tax compendium of rights and obligations.	Target not planned	Target not planned	Target not planned	Target not planned	Research report	Approval by Tax Ombud	Promotion of the tax compendium Annual updates

QUARTERLY TARGETS

INDICATOR	ANNUAL TARGET	FREQUENCY	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Percentage of systemic issues identified and investigated within three months.	100%	Quarterly	100%	100%	100%	100%
Time taken to complete systemic reports approved/requested by the Minister.	6 months	Annually	Progress reporting	6 months	No target	No target
Percentage reduction of existing systemic issues implemented by SARS.	10%	Quarterly	10%	10%	10%	10%
Develop a taxpayer tax compendium of rights and obligations.	Research report	Annually	Progress reporting	Progress reporting	Progress reporting	Research report

3. STRATEGIC OBJECTIVE: CREATE AN AGILE ORGANISATION THAT CAN SCALE EFFICIENTLY TO MEET TAXPAYERS DEMANDS

OBJECTIVE STATEMENT:

To provide an efficient real-time quality communication process that is responsive and promotes clarity of information.

ANNUAL PERFORMANCE INDICATORS AND TARGETS

INDICATOR	PAST PERFORMANCE			ESTIMATED PERFORMANCE		MTEF	
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage of customers satisfied with the OTO's complaints resolution process.	Target not planned	Target not planned	73%	63%	65%	67%	69%
Number of external newsletters published.	Target not planned	Target not planned	Target not planned	4	4	4	4
Percentage of digital framework activities implemented.	Target not planned	Target not planned	Target not planned	Target not planned	20%	40%	60%
Percentage of community outreach activity framework implemented.	Target not planned	Target not planned	Target not planned	Target not planned	20%	40%	60%
Percentage reduction in the average cost of reviewing a complaint, year-on-year.	Target not planned	Target not planned	R1 744	R1 796.32 3% increase	1%	1%	1%

QUARTERLY TARGETS

INDICATOR	ANNUAL TARGET	FREQUENCY	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Percentage of customers satisfied with the OTO's complaints resolution process.	65%	Quarterly	65%	65%	65%	65%
Number of external newsletters published.	4	Quarterly	1	1	1	1
Percentage of digital communications framework implemented.	20%	Annually	Progress reporting	Progress reporting	Progress reporting	20%
Percentage of community outreach activity framework implemented.	20%	Annually	Progress reporting	Progress reporting	Progress reporting	20%
Percentage reduction in average cost of reviewing a complaint, year-on-year.	1%	Annually	Progress reporting	Progress reporting	Progress reporting	1%

4. STRATEGIC OBJECTIVE: PROMOTE STAKEHOLDER ENGAGEMENT AND COLLABORATION

OBJECTIVE STATEMENT:

Create opportunities and implement stakeholder engagement and collaboration.

ANNUAL PERFORMANCE INDICATORS AND TARGETS

INDICATOR	PAST PERFORMANCE			ESTIMATED PERFORMANCE		MTEF	
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage of stakeholder engagement framework implemented.	Target not planned	Target not planned	Target not planned	Target not planned	20%	40%	60%

QUARTERLY TARGETS

INDICATOR	ANNUAL TARGET	FREQUENCY	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Percentage of stakeholder engagement framework implemented	20%	Annually	Progress reporting	Progress reporting	Progress reporting	20%

5. STRATEGIC OBJECTIVE: ENHANCE AND STRENGTHEN THE MANDATE OF THE OFFICE OF THE TAX OMBUD

OBJECTIVE STATEMENT:

To ensure that the Office of the Tax Ombud become structurally and operationally independent.

ANNUAL PERFORMANCE INDICATORS AND TARGETS

INDICATOR	PAST PERFORMANCE			ESTIMATED PERFORMANCE		MTEF	
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Tax administration amendment proposals sent to National Treasury for consideration.	Target not planned	Target not planned	Target not planned	Target not planned	1	1	1
Number of SLAs, MoUs or formal interventions with stakeholders.	Target not planned	Target not planned	Target not planned	Target not planned	2 MoUs 2 SLAs 2 Formal interventions	Review of 2 MoUs, 2 SLAs and 2 formal interventions	Review of 2 MoUs, 2 SLAs and 2 formal interventions

QUARTERLY TARGETS

INDICATOR	ANNUAL TARGET	FREQUENCY	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
Tax administration amendment proposals sent to National Treasury for consideration.	1	Annually	Progress reporting	Progress reporting	Progress reporting	1
Number of SLAs, MOUs or formal interventions with stakeholders.	2 MoUs -reviewed	Annually	Progress reporting	Progress reporting	Progress reporting	2 MoUs -reviewed
	1 SLA reviewed 1 Approved		Progress reporting	Progress reporting	Progress reporting	1 SLA reviewed 1 Approved
	2 Formal interventions		Progress reporting	Progress reporting	Progress reporting	2 Formal interventions

8. RESOURCE CONSIDERATION

The current budget allocated for the financial year 2020/21 is R42.5 million. The funding is insufficient for the Office to continue delivering its mandate and meeting its strategic objectives. This will require an increase in the baseline allocation of R2.2 million (6%) for the 2020/21 financial year, but the current estimate for goods and services over the MTEF period has been reduced to R1,390,000 in 2020/21, compared to R8 million in the 2019/20 financial year. This is a reduction of approximately 83% from 2019/20 (R6, 6 million), which will cause a financial strain on the Office budget. The key deliverables detailed are at risk, as a result of the funding shortage per the ENE allocation, and this will have an impact on achieving the OTO’s strategic objectives over the MTEF period.

PERSONNEL EXPENDITURE

In considering the resources that the Office may require over the next MTEF, it is important to understand the cost drivers of the various activities. The OTO requires expert, professional staff and, as a result, the main driver of costs in the environment is salary cost. In order to

attract and retain appropriate staff, salaries are benchmarked against those of staff with similar expertise in similar organisations in the public and private sector. Employee cost represents 78% of the total budget. As it is important that staff remain up-to-date and that their competency is enhanced, a portion of the budget is allocated to training and development every year. As the employees of the OTO are required to be highly skilled, niche education and training interventions are often required, and these can be quite costly. The Office is required to ensure that appropriate resources are set aside every year for appropriate training and development.

The Office estimated the cost of living adjustment for 2019/20 at an average of 6%, and SARS signed a three-year wage agreement for an 8% salary increase for the current financial year and projected Consumer Price Index (CPI) plus 2% increase for the two subsequent years of the agreement. This has caused financial strain on the budget of the Office, and this strain will increase on an annual basis.

INFORMATION TECHNOLOGY SYSTEMS

The OTO requires new digital technologies and IT enhancements to the current IT infrastructure, so as to allow taxpayers to access the Office through multiple digital entry points, and to enable the OTO to produce accurate statutory reports. The Office takes cognisance of the budget constraints, and these projects will be implemented gradually over the MTEF period. In the 2020/21 financial year, the Office will implement a digital framework, through continuous interactive online platforms that will improve the OTO's brand presence, and promote the accessibility of the OTO services to under-served communities.

COMMUNICATION AND OUTREACH

To ensure that there is widespread public awareness and education about the services and mandate of the Office, the Office will embark on an extensive stakeholder engagement process. The reduction in the communications and outreach budget for the 2020/21 year will result in a reduction in marketing activities and will hamper the Office from being able to implement the strategic objectives fully. However, the Office will continue to build relationships through stakeholder engagement/collaboration and by becoming more visible on digital platforms, by enhancing the initiatives and programmes of the OTO through the use of electronic newsletters and digital communication.

Table 1: Expenditure estimates and outcomes

COST ELEMENT	AUDITED OUTCOMES			CURRENT ESTIMATES	ENE ALLOCATION		
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
R Thousand							
Personnel Expenditure	23 698	26 525	33 320	37 554	41 135	43 758	46 296
Goods and Services	6 057	7 514	7 781	8 072	1 390	1 106	228
Administrative Expenditure	991	924	1 299	1 040	786	710	228
Inventory and Printing	400	418	513	850	300	180	0
Professional and Special Services	4 143	3 011	5 356	5 617	195	100	0
Facilities Expenditure	254	2 984	374	335	89	95	0
Capital Expenditure (Capex)	269	177	239	230	20	21	0
Total operational and capex	29 755	34 039	41 101	45 626	42 525	44 864	46 524



9. RISK MANAGEMENT

The table below highlights the key risks that could affect the Office of the Tax Ombud negatively in terms of the Office realising its strategic goals and objectives for its programmes.

RISK STATEMENT	ACTION PLAN
Non-adherence to turnaround times for reviewing and addressing complaints, and resolving or implementing recommendations that would impact the taxpayers' trust and confidence in the OTO and the tax administration system.	MoU/ SLA with SARS to resolve turnaround times.
Lack of structural independence might result in taxpayers perceiving the OTO as lacking objectivity and independence.	MoU/ SLA with SARS to ensure independent operations. Business case to strengthen independence. SLA with other support divisions of SARS.
Lack of financial resources to optimally review and address complaints that might have an impact on the outcome of complaints and taxpayers losing confidence in the OTO's ability to address their complaints.	Constant engagement with National Treasury to ensure that the Office is adequately funded.
Delays in the process of reviewing and addressing complaints, due to the lack of improved information technology, which will result in non-adherence to turn-around times.	Formulate an SLA with SARS to address the issue of keeping up with developments in IT. Constant engagement with National Treasury to ensure that the Office is adequately funded.
Taxpayers may not lodge complaints with the OTO, due to a lack of understanding of the OTO mandate and its limitations, which creates unrealistic expectations and casts doubt on the OTO's ability to review and address complaints.	<ul style="list-style-type: none"> Implement a feedback plan that will assist taxpayers to ensure that they understand the outcome of their complaints.

10. TECHNICAL INDICATOR DESCRIPTIONS

TID NO: 1

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Percentage of complaints acknowledged within two business days of receipt.
SHORT DEFINITION	The office acknowledges a complaint received within two days of it being checked for completeness and being registered on the system.
PURPOSE/ IMPORTANCE	The indicator is aimed at informing the taxpayer that the Office has received the complaint and indicating any missing documents not provided with the complaints form.
SOURCE/ COLLECTION OF DATA	Service Manager system generates a letter of acknowledgement for dispatch to the taxpayer who lodged a complaint.
METHOD OF CALCULATION	Total complaints acknowledged within two days divided by total complaints received and acknowledged.
DATA LIMITATIONS	None.
TYPE OF INDICATOR	Efficiency and inputs.
CALCULATION TYPE	Non-cumulative.
REPORTING CYCLE	Quarterly.
NEW INDICATOR	Existing.
DESIRED PERFORMANCE	Capture all complaints within two days of receipt.
INDICATOR RESPONSIBILITY	Senior Manager: Office Enablement.

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

TID NO: 2

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Percentage of complaints reviewed within eight days of date captured.
SHORT DEFINITION	Review complaints and send recommendations to SARS. Send the letter of outcome to taxpayers within eight days of the date the complaint is captured.
PURPOSE/ IMPORTANCE	To become truly taxpayer-centric, by providing a consistently high-quality service at minimal cost, by creating an agile organisation that can scale efficiently to meet demand.

REQUIRED FIELD	DESCRIPTION
SOURCE/ COLLECTION OF DATA	Service Manager Data
METHOD OF CALCULATION	Total complaints reviewed within eight days of receipt of a complaint, divided by total complaints reviewed during the reporting period.
DATA LIMITATIONS	None.
TYPE OF INDICATOR	Efficiency and output.
CALCULATION TYPE	Cumulative.
REPORTING CYCLE	Quarterly and annually.
NEW INDICATOR	Existing.
DESIRED PERFORMANCE	Desire to have a higher number of complaints sent to SARS within eight days of receipt of a complaint.
INDICATOR RESPONSIBILITY	Senior Manager: Operations.

TID NO: 3

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Percentage of closeout reports received from SARS and actioned within four business days of date received.
SHORT DEFINITION	Finalisation of completed cases received from SARS.
PURPOSE/ IMPORTANCE	To become truly taxpayer centric, by providing a consistently high-quality service at minimal cost, by creating an agile organisation that is able to scale efficiently to meet demand.
SOURCE/ COLLECTION OF DATA	Service Manager reports.
METHOD OF CALCULATION	Total number of closeout reports actioned (finalised / overruled) within four days of receipt, divided by total number of closeout reports finalised / over-ruled within the reporting period.
DATA LIMITATIONS	Manual process to allocate complaints to operational specialists and delays in taxpayers responding.
TYPE OF INDICATOR	Impact, efficiency, equity.
CALCULATION TYPE	Cumulative.
REPORTING CYCLE	Quarterly and annually.

REQUIRED FIELD	DESCRIPTION
NEW INDICATOR	Existing.
DESIRED PERFORMANCE	Higher performance of resolution time against the set target of four days
INDICATOR RESPONSIBILITY	Senior Manager: Operations.

TID NO: 4

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Percentage of systemic issues identified and investigated within three months.
SHORT DEFINITION	These are issues identified from the complaints received, internal review committees, and stakeholder feedback, and which are classified as being systemic. 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	Systemic register
METHOD OF CALCULATION	Number of approved systemic issues identified and investigated within three months, over the number of systemic issues identified and investigated.
DATA LIMITATIONS	n/a
TYPE OF INDICATOR	Output.
CALCULATION TYPE	Non-cumulative.
REPORTING CYCLE	Quarterly.
NEW INDICATOR	Existing.
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 Services.

TID NO: 5

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Time taken to complete systemic reports approved/ requested by Minister.
SHORT DEFINITION	This measures the timeframe within which reports on identified systemic issues are finalised, from the date of approval/ request by the Minister until the final report is submitted to SARS.
PURPOSE/ IMPORTANCE	To identify and remedy 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 investigations reports issued about the investigation.
METHOD OF CALCULATION	Simple count of systemic investigation reports completed 6 months from date of approval.
DATA LIMITATIONS	Commencement of the investigation is dependent on approval by the Minister.
TYPE OF INDICATOR	Output.
CALCULATION TYPE	Non-cumulative.
REPORTING CYCLE	Annually.
NEW INDICATOR	Existing.
DESIRED PERFORMANCE	To investigate 100% of approved investigations within six months. Actual performance that is higher than targeted performance is desirable.
INDICATOR RESPONSIBILITY	Senior Manager: Legal Services.

TID NO: 6

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Percentage reduction of existing systemic issues implemented by SARS.
SHORT DEFINITION	The indicator measures the success of implementation of recommendations on systemic issues that were resolved or finalised by SARS.
PURPOSE/ IMPORTANCE	This will contribute towards efficient functioning of the tax administration system. The knock-on effect will be a reduction in the number of complaints lodged with the OTO, as a result of the underlying root causes of complaints being addressed and resolved through systemic investigation.

REQUIRED FIELD	DESCRIPTION
SOURCE/ COLLECTION OF DATA	Systemic register.
METHOD OF CALCULATION	Systemic issues implemented by SARS (only issues that were brought forward from the previous year), divided by opening balance of systemic issues X 100.
DATA LIMITATIONS	None.
TYPE OF INDICATOR	Output.
CALCULATION TYPE	Non-cumulative.
REPORTING CYCLE	Annually.
NEW INDICATOR	New.
DESIRED PERFORMANCE	To make successful recommendations on all identified systemic issues. Actual performance that is higher than targeted performance is desirable.
INDICATOR RESPONSIBILITY	Senior Manager: Legal Services.

TID NO: 7

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Develop a taxpayer tax compendium of rights and obligations.
SHORT DEFINITION	Collate and draft a taxpayer handbook on taxpayer rights and obligations.
PURPOSE/ IMPORTANCE	To provide taxpayers with further information regarding their rights and obligations. An informed taxpayer base will result in a more efficient and compliant taxpayer.
SOURCE/ COLLECTION OF DATA	Progress reports.
METHOD OF CALCULATION	Non-cumulative.
DATA LIMITATIONS	None.
TYPE OF INDICATOR	Output.
CALCULATION TYPE	Non-cumulative.
REPORTING CYCLE	Annually.
NEW INDICATOR	New.

REQUIRED FIELD	DESCRIPTION
DESIRED PERFORMANCE	To have an approved taxpayer tax compendium. Actual performance that is higher than targeted performance is desirable.
INDICATOR RESPONSIBILITY	Senior Manager: Legal Services.

TID NO: 8

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Percentage of customers satisfied with the OTO complaint resolution process.
SHORT DEFINITION	Survey of taxpayers regarding 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 report results and Service Manager data.
METHOD OF CALCULATION	The satisfaction is based on the Ten Point Mean Score of the survey questions and the mode.
DATA LIMITATIONS	Non-participation by taxpayers. No response received from taxpayer.
TYPE OF INDICATOR	Efficiency and impact.
CALCULATION TYPE	Cumulative.
REPORTING CYCLE	Quarterly; annually.
NEW INDICATOR	Existing.
DESIRED PERFORMANCE	Improved business process to enable efficiency in delivering service to taxpayers.
INDICATOR RESPONSIBILITY	Senior Manager: Operations.

TID NO: 9

REQUIRED FIELD	DESCRIPTION
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 at the OTO and in the tax recourse sphere.
SOURCE/ COLLECTION OF DATA	Business units and stakeholders. Perspective articles published.
METHOD OF CALCULATION	Simple count.
DATA LIMITATIONS	None.
TYPE OF INDICATOR	Output.
CALCULATION TYPE	Non-cumulative.
REPORTING CYCLE	Quarterly.
NEW INDICATOR	Existing.
DESIRED PERFORMANCE	Informed and engaged stakeholders.
INDICATOR RESPONSIBILITY	Senior Manager: Communications and Outreach

TID NO: 10

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Percentage of digital communications framework implemented.
SHORT DEFINITION	A five-year digital framework that will improve the OTO's efficiency and brand presence, and promote accessibility of our services to all taxpayers.
PURPOSE/ IMPORTANCE	Communicate, and promote accessibility and awareness of the services of the OTO through digital platforms.
SOURCE/ COLLECTION OF DATA	Digital framework.
METHOD OF CALCULATION	Total digital communications activities/initiatives implemented, divided by total digital communications activities/initiatives planned X 100.
DATA LIMITATIONS	None.
TYPE OF INDICATOR	Activity.

REQUIRED FIELD	DESCRIPTION
CALCULATION TYPE	Non-cumulative.
REPORTING CYCLE	Quarterly.
NEW INDICATOR	New.
DESIRED PERFORMANCE	Improved accessibility, efficiency and awareness of the OTO.
INDICATOR RESPONSIBILITY	Senior Manager Communications and Outreach.

TID NO: 11

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Percentage of the community outreach activity framework implemented.
SHORT DEFINITION	Activities aimed at educating stakeholders about the OTO and the services offered.
PURPOSE/ IMPORTANCE	Educate and create awareness about the existence of the OTO and the services offered.
SOURCE/ COLLECTION OF DATA	Report on implementation of the framework.
METHOD OF CALCULATION	Total community outreach activities/initiatives implemented, divided by total community outreach activities/initiatives planned X 100.
DATA LIMITATIONS	The OTO will only count information at its disposal, due to lack of automation.
TYPE OF INDICATOR	Output.
CALCULATION TYPE	Non-cumulative.
REPORTING CYCLE	Quarterly.
NEW INDICATOR	Existing.
DESIRED PERFORMANCE	Widespread awareness of the OTO and the services offered.
INDICATOR RESPONSIBILITY	Senior Manager: Communications and Outreach.

TID NO: 12

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Percentage reduction in average cost of reviewing a complaint, year-on-year.
SHORT DEFINITION	Adopting efficient processes that reduce the cost of complaint resolution.
PURPOSE/ IMPORTANCE	To measure efficiency in resolving a complaint. To become truly taxpayer-centric, by providing a consistently high-quality service at minimal cost, by creating an agile organisation that can scale efficiently to meet demand.
SOURCE/ COLLECTION OF DATA	SAP finance reports and Service Manager.
METHOD OF CALCULATION	Total cost of complaints resolution, divided by total number of complaints finalised. Compare year on year: Current year cost of reviewing a complaint less previous year's cost of reviewing a complaint, divided by previous year's cost of reviewing a complaint.
DATA LIMITATIONS	None.
TYPE OF INDICATOR	Efficiency and economy
CALCULATION TYPE	Cumulative.
REPORTING CYCLE	Quarterly.
NEW INDICATOR	Existing.
DESIRED PERFORMANCE	To reduce the cost of resolving a complaint.
INDICATOR RESPONSIBILITY	Senior Manager: Office Enablement.

TID NO: 13

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Percentage of stakeholder framework implemented.
SHORT DEFINITION	A five-year stakeholder framework that promotes optimal engagement and collaboration to ensure efficient interaction between the OTO and its stakeholders and the strengthening of relationships.
PURPOSE/ IMPORTANCE	Promote, educate and create awareness of the OTO's services.

REQUIRED FIELD	DESCRIPTION
SOURCE/ COLLECTION OF DATA	Register of collaboration and stakeholder engagement events held. Attendance register of stakeholder engagement events.
METHOD OF CALCULATION	Number of stakeholder engagement activities implemented, divided by number of stakeholder engagement activities planned X 100.
DATA LIMITATIONS	None.
TYPE OF INDICATOR	Activity.
CALCULATION TYPE	Non-cumulative.
REPORTING CYCLE	Annually.
NEW INDICATOR	New.
DESIRED PERFORMANCE	Promote the OTO to all stakeholders.
INDICATOR RESPONSIBILITY	Senior Manager: Communications and Outreach.

TID NO: 14

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Tax administration amendment proposals sent to Treasury for consideration.
SHORT DEFINITION	These are proposed changes or additions to be effected to the section of the Tax Administration Act that deals with the Office of the Tax Ombud.
PURPOSE/ IMPORTANCE	To improve or enhance the Tax Administration Act sections that deal with the Office of the Tax Ombud.
SOURCE/ COLLECTION OF DATA	Amendment proposals sent to National Treasury.
METHOD OF CALCULATION	Simple count.
DATA LIMITATIONS	None.
TYPE OF INDICATOR	Input.
CALCULATION TYPE	Non-cumulative.
REPORTING CYCLE	Annually.
NEW INDICATOR	New.

REQUIRED FIELD	DESCRIPTION
DESIRED PERFORMANCE	Updated and relevant Tax Administration Act.
INDICATOR RESPONSIBILITY	Senior Manager: Legal Services

TID NO: 15

REQUIRED FIELD	DESCRIPTION
INDICATOR TITLE	Number of SLAs, MOUs or formal interventions with stakeholders.
SHORT DEFINITION	Ensure SLAs, MOUs or other formal interventions with stakeholders are initiated, where required. Ensure that SLAs that have already been entered into remain current and achievable.
PURPOSE/ IMPORTANCE	To provide certainty on how any interactions between stakeholders and the OTO should be conducted.
SOURCE/ COLLECTION OF DATA	Emails; draft documents; signed agreements or finalised interventions.
METHOD OF CALCULATION	Simple count.
DATA LIMITATIONS	None.
TYPE OF INDICATOR	Output.
CALCULATION TYPE	Non-cumulative.
REPORTING CYCLE	Annual.
NEW INDICATOR	New.
DESIRED PERFORMANCE	To improve the efficiency of rendering the service and minimise the administrative cost of doing business.
INDICATOR RESPONSIBILITY	Senior Manager: Legal Services.

11. KEY CONCEPTS

TERM	DESCRIPTION
Accepted complaint	<p>A complaint that:</p> <ul style="list-style-type: none"> a) falls within the mandate of the OTO; b) none of the limitations to the TO's authority apply to; and <p>The complainant has exhausted the SARS internal complaints resolution mechanisms, unless the OTO has determined that there are compelling circumstances to not do so.</p>
Cancelled complaint	A complaint case that is discarded on the Complaint Management System due to a capturing error.
Case	A formal complaint logged on the OTO Complaint Management System.
Complainant	Any person who lodges a complaint with the OTO.
Complaint	An expression of dissatisfaction or allegation of wrongdoing 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.
Decision	The outcome reached after consideration of all the facts of a complaint submitted to the OTO during evaluation and review of the complaint.
Evaluation of complaint	A consideration of the applicable facts of a complaint to determine if a complaint falls within the mandate of the Tax Ombud or if any limitations to the Tax Ombud's authority applies.
Finalised complaint	<p>A complaint that is closed by the OTO in the following ways:</p> <ul style="list-style-type: none"> a) Accepted and resolved; b) Accepted and terminated; or c) Rejected.
Investigation	A process undertaken to establish and document relevant facts, reach appropriate conclusions based on the available evidence, and determine a suitable course of action.
Recommendation	A proposal sent to SARS on how to best address the complaint or a proposal sent to the complainant on how to best address the complaint lodged.
Rejected complaint	A complaint that does not fall within the mandate of the Tax Ombud.
Review of complaint	<p>Considering the merits of the complaint to determine:</p> <ul style="list-style-type: none"> a) if SARS was at fault/erred in its application of a tax act; and b) how to best resolve the complaint.

TERM	DESCRIPTION
Systemic investigation	An investigation initiated by the OTO or requested by the Finance Minister into the possible underlying root cause of a complaint that will affect multiple taxpayers or a class of taxpayers negatively.
Taxpayer	Any person or entity chargeable with any tax levied under any tax Act.
Terminated complaint	An accepted complaint that is finalised before completion of the review process.



ABBREVIATIONS

APP	Annual Performance Plan
CPI	Consumer Price Index
ENE	Estimates of National Expenditure
ENPS	Employee Net Promoter Score
GDP	Gross Domestic Product
IT	Information Technology
LBC	Large Business Centre
MoU	Memorandum of Understanding
MTBPS	Medium Term Budget Policy Statement
MTEF	Medium Term Expenditure Framework
OTO	Office of the Tax Ombud
PESTEL	Political, Economic, Social, Technological, Environmental, and Legal
SARS	South African Revenue Service
SLA	Service Level Agreement
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TAA	Tax Administration Act
TID	Technical Indicator Description
TO	Tax Ombud
VAT	Value Added Tax

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