



OFFICE OF THE  
**TAX OMBUD**

*Ensuring fairness*

# **TAX OMBUD**

## **STRATEGIC PLAN**

### **2020 - 2025**



# TABLE OF CONTENTS

|  |            |
|--|------------|
| <b>MESSAGE BY THE MINISTER OF FINANCE</b>                | <b>ii</b>  |
| <b>FOREWORD BY THE TAX OMBUD</b>                         | <b>v</b>   |
| <b>OVERVIEW BY THE CHIEF EXECUTIVE OFFICER</b>           | <b>vii</b> |
| <b>PART A: STRATEGIC OVERVIEW</b>                        | <b>1</b>   |
| 1. Vision  | 1          |
| 2. Mission   | 1          |
| 3. Values  | 1          |
| 4. LEGISLATIVE AND OTHER MANDATES                        | 2          |
| 5. SITUATION ANALYSIS                                    | 3          |
| 5.1. Performance Environment                             | 3          |
| 5.2. Organisational Environment                          | 8          |
| 5.3. Strategic Planning Process                          | 9          |
| 5.4. Complaints Resolution Core Process                  | 10         |
| 6. STRATEGIC OUTCOME ORIENTED GOALS                      | 11         |
| 7. OFFICE OF THE TAX OMBUD STRATEGIC OBJECTIVES FOR 2025 | 12         |
| <b>PART B: STRATEGIC OBJECTIVES</b>                      | <b>16</b>  |
| 8. RESOURCE CONSIDERATION                                | 20         |
| 9. RISK MANAGEMENT                                       | 22         |
| 10. TECHNICAL OBJECTIVE DESCRIPTIONS                     | 23         |
| 11. KEY CONCEPTS   | 44         |
| <b>ABBREVIATIONS</b>                                     | <b>46</b>  |



**MINISTER OF FINANCE**  
TITO TITUS MBOWENI

# MESSAGE BY THE MINISTER OF FINANCE



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



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 Strategic Plan 2020 - 2025 as the start of 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.

**HONOURABLE TITO TITUS MBOWENI, MP**  
MINISTER OF FINANCE



**TAX OMBUD**  
JUDGE BERNARD MAKGABO NGOEPE

# FOREWORD BY THE TAX OMBUD



*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 fair collection of taxes and will assist SARS in doing so.*



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 FOR THE NEXT FIVE YEARS**

As part of my responsibility, I must provide clear direction for the OTO for the next five years and would like to ensure that the OTO continues to be respected by all taxpayers and other stakeholders. This Strategic Plan 2020 -2025 details our prime objectives for the next five years 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. It is important that the OTO limits 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 striving 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 enjoy 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



*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).*



I am pleased to present the Tax Ombud 2020 – 2025 Strategic Plan and the Office of the Tax Ombud’s (OTO) strategic intent for the next five years. 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 afforded us an opportunity 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 during the next five years will be on intensifying the efficiency of our services by: being

accessible and responsive; promoting awareness of our services and the rights of taxpayers to under-served 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 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. In this regard, the focus in the next five years will be on public relations and using freely available marketing tools, in order to assist Government to reduce 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 to 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 for 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.



**GERT VAN HEERDEN**

ACTING CHIEF EXECUTIVE OFFICER

# OFFICIAL SIGN-OFF

## It is hereby certified that this Strategic Plan:

- ▶ Was developed by the management team of the Office of the Tax Ombud under the guidance of Minister of Finance: Honourable Tito Titus Mboweni.
- ▶ 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 - 2025 period.



**JUDGE BERNARD NGOEPE**  
TAX OMBUD

# PART A: STRATEGIC OVERVIEW

## 1. VISION

To strengthen taxpayers' trust and confidence in tax administration.

## 2. MISSION

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

## 3. 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 otherwise authorised 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 the provisions of a tax Act by SARS.
- a) 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. SITUATION ANALYSIS

The situation analysis for the five-year plan 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) 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 citizen 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 SARS. 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 several 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 collection.
  - ▶ 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 taxpayers' expectations is increasing, including the provision of eChannels, simplification and speed.



- 3) When developing channels of engagement, the OTO will continue to recognize that accessibility 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 the tax administration and the lack of familiarity with 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 customers 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 provided via eChannels.
5. SARS is continuously 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 impacts 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 and 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 its independence and, in turn, trust in the tax administration system.

### 5.1.6. 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, 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.
- ▶ The 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

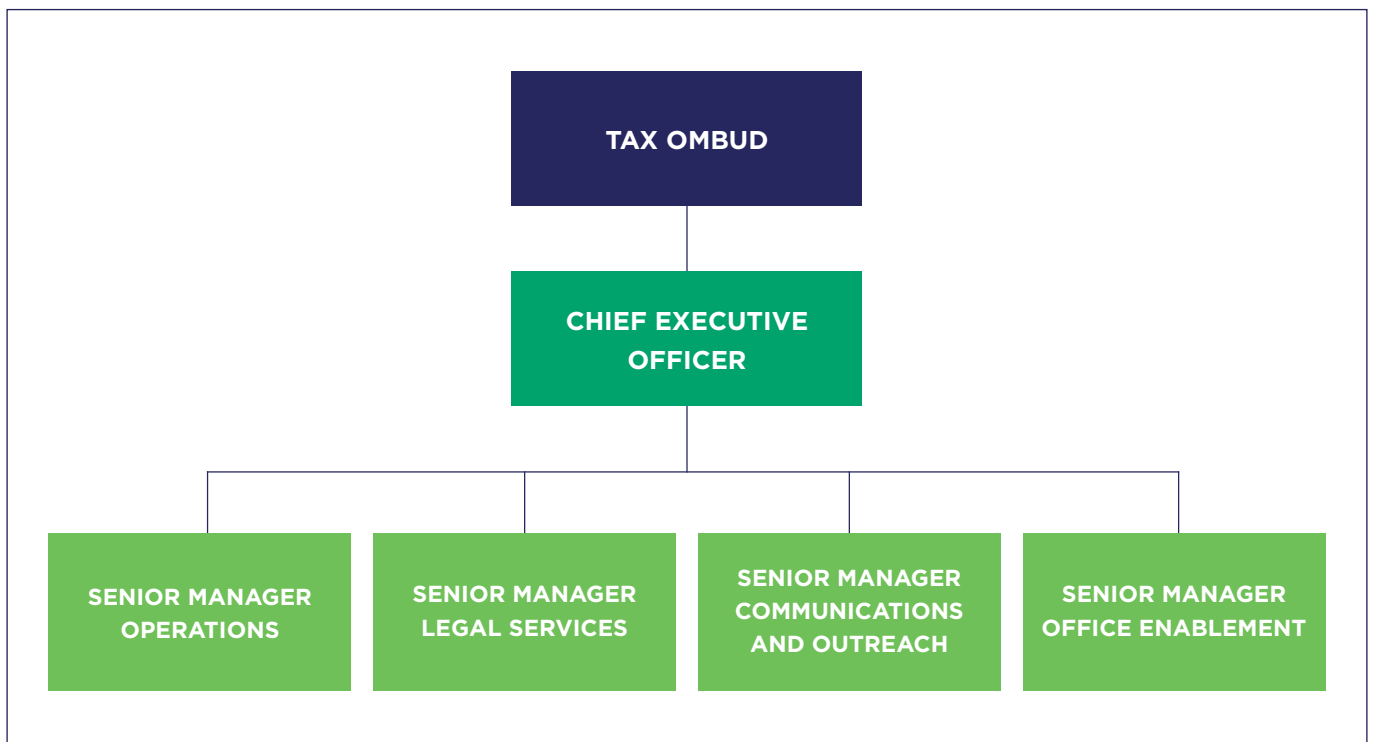
- ▶ Delays by SARS in finalising taxpayer complaints submitted to the OTO within a stipulated timeframe materially diminishes taxpayer confidence in the system.
- ▶ Lack of awareness and understanding among taxpayers about the SARS complaints management process and procedures leads to taxpayers submitting complaints to the Office of the Tax Ombud prematurely.
- ▶ The growing prevalence of social media may dramatically increase 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 means that the OTO will require regular 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 the 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 be difficult to reduce the budget allocation.

### 5.3. STRATEGIC PLANNING PROCESS

The Tax Ombud Strategic Plan for 2020 - 2025 was developed in consultation with both internal and external stakeholders. Individual business units held their planning sessions, with Office Enablement in attendance to guide the process and obtain plans for the next five years. The output of the individual units was consolidated and tabled at the Senior Management Strategic Planning Session that was held on 28-29 October 2019. The session was led by the Acting Chief Executive Officer.

National Treasury was invited to attend and was represented by the Public Entity Oversight Unit (PEOU). Contributions from the PEOU were noted and taken into consideration during development and finalisation of the plan. The Tax Ombud attended the session to give guidance and to clarify the direction that the Office must take going forward.

The OTO identified a number of pillars to drive its strategic intent for the next five years, including:

- ▶ The Office must acquire its structural independence.
- ▶ The Office must be accessible to all citizens.
- ▶ The Office must contribute to the culture of tax compliance through the services that it renders.

After the Senior Management Planning Session, risks that could affect the identified objectives were identified and action plans outlined by management to minimise the risks.

## 5.4. COMPLAINTS RESOLUTION 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:

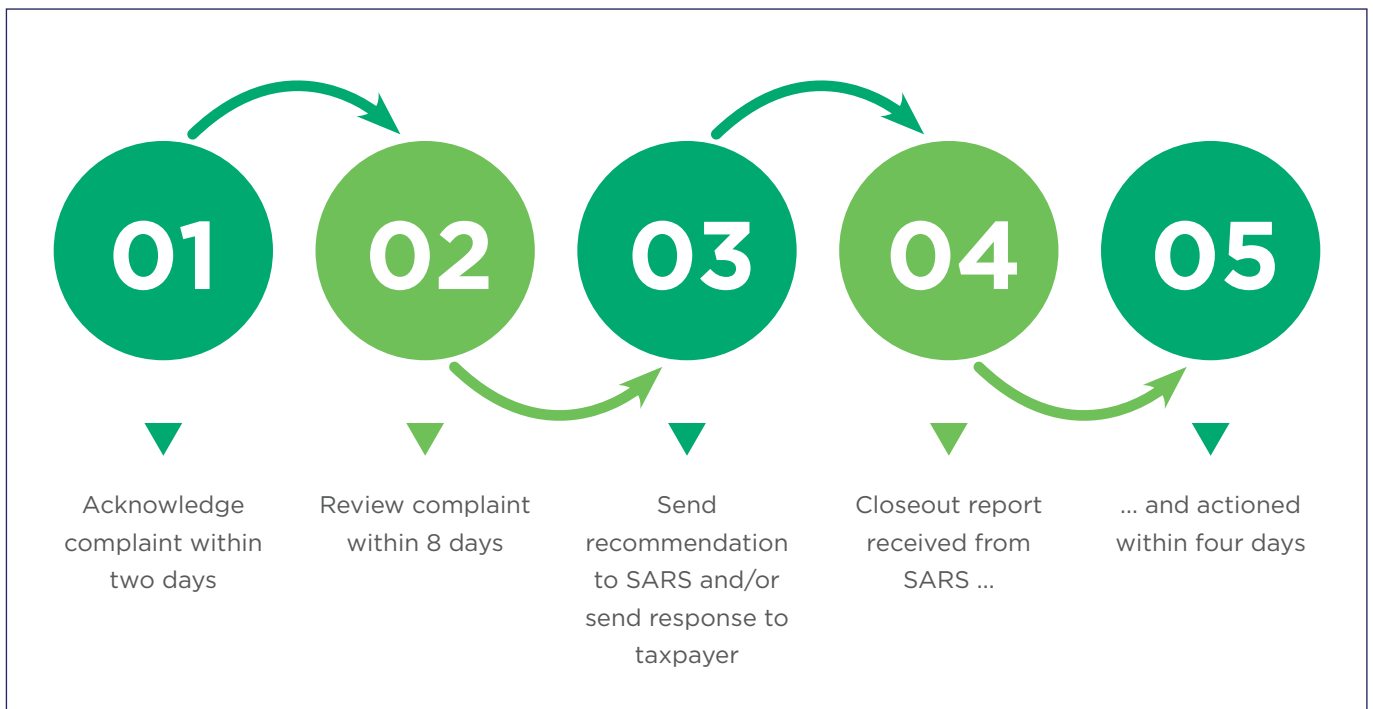
- ▶ For accepted cases, we send a recommendation to SARS for consideration, and notify the complainant accordingly.
- ▶ For rejected and terminated cases, we provide an outcome of the review to the complainant.

#### 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.



# 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.                 | <p>Review and address complaints by taxpayers against SARS.</p> <p>Contribute to the improvement of the tax administration system and build confidence in the system.</p> |
| Efficacy                     | Provide a consistently high-quality service that is taxpayer-centric and provided at minimal cost.                                      | <p>Create an agile organisation that can scale efficiently to meet taxpayer demands.</p> <p>Promote stakeholder engagement and collaboration.</p>                         |
| Independence                 | An Office of the Tax Ombud that is independent structurally and operationally, so as to limit the risk of perceived bias.               | <p>Optimise governance structures, risk management and business processes.</p> <p>Enhance and strengthen the mandate of the Office of the Tax Ombud.</p>                  |
| 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 STRATEGIC OBJECTIVES FOR 2020-2025

This Medium Term Strategic Framework (MTSF) 2019-2024 is the manifestation of the plan for the NDP Vision 2030 and for the implementation of the electoral mandate of the sixth administration of government. The MTSF 2019-2024 lays out the package of programmes that clearly define how to implement Vision 2030 and the seven electoral priorities adopted by Government, and the OTO most play its part and contribute to building a capable, ethical and developmental State.

**The Office of the Tax Ombud identified seven strategic objectives for implementation over the MTSF period as detailed below:**

| 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. |
| Baseline               | ▶ | 95% of complaints are captured and acknowledged within two working days.   |
|                        | ▶ | The OTO reviewed 93% of complaints within eight days of the date that a complaint is captured.   |
|                        | ▶ | Finalised 83% of the SARS closeout reports within four days.   |
| Planned Activities     | ▶ | Implement an efficient complaints review plan that will ensure that complaints are reviewed within eight days.   |
|                        | ▶ | Implement a complaint management framework that will improve the feedback provided to taxpayers.   |
| Goal                   |   | Accountability   |



**2. STRATEGIC  
OBJECTIVE**

**CONTRIBUTE TO THE IMPROVEMENT OF THE TAX ADMINISTRATION SYSTEM  
AND BUILD CONFIDENCE IN THE SYSTEM.**

Objective Statement

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

Baseline

- ▶ Delayed tax refund report.
- ▶ Identified systemic issues were investigated within three months.

Planned Activities

- ▶ Implement a framework to identify systemic issues from the complaints received, internal review committees, stakeholder feedback and requested / approved by Minister.
- ▶ Introduce a monitoring and evaluation plan to comply with the turnaround times for completing systemic investigation reports.
- ▶ Develop and promote a tax compendium of the rights and obligations of taxpayers.

Goal

Accountability

### 3. STRATEGIC OBJECTIVE

### CREATE AN AGILE ORGANISATION THAT CAN SCALE EFFICIENTLY TO MEET TAXPAYER DEMANDS.

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

Baseline

- Social media engagement to promote the services of the OTO.
- 63% satisfactory rating for the complaint resolution process.
- Current employee engagement survey with an Employee Net promoter score of -28.
- A brand recognition survey with a Customer Net promoter score of -3.
- The OTO will reduce the cost of reviewing and resolving complaints by 5% over the strategic period, from the current base cost of R1744 per case.
- The OTO published four external newsletters in the previous financial year 2018/2019.

Planned Activities

- Implement a five-year digital framework through continuous interactive online platforms that will improve the OTO's brand presence, and promote accessibility of its services to all taxpayers.
- Implement a feedback plan that will assist taxpayers to ensure that they comprehend the outcome of their complaints.
- Develop and implement a human resources strategy that encourages a level of professionalism and high performance by OTO employees.
- Develop and implement a training plan for staff members.
- Conduct a capacity study on a five-year plan to determine the OTO's ability to meet future demand for its service.
- Develop a five-year quality matrix document that will improve the quality of service provided to taxpayers.
- Implement a monitoring and evaluation plan that will assist the OTO to understand customer needs and ensure effective communication.

Goal

Efficacy

#### 4. STRATEGIC OBJECTIVE

#### PROMOTE STAKEHOLDER ENGAGEMENT AND COLLABORATION.

Objective Statement Create opportunities and implement stakeholder engagement and collaboration

Baseline Stakeholder presentations and collaboration activities in previous financial years.

- Planned Activities
- ▶ Develop a five-year stakeholder framework that promotes optimal engagement and collaboration to ensure efficient interaction between the OTO and its stakeholder, and to strengthen relationships.
  - ▶ Develop a five-year community outreach activity framework that will ensure that taxpayers in all nine provinces are aware of the OTO's mandate and understand its processes.

Goal Efficacy

#### 5. STRATEGIC OBJECTIVE

#### OPTIMISE GOVERNANCE STRUCTURES, RISK MANAGEMENT AND BUSINESS PROCESSES.

- Objective Statement
- ▶ Improve processes for independent verification of information on achieved performance.
  - ▶ Achieve a clean audit outcome on performance information.

Baseline New objective - no baseline.

- Planned Activities
- ▶ Develop and implement an independent governance framework with efficient and effective governance structures, including internal and external assurances.
  - ▶ Develop and implement a risk management framework.
  - ▶ Maintain an unqualified audit report record for performance and financial information.

Goal Independence

#### 6. 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.

Baseline New objective - no baseline.

- Planned Activities
- ▶ Draft annual proposals on legislative amendments to enhance the OTO mandate.
  - ▶ Enter into memorandums of agreement, service level agreements or formal interventions with various stakeholder, to optimise engagement.
  - ▶ Review current service level agreements with SARS, to optimise structural independence and efficiency.

Goal Independence

# PART B:

## STRATEGIC OBJECTIVES

| STRATEGIC OBJECTIVE  | INDICATOR  | PAST PERFORMANCE   |                      |                    |
|--|--|--------------------|----------------------|--------------------|
|  |  | 2016/17            | 2017/18              | 2018/19            |
| Review and address complaints by taxpayers against SARS.   | Percentage of complaints acknowledged within two business days of receipt.           | Target not planned | Target not planned   | Target not planned |
|  | Percentage of complaints reviewed within eight days of date captured.                | Target not planned | Target not planned   | Target not planned |
|  | Percentage of close-out reports actioned within four business days of date received. | Target not planned | Target not planned   | Target not planned |
| Contribute to the improvement of the tax administration system and build confidence in the system. | Percentage of systemic issues identified and investigated within three months.       | Target not planned | Target not planned   | Target not planned |
|  | Time taken to complete systemic reports approved/ requested by Minister.             | Target not planned | Target not planned   | Target not planned |
|  | Percentage reduction of existing systemic issues implemented by SARS.                | Target not planned | Target not planned   | Target not planned |
|  | Develop a taxpayer tax compendium of rights and obligations.                         | Target not planned | Target not planned   | Target not planned |
| Create an agile organisation that can scale efficiently to meet taxpayer demands.                  | Percentage of customers satisfied with the OTO's complaints resolution process.      | Target not planned | Target not planned   | 73%                |
|  | Number of external newsletters published.  | Target not planned | Target not planned   | Target not planned |
|  | Net promoter score for taxpayers' brand recognition survey.                          | Target not planned | Target not planned   | -3                 |
|  | Percentage of digital framework activities implemented.                              | Target not planned | Target not planned   | Target not planned |
|  | Percentage of community outreach activity framework implemented.                     | Target not planned | Target not planned   | Target not planned |
|  | Percentage reduction in the average cost of reviewing a complaint, year-on-year.     | Target not planned | Target not planned   | R 1 744            |
|  | Build a culture of professionalism and excellence.                                   | Target not planned | Third quartile (-28) | Target not planned |

| ESTIMATED PERFORMANCE   | STRATEGIC PLAN 2025 |                                 |  |  |  |
|-------------------------|---------------------|---------------------------------|--|--|--|
|                         | 2019/20             | 2020/21                         | 2021/22  | 2022/23  | 2023/24  |
| 95%                     | 95%                 | 98%                             | 100%   | 100%   | 100%   |
| 93%                     | 93%                 | 95%                             | 96%  | 97%  | 98%  |
| 83%                     | 83%                 | 85%                             | 88%  | 90%  | 92%  |
| 100%                    | 100%                | 100%                            | 100%   | 100%   | 100%   |
| Target not planned      | 6 months            | 12 months from date of approval | 12 months from date of approval                | 12 months from date of approval                | 12 months from date of approval                |
| Target not planned      | 10%                 | 10%                             | 10%  | 10%  | 10%  |
| Target not planned      | Research report     | Approval by Tax Ombud           | Promotion of the tax compendium Annual updates | Promotion of the tax compendium Annual updates | Promotion of the tax compendium Annual updates |
| 63%                     | 65%                 | 67%                             | 69%  | 72%  | 75%  |
| 4                       | 4                   | 4                               | 4  | 4  | 4  |
| Target not planned      | Target not planned  | +1                              | Target not planned                             | Target not planned                             | Target not planned                             |
| Target not planned      | 20%                 | 40%                             | 60%  | 80%  | 100%   |
| Target not planned      | 20%                 | 40%                             | 60%  | 80%  | 100%   |
| R1 796.32 - 3% increase | 1%                  | 1%                              | 1%   | 1%   | 1%   |
| Target not planned      | Target not planned  | Target not planned              | Second quartile                                | Target not planned                             | Top quartile                                   |

| STRATEGIC OBJECTIVE   | INDICATOR   | PAST PERFORMANCE   |                    |                    |
|---|---|--------------------|--------------------|--------------------|
|   |   | 2016/17            | 2017/18            | 2018/19            |
| Promote stakeholder engagement and collaboration.                       | Percentage of stakeholder engagement framework implemented.                         | Target not planned | Target not planned | Target not planned |
| Optimize governance structures, risk management and business processes. | Performance audit outcome achieved.   | Target not planned | Target not planned | Target not planned |
| Enhance and strengthen the mandate of the Office of the Tax Ombud.      | Tax administration amendment proposals sent to National Treasury for consideration. | Target not planned | Target not planned | Target not planned |
|   | Number of SLAs, MoUs or formal interventions with stakeholders.                     | Target not planned | Target not planned | Target not planned |

| ESTIMATED PERFORMANCE | STRATEGIC PLAN 2025                                       |   |   |   |   |         |
|-----------------------|---|---|---|---|---|---------|
|                       | 2019/20   | 2020/21   | 2021/22   | 2022/23   | 2023/24   | 2024/25 |
| Target not planned    | 20%   | 40%   | 60%   | 80%   | 100%  |         |
| Target not planned    | Target not planned  | Unqualified audit   | Unqualified audit   | Clean audit   | Clean audit   |         |
| Target not planned    | 1   | 1   | 1   | 1   | 1   |         |
| Target not planned    | 2 MoUs<br>2 SLAs<br>reviewed<br>2 Formal<br>interventions | Review of 2<br>MoUs, 2 SLAs<br>and 2 formal<br>intervention | Review of 2<br>MoUs, 2 SLAs<br>and 2 formal<br>intervention | Review of 2<br>MoUs, 2 SLAs<br>and 2 formal<br>intervention | Review of 2<br>MoUs, 2 SLAs<br>and 2 formal<br>intervention |         |

# 8. RESOURCE CONSIDERATION

The total budget for the 2019/20 financial year is R45,6 million, including the 2018/19 retained surplus of R5,3 million. The current Estimates of National Expenditure (ENE) allocated are R42.5 million, R44.8 million and R46,5 million for 2020/21 and 2021/22 and 2022/23 financial years, respectively (Table 1). The funding is insufficient for the Office to continue delivering its mandate and meeting its strategic objectives. During the MTEF period, there will be an increase in the baseline allocation of R2.2 million (6%) for the 2020/21 financial year, an increase of R2.3 million (6%) in the 2021/22 financial year, and an increase of R1,6 million (4%) in the 2022/23 financial year.

In 2017/18 and 2018/19, expenditure on goods and services, excluding employee cost, was R7,5 million and R7,7 million, respectively. The Office estimated the cost of the living adjustment for 2019/20 at an average of 6%, and SARS signed a three-year wage agreement, comprising an 8% salary increase for the current financial year and a 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 is going to increase on an annual basis.

The current estimates for goods and services in the MTEF period have been reduced to R1,390,000 in 2020/21, R1,106,000 in 2021/22, and R228,000 in 2022/23. However, the allocation for employee cost will not be sufficient to fund the annual salary increases. The figures indicate a reduction of approximately 97% (R228 000 in 2022/23) in goods and services from 2018/19 (R7,7 million), which will cause financial strain on the Office budget.

## PERSONNEL EXPENDITURE

In considering the resources that the Office may require over the next five years, 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 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 competencies are 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, which can be quite costly. The Office is required to ensure that appropriate resources are set aside every year for appropriate training and development.

## INFORMATION TECHNOLOGY SYSTEMS

The OTO requires new digital technologies and IT enhancements for the current IT infrastructure, to allow taxpayers to access the Office through multiple digital entry points, and to enable the OTO to produce accurate statutory reports.

The Office is currently utilising the Service Manager Complaints Management system that was developed and implemented by SARS in 2016; however, the system has evidenced many problems. The OTO developed a business case, which revealed the following deficiencies:

- ▶ Management reporting from the system is not aligned to the business requirements, including the statutory reports, which require manual intervention. This compromises the validity, accuracy and integrity of the information reported.
- ▶ The system has limited digital entry points, which restricts the reach and communication to taxpayers, and many taxpayers complain that the Office is not accessible to them, especially to those in rural areas.



In terms of the strategy for the next five years, the Office will adopt new technologies to improve responsiveness and accessibility and the online brand presence, and will also enhance existing IT systems to ensure efficient and effective business processes. The new technologies will also improve the taxpayer's experience, which will ensure the commitment to service all taxpayers (including under-serviced communities) is complied with. The Office takes cognisance of the budget constraints, and this project will be implemented gradually over the MTEF period.

## COMMUNICATION AND OUTREACH

In order to ensure that there is widespread public awareness and education about the services and mandate of the Office, an extensive stakeholder engagement plan will be embarked on. An increased budget for communications and outreach over the MTEF will enable the Office to fully implement its strategic objectives. Greater visibility will be attained through new digital platforms, and communication and education activities planned in the financial years covered by the Strategic Plan. The Office will continue to build relationships through stakeholder engagement/collaboration, as it has experienced an increase in unrepresented taxpayers utilising the Office, followed by similar growth among tax practitioners and other types of taxpayers.

**Table 1: Expenditure estimates and outcomes**

| COST ELEMENT                       | AUDITED OUTCOMES |               |               | CURRENT ESTIMATE | ESTIMATE OF NATIONAL EXPENDITURE |               |               |               |
|------------------------------------|------------------|---------------|---------------|------------------|----------------------------------|---------------|---------------|---------------|
|                                    | R Thousand       | 2016/17       | 2017/18       | 2018/19          | 2019/20                          | 2020/21       | 2021/22       | 2022/23       |
| Personnel Expenditure              |                  | 23 698        | 26 525        | 33 320           | 37 554                           | 41 135        | 43 758        | 46 296        |
| <b>Goods and Services:</b>         |                  | <b>6 057</b>  | <b>7 514</b>  | <b>7 781</b>     | <b>8 072</b>                     | <b>1 390</b>  | <b>1 106</b>  | <b>228</b>    |
| 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             |
| <b>Total operational and capex</b> |                  | <b>29 755</b> | <b>34 039</b> | <b>41 101</b>    | <b>45 626</b>                    | <b>42 525</b> | <b>44 864</b> | <b>46 524</b> |

# 9. RISK MANAGEMENT

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

| RISK STATEMENT   | ACTION PLAN  |
|--|--|
| <p>Non-adherence to turnaround times for reviewing and addressing complaints, and resolving or implementing recommendations that could impact taxpayers' trust and confidence in the OTO and the tax administration system.</p>              | <p>MoU/ SLA with SARS to resolve turnaround times.</p>   |
| <p>Lack of structural independence might result in taxpayers perceiving the OTO as lacking objectivity and independence.</p>   | <p>MoU/ SLA with SARS to ensure independent operations.</p> <p>Business case to strengthen independence.</p> <p>SLA with other support divisions of SARS.</p>  |
| <p>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.</p>                       | <p>Constant engagement with National Treasury to ensure that the Office is adequately funded.</p>  |
| <p>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.</p>  | <p>Formulate an SLA with SARS to address the issue of keeping up with developments in IT.</p> <p>Constant engagement with National Treasury to ensure that the Office is adequately funded.</p>  |
| <p>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.</p> | <ul style="list-style-type: none"> <li>▶ Implement a five-year communication and outreach plan that will further promote taxpayer awareness of the OTO mandate and services.</li> <li>▶ Implement a feedback plan that will assist taxpayers to understand the outcome of their complaints.</li> </ul> |

# 10. TECHNICAL OBJECTIVE DESCRIPTIONS

## STRATEGIC OBJECTIVE DESCRIPTORS

STID NO: 1

| REQUIRED FIELD                            | DESCRIPTION  |
|---|--|
| <b>Strategic Objective</b>                | Review and address complaints by taxpayers against SARS.   |
| <b>Short Definition</b>                   | Complaints are investigated and recommendations proposed to SARS for consideration. The SARS outcome reports on recommendations are reviewed and communicated to complainants.   |
| <b>Purpose/ Importance</b>                | Propose recommendations to SARS for consideration in resolving the complaint and communicate the SARS decision to the taxpayer.  |
| <b>Source/ Collection Of Data</b>         | Service Manager Report and closeout reports  |
| <b>Method Of Calculation</b>              | <p><b>Average achievement of:</b></p> <ul style="list-style-type: none"> <li>▶ Total complaints reviewed within eight days of receipt of a complaint divided by total complaints reviewed during the reporting period.</li> </ul> <p>And</p> <ul style="list-style-type: none"> <li>▶ Total number of closeout reports finalised / overruled within four days of receipt, divided by total number of closeout reports finalised/ overruled within the reporting period.</li> </ul> |
| <b>Data Limitations</b>                   | None   |
| <b>Type Of Indicator</b>                  | Outcome  |
| <b>Calculation Type</b>                   | Non-cumulative   |
| <b>Reporting Cycle</b>                    | Annual   |
| <b>New Indicator</b>                      | Existing   |
| <b>Desired Performance</b>                | All complaints are reviewed and addressed, and the outcomes communicated within the defined turnaround times.  |
| <b>Strategic Objective Responsibility</b> | Chief Executive Officer  |

## STRATEGIC OBJECTIVE DESCRIPTORS

STID NO: 2

| REQUIRED FIELD                            | DESCRIPTION   |
|---|---|
| <b>Strategic Objective</b>                | Contribute to the improvement of the tax administration system and build confidence in the system.  |
| <b>Short Definition</b>                   | <p>Identify systemic or emerging issues for investigation through formal or informal channels. Formal investigations are conducted following approval/request by the Minister of Finance, while informal investigations are conducted as and when the issues are identified and recommendations are communicated to SARS.</p> <p>To codify Taxpayers' rights and obligations as documented in various prescripts, to the advantage of the taxpayer and the tax administration system.</p> |
| <b>Purpose/ Importance</b>                | <p>To contribute towards a culture of tax compliance through SARS's implementation of recommendations provided to investigate systemic issues.</p> <p>To ensure that taxpayers know and understand their rights and obligations in terms of the tax administration system.</p>  |
| <b>Source/ Collection Of Data</b>         | Completed systemic investigation reports and a systemic investigation register.   |
| <b>Method Of Calculation</b>              | Average achievement of the indicators that contribute to the achievement of the objective.  |
| <b>Data Limitations</b>                   | Commencement of the investigation is dependent on approval by the Minister.   |
| <b>Type Of Indicator</b>                  | Outcome   |
| <b>Calculation Type</b>                   | Non-cumulative  |
| <b>Reporting Cycle</b>                    | Annually  |
| <b>New Indicator</b>                      | New   |
| <b>Desired Performance</b>                | Taxpayers who have trust and confidence in the tax administration system.   |
| <b>Strategic Objective Responsibility</b> | Chief Executive Officer   |

## STRATEGIC OBJECTIVE DESCRIPTORS

STID NO: 3

| REQUIRED FIELD                            | DESCRIPTION   |
|---|---|
| <b>Strategic Objective</b>                | Create an agile organisation that can scale efficiently to meet taxpayer demands.   |
| <b>Short Definition</b>                   | Measure the efficiency and effectiveness of business processes in delivering the service to internal and external stakeholders.   |
| <b>Purpose/ Importance</b>                | To ensure that there is clear and timely communication of information to taxpayers. Taxpayers are afforded opportunities to gauge the level of service they received from the OTO. Employees are continuously trained on relevant customer-oriented traits that will yield cost-effective service delivery. |
| <b>Source/ Collection Of Data</b>         | Service manager report; customer satisfaction report; external publications published; schedule of digital communications and community outreach activities implemented; schedule of average cost, if reviewing a complaint; and survey results.  |
| <b>Method Of Calculation</b>              | Average achievement of all indicators that contribute to achieving the objective.   |
| <b>Data Limitations</b>                   | None  |
| <b>Type Of Indicator</b>                  | Output  |
| <b>Calculation Type</b>                   | Non-cumulative  |
| <b>Reporting Cycle</b>                    | Annually  |
| <b>New Indicator</b>                      | Existing  |
| <b>Desired Performance</b>                | To deliver customer-oriented service  |
| <b>Strategic Objective Responsibility</b> | Chief Executive Officer   |

## STRATEGIC OBJECTIVE DESCRIPTORS

STID NO: 4

| REQUIRED FIELD                            | DESCRIPTION   |
|---|---|
| <b>Strategic Objective</b>                | Promote stakeholder engagement and collaboration.   |
| <b>Short Definition</b>                   | Seek opportunities to engage and educate stakeholders on activities and services offered by the OTO.  |
| <b>Purpose/ Importance</b>                | Create relationships and awareness of the services of the OTO among stakeholders.   |
| <b>Source/ Collection Of Data</b>         | Register of collaboration and stakeholder engagements held.<br>Attendance registers of stakeholder engagements.   |
| <b>Method Of Calculation</b>              | Stakeholder engagement activities achieved as per the framework, divided by the number of planned stakeholder engagement activities as per the framework. |
| <b>Data Limitations</b>                   | None  |
| <b>Type Of Objective</b>                  | Output  |
| <b>Calculation Type</b>                   | Non-cumulative  |
| <b>Reporting Cycle</b>                    | Annually  |
| <b>New Objective</b>                      | New   |
| <b>Desired Performance</b>                | Taxpayers who understand the mandate and services offered by the Office of the Tax Ombud. Implement all the activities as per the framework.              |
| <b>Strategic Objective Responsibility</b> | Chief Executive Officer   |

## STRATEGIC OBJECTIVE DESCRIPTORS

STID NO: 5

| REQUIRED FIELD                            | DESCRIPTION  |
|---|--|
| <b>Strategic Objective</b>                | Optimize governance structures, risk management and business processes.  |
| <b>Short Definition</b>                   | Improve and promote an effective internal control environment that will ensure the achievement of the strategic objectives and provide reliable financial and performance information. |
| <b>Purpose/ Importance</b>                | To improve the OTO systems and processes that will enable efficient and effective service delivery.  |
| <b>Source/ Collection Of Data</b>         | External audit report  |
| <b>Method Of Calculation</b>              | Audit outcome achieved   |
| <b>Data Limitations</b>                   | None   |
| <b>Type Of Objective</b>                  | Activity   |
| <b>Calculation Type</b>                   | Non-cumulative   |
| <b>Reporting Cycle</b>                    | Annually   |
| <b>New Objective</b>                      | New  |
| <b>Desired Performance</b>                | Improved systems and processes.  |
| <b>Strategic Objective Responsibility</b> | Chief Executive Officer  |

## STRATEGIC OBJECTIVE DESCRIPTORS

STID NO: 6

| REQUIRED FIELD                            | DESCRIPTION  |
|---|--|
| <b>Strategic Objective</b>                | Enhance and strengthen the mandate of the Office of the Tax Ombud.   |
| <b>Short Definition</b>                   | Review the TAA sections that deal with the Office of the Tax Ombud and provide amendment proposals to National Treasury for consideration. Improve stakeholder relations and internal business processes through MoUs, SLAs and formal interventions with relevant stakeholders. |
| <b>Purpose/ Importance</b>                | To ensure that the OTO is structurally and operationally independent and limit the risk of perceived bias.   |
| <b>Source/ Collection Of Data</b>         | <ul style="list-style-type: none"> <li>▶ Proposed amendments submitted to National Treasury.</li> <li>▶ MoUs, SLAs and formal interventions entered into with stakeholders or reviewed.</li> </ul>   |
| <b>Method Of Calculation</b>              | Simple count   |
| <b>Data Limitations</b>                   | None   |
| <b>Type Of Objective</b>                  | <p>Inputs - Proposed tax administration amendments</p> <p>Outputs - New SLAs or interventions entered into or old SLAs reviewed</p>  |
| <b>Calculation Type</b>                   | Simple count   |
| <b>Reporting Cycle</b>                    | Annually   |
| <b>New Objective</b>                      | New  |
| <b>Desired Performance</b>                | An OTO that is structurally and operationally independent in delivering its mandate.   |
| <b>Strategic Objective Responsibility</b> | Chief Executive Officer  |



## INDICATOR DESCRIPTORS

TID NO: 1

| REQUIRED FIELD                    | DESCRIPTION   |
|-----------------------------------|---|
| <b>Indicator Title</b>            | Percentage of complaints acknowledged within two business days of receipt.  |
| <b>Short Definition</b>           | The office acknowledges a complaint received within two days of it being checked for completeness and being registered on the system.                                   |
| <b>Purpose/ Importance</b>        | 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. |
| <b>Source/ Collection Of Data</b> | Service Manager system generates a letter of acknowledgement for dispatch to the taxpayer who lodged a complaint.   |
| <b>Method Of Calculation</b>      | Total complaints acknowledged within two days divided by the total complaints received and acknowledged   |
| <b>Data Limitations</b>           | None  |
| <b>Type Of Indicator</b>          | Efficiency and inputs   |
| <b>Calculation Type</b>           | Non-cumulative  |
| <b>Reporting Cycle</b>            | Quarterly   |
| <b>New Indicator</b>              | Existing  |
| <b>Desired Performance</b>        | Capture all complaints within two days of receipt   |
| <b>Indicator Responsibility</b>   | Senior Manager: Office Enablement   |

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

## INDICATOR DESCRIPTORS

TID NO: 2

| REQUIRED FIELD                    | DESCRIPTION  |
|-----------------------------------|--|
| <b>Indicator Title</b>            | Percentage of complaints reviewed within eight days of date captured.  |
| <b>Short Definition</b>           | Review complaints and send recommendations to SARS. Send the letter of outcome to taxpayers within eight days of the date the complaint is captured.                             |
| <b>Purpose/ Importance</b>        | 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. |
| <b>Source/ Collection Of Data</b> | Service Manager Data   |
| <b>Method Of Calculation</b>      | Total complaints reviewed within eight days of receipt of a complaint, divided by total complaints reviewed during the reporting period.   |
| <b>Data Limitations</b>           | None.  |
| <b>Type Of Indicator</b>          | Efficiency and output.   |
| <b>Calculation Type</b>           | Cumulative.  |
| <b>Reporting Cycle</b>            | Quarterly and annually.  |
| <b>New Indicator</b>              | Existing.  |
| <b>Desired Performance</b>        | Desire to have a higher number of complaints sent to SARS within eight days of receipt of a complaint.   |
| <b>Indicator Responsibility</b>   | Senior Manager: Operations   |

## INDICATOR DESCRIPTORS

TID NO: 3

| REQUIRED FIELD                    | DESCRIPTION  |
|-----------------------------------|--|
| <b>Indicator Title</b>            | Percentage of close-out reports received from SARS and actioned within four business days of date received.  |
| <b>Short Definition</b>           | Finalisation of completed cases received from SARS.  |
| <b>Purpose/ Importance</b>        | 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.             |
| <b>Source/ Collection Of Data</b> | Service Manager reports.   |
| <b>Method Of Calculation</b>      | Total number of closeout reports actioned (finalised/overruled) within 4 days of receipt, divided by the total number of closeout reports finalised/ over-ruled within the reporting period. |
| <b>Data Limitations</b>           | Manual process to allocate complaints to operational specialists and delays in taxpayers responding.   |
| <b>Type Of Indicator</b>          | Impact, efficiency, equity.  |
| <b>Calculation Type</b>           | Cumulative.  |
| <b>Reporting Cycle</b>            | Quarterly and annually.  |
| <b>New Indicator</b>              | Existing.  |
| <b>Desired Performance</b>        | Higher performance of resolution time against the set target of four days.   |
| <b>Indicator Responsibility</b>   | Senior Manager: Operations   |

## INDICATOR DESCRIPTORS

TID NO: 4

| REQUIRED FIELD                    | DESCRIPTION   |
|-----------------------------------|---|
| <b>Indicator Title</b>            | Percentage of systemic issues identified and investigated within three months.  |
| <b>Short Definition</b>           | 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.        |
| <b>Purpose/ Importance</b>        | 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. |
| <b>Source/ Collection Of Data</b> | Systemic register   |
| <b>Method Of Calculation</b>      | Number of approved systemic issues identified and investigated within three months, over the number of systemic issues identified and investigated.   |
| <b>Data Limitations</b>           | n/a   |
| <b>Type Of Indicator</b>          | Output  |
| <b>Calculation Type</b>           | Non-cumulative  |
| <b>Reporting Cycle</b>            | Quarterly   |
| <b>New Indicator</b>              | Existing  |
| <b>Desired Performance</b>        | To identify all systemic issues that affect or will affect a number of taxpayers. Actual performance that is higher than targeted performance is desirable.   |
| <b>Indicator Responsibility</b>   | Senior Manager: Legal Services  |

## INDICATOR DESCRIPTORS

TID NO: 5

| REQUIRED FIELD                    | DESCRIPTION  |
|-----------------------------------|--|
| <b>Indicator Title</b>            | Time taken to complete systemic reports approved/ requested by Minister.   |
| <b>Short Definition</b>           | 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.  |
| <b>Purpose/ Importance</b>        | 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. |
| <b>Source/ Collection Of Data</b> | Progress report on investigations/ reports issued about the investigation.   |
| <b>Method Of Calculation</b>      | Simple count of systemic investigation reports completed 6 months from date of approval.   |
| <b>Data Limitations</b>           | Commencement of the investigation is dependent on approval from the Minister.  |
| <b>Type Of Indicator</b>          | Output   |
| <b>Calculation Type</b>           | Non-cumulative   |
| <b>Reporting Cycle</b>            | Annually   |
| <b>New Indicator</b>              | Existing   |
| <b>Desired Performance</b>        | To investigate 100% of approved investigations within six months. Actual performance that is higher than targeted performance is desirable.  |
| <b>Indicator Responsibility</b>   | Senior Manager: Legal Services   |

## INDICATOR DESCRIPTORS

TID NO: 6

| REQUIRED FIELD                    | DESCRIPTION  |
|-----------------------------------|--|
| <b>Indicator Title</b>            | Percentage reduction of existing systemic issues implemented by SARS.  |
| <b>Short Definition</b>           | The indicator measures the success of the implementation of recommendations on systemic issues that were resolved or finalised by SARS.  |
| <b>Purpose/ Importance</b>        | This will contribute towards the 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. |
| <b>Source/ Collection Of Data</b> | Systemic register  |
| <b>Method Of Calculation</b>      | Systemic issues implemented by SARS (only issues that were brought forward from the previous year), divided by opening balance of systemic issues X 100.   |
| <b>Data Limitations</b>           | None   |
| <b>Type Of Indicator</b>          | Output   |
| <b>Calculation Type</b>           | Non-cumulative   |
| <b>Reporting Cycle</b>            | Annually   |
| <b>New Indicator</b>              | New  |
| <b>Desired Performance</b>        | To make successful recommendations on all identified systemic issues. Actual performance that is higher than targeted performance is desirable.  |
| <b>Indicator Responsibility</b>   | Senior Manager: Legal Services   |

## INDICATOR DESCRIPTORS

TID NO: 7

| REQUIRED FIELD                    | DESCRIPTION   |
|-----------------------------------|---|
| <b>Indicator Title</b>            | Develop a taxpayer tax compendium of rights and obligations.  |
| <b>Short Definition</b>           | Collate and draft a taxpayer handbook on taxpayer rights and obligations.   |
| <b>Purpose/ Importance</b>        | To provide taxpayers with further information regarding their rights and obligations. An informed taxpayer base will result in a more efficient and compliant taxpayer. |
| <b>Source/ Collection Of Data</b> | Progress reports  |
| <b>Method Of Calculation</b>      | Non-cumulative  |
| <b>Data Limitations</b>           | None  |
| <b>Type Of Indicator</b>          | Output  |
| <b>Calculation Type</b>           | Non-cumulative  |
| <b>Reporting Cycle</b>            | Annually  |
| <b>New Indicator</b>              | New   |
| <b>Desired Performance</b>        | To have an approved taxpayer tax compendium. Actual performance that is higher than targeted performance is desirable.  |
| <b>Indicator Responsibility</b>   | Senior Manager: Legal Services  |

## INDICATOR DESCRIPTORS

TID NO: 8

| REQUIRED FIELD                    | DESCRIPTION  |
|-----------------------------------|--|
| <b>Indicator Title</b>            | Percentage of customers satisfied with the OTO complaint resolution process.   |
| <b>Short Definition</b>           | Survey of taxpayers regarding the complaints resolution process.   |
| <b>Purpose/ Importance</b>        | 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. |
| <b>Source/ Collection Of Data</b> | Survey report results and Service Manager data.  |
| <b>Method Of Calculation</b>      | Satisfaction is based on the Ten Point Mean Score for the survey question (How satisfied are you with the service you received?) and the mode.   |
| <b>Data Limitations</b>           | Non-participation by taxpayers. No response received from taxpayer.  |
| <b>Type Of Indicator</b>          | Efficiency and impact  |
| <b>Calculation Type</b>           | Cumulative   |
| <b>Reporting Cycle</b>            | Quarterly, annually  |
| <b>New Indicator</b>              | Existing   |
| <b>Desired Performance</b>        | Improved business process to enable efficiency in delivering service to taxpayer.  |
| <b>Indicator Responsibility</b>   | Senior Manager: Operations   |



## INDICATOR DESCRIPTORS

TID NO: 9

| REQUIRED FIELD                    | DESCRIPTION  |
|-----------------------------------|--|
| <b>Indicator Title</b>            | Number of external newsletters published.  |
| <b>Short Definition</b>           | Platform to engage and communicate with external stakeholders.                                 |
| <b>Purpose/ Importance</b>        | Keep stakeholders abreast of important developments at the OTO and in the tax recourse sphere. |
| <b>Source/ Collection Of Data</b> | Business units and stakeholders. Fair Play articles published.                                 |
| <b>Method Of Calculation</b>      | Simple count   |
| <b>Data Limitations</b>           | None   |
| <b>Type Of Indicator</b>          | Output   |
| <b>Calculation Type</b>           | Non-cumulative   |
| <b>Reporting Cycle</b>            | Quarterly  |
| <b>New Indicator</b>              | Existing   |
| <b>Desired Performance</b>        | Informed and engaged stakeholders.   |
| <b>Indicator Responsibility</b>   | Senior Manager: Communications and Outreach  |

## INDICATOR DESCRIPTORS

TID NO: 10

| REQUIRED FIELD                    | DESCRIPTION  |
|-----------------------------------|--|
| <b>Indicator Title</b>            | Percentage of digital communications framework implemented.  |
| <b>Short Definition</b>           | A five-year digital framework that will improve the OTO's efficiency and brand presence, and promote accessibility of our services to all taxpayers. |
| <b>Purpose/ Importance</b>        | Communicate, and promote accessibility and awareness of the services of the OTO through digital platforms.   |
| <b>Source/ Collection Of Data</b> | Digital framework  |
| <b>Method Of Calculation</b>      | Total digital communications activities/initiatives implemented, divided by total digital communications activities/ initiatives planned X 100       |
| <b>Data Limitations</b>           | None   |
| <b>Type Of Indicator</b>          | Activity   |
| <b>Calculation Type</b>           | Non-cumulative   |
| <b>Reporting Cycle</b>            | Quarterly  |
| <b>New Indicator</b>              | New  |
| <b>Desired Performance</b>        | Improved accessibility, efficiency and awareness of the OTO.   |
| <b>Indicator Responsibility</b>   | Senior Manager Communications  |

## INDICATOR DESCRIPTORS

TID NO: 11

| REQUIRED FIELD                    | DESCRIPTION   |
|-----------------------------------|---|
| <b>Indicator Title</b>            | Percentage of the community outreach activity framework implemented.  |
| <b>Short Definition</b>           | Activities aimed at educating stakeholders about the OTO and the services offered.  |
| <b>Purpose/ Importance</b>        | Educate and create awareness about the existence of the OTO and the services offered.   |
| <b>Source/ Collection Of Data</b> | Report on implementation of the framework.  |
| <b>Method Of Calculation</b>      | Total community outreach activities/ initiatives implemented, divided by total community outreach activities/initiatives planned X 100. |
| <b>Data Limitations</b>           | The OTO will only count information at its disposal, due to lack of automation.   |
| <b>Type Of Indicator</b>          | Output  |
| <b>Calculation Type</b>           | Non-cumulative  |
| <b>Reporting Cycle</b>            | Quarterly   |
| <b>New Indicator</b>              | Existing  |
| <b>Desired Performance</b>        | Widespread awareness of the OTO and the services offered.   |
| <b>Indicator Responsibility</b>   | Senior Manager: Communications and Outreach   |

## INDICATOR DESCRIPTORS

TID NO: 12

| REQUIRED FIELD                    | DESCRIPTION  |
|-----------------------------------|--|
| <b>Indicator Title</b>            | Percentage reduction in average cost of reviewing a complaint, year-on-year.   |
| <b>Short Definition</b>           | Adopting efficient processes that reduce the cost of complaint resolution.   |
| <b>Purpose/ Importance</b>        | <p>To measure efficiency in resolving a complaint.</p> <p>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.</p>   |
| <b>Source/ Collection Of Data</b> | SAP finance reports and Service Manager.   |
| <b>Method Of Calculation</b>      | <p>Total cost of complaints resolution, divided by total number of complaints finalised after complaints</p> <p>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.</p> |
| <b>Data Limitations</b>           | None   |
| <b>Type Of Indicator</b>          | Efficiency and economy   |
| <b>Calculation Type</b>           | Cumulative   |
| <b>Reporting Cycle</b>            | Quarterly  |
| <b>New Indicator</b>              | Existing   |
| <b>Desired Performance</b>        | To reduce the cost of resolving a complaint.   |
| <b>Indicator Responsibility</b>   | Senior Manager: Office Enablement  |

## INDICATOR DESCRIPTORS

TID NO: 13

| REQUIRED FIELD                    | DESCRIPTION   |
|-----------------------------------|---|
| <b>Indicator Title</b>            | Percentage of stakeholder framework implemented.  |
| <b>Short Definition</b>           | A five-year stakeholder framework that promotes optimal engagement and collaboration to ensure efficient interaction between the OTO and its stakeholders and strengthening of relationships. |
| <b>Purpose/ Importance</b>        | Promote, educate and create awareness of the OTO's services.  |
| <b>Source/ Collection Of Data</b> | Register of collaboration and stakeholder engagement events held.<br>Attendance register of stakeholder engagement events.  |
| <b>Method Of Calculation</b>      | Number of stakeholder engagement activities implemented, divided by number of stakeholder engagement activities planned X 100.  |
| <b>Data Limitations</b>           | None  |
| <b>Type Of Indicator</b>          | Activity  |
| <b>Calculation Type</b>           | Non-cumulative  |
| <b>Reporting Cycle</b>            | Annually  |
| <b>New Indicator</b>              | New   |
| <b>Desired Performance</b>        | Promote the OTO to all stakeholders.  |
| <b>Indicator Responsibility</b>   | Senior Manager: Communications and Outreach   |

## INDICATOR DESCRIPTORS

TID NO: 14

| REQUIRED FIELD                    | DESCRIPTION  |
|-----------------------------------|--|
| <b>Indicator Title</b>            | Tax administration amendment proposals sent to Treasury for consideration.   |
| <b>Short Definition</b>           | 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. |
| <b>Purpose/ Importance</b>        | To improve or enhance the Tax Administration Act sections that deal with the Office of the Tax Ombud.  |
| <b>Source/ Collection Of Data</b> | Amendment proposals sent to National Treasury.   |
| <b>Method Of Calculation</b>      | Simple count   |
| <b>Data Limitations</b>           | None   |
| <b>Type Of Indicator</b>          | Input  |
| <b>Calculation Type</b>           | Non-cumulative   |
| <b>Reporting Cycle</b>            | Annually   |
| <b>New Indicator</b>              | New  |
| <b>Desired Performance</b>        | Updated and relevant Tax Administration Act.   |
| <b>Indicator Responsibility</b>   | Senior Manager: Legal Services   |

## INDICATOR DESCRIPTORS

TID NO: 15

| REQUIRED FIELD                    | DESCRIPTION  |
|-----------------------------------|--|
| <b>Indicator Title</b>            | Number of SLAs, MoUs or formal interventions with stakeholders.  |
| <b>Short Definition</b>           | 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. |
| <b>Purpose/ Importance</b>        | To provide certainty on how any interactions between stakeholders and the OTO should be conducted.   |
| <b>Source/ Collection Of Data</b> | Emails; draft documents; signed agreements or finalised interventions.   |
| <b>Method Of Calculation</b>      | Simple count   |
| <b>Data Limitations</b>           | None   |
| <b>Type Of Indicator</b>          | Output   |
| <b>Calculation Type</b>           | Non-cumulative   |
| <b>Reporting Cycle</b>            | Annual   |
| <b>New Indicator</b>              | New  |
| <b>Desired Performance</b>        | To improve the efficiency of rendering the service and minimise the administrative cost of doing business.   |
| <b>Indicator Responsibility</b>   | Senior Manager: Legal Services   |

# 11. KEY CONCEPTS

| TERM                           | DESCRIPTION   |
|--------------------------------|---|
| <b>Systemic investigation</b>  | An investigation initiated by the OTO or requested by the Finance Minister into the possible underlying root cause of a complaint that affects multiple taxpayers or a class of taxpayers negatively.                               |
| <b>Complainant</b>             | Any person who lodges a complaint with the OTO.   |
| <b>Taxpayer</b>                | Any person or entity chargeable with any tax levied under any tax Act.  |
| <b>Case</b>                    | A formal complaint logged on the OTO Complaint Management System.   |
| <b>Complaint</b>               | An expression of dissatisfaction or an 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.              |
| <b>Finalised complaint</b>     | <p><b>A complaint that is closed by the OTO in one of the following ways:</b></p> <ul style="list-style-type: none"> <li>a) Accepted and resolved.</li> <li>b) Accepted and terminated.</li> <li>c) Rejected.</li> </ul>            |
| <b>Evaluation of complaint</b> | 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.  |
| <b>Review of complaint</b>     | <p><b>Considering the merits of the complaint to determine:</b></p> <ul style="list-style-type: none"> <li>a) if SARS was at fault/erred in its application of a tax Act;</li> <li>b) how to best resolve the complaint.</li> </ul> |
| <b>Recommendation</b>          | A proposal sent to SARS on how to best address the complaint or a proposal sent to a complainant on how to best address the complaint lodged.   |



| TERM                        | DESCRIPTION   |
|-----------------------------|---|
| <b>Rejected complaint</b>   | A complaint that does not fall within the mandate of the Tax Ombud, or the taxpayer has not exhausted SARS internal complaints resolution or if any of the limitations to authority apply.  |
| <b>Terminated complaint</b> | An accepted complaint that is finalised before completion of the review process.  |
| <b>Cancelled complaint</b>  | A complaint case that is discarded on the Complaint Management System, due to a capturing error.  |
| <b>Investigation</b>        | A process undertaken to establish and document relevant facts, reach appropriate conclusions, and determine a suitable course of action, based on the available evidence.   |
| <b>Accepted complaint</b>   | <p><b>A complaint that:</b></p> <ul style="list-style-type: none"> <li>a) falls within the mandate of the OTO;</li> <li>b) none of the limitations to the TO's authority apply to; and</li> <li>c) The complainant has exhausted the SARS internal complaints resolution mechanisms, unless the OTO has determined that there are compelling circumstances to not do so.</li> </ul> |
| <b>Decision</b>             | The outcome reached after consideration of all the facts of a complaint submitted to the OTO during the process of evaluation and review of the complaint.  |

# ABBREVIATIONS

|               |   |
|---------------|---|
| <b>CEO</b>    | Chief Executive Officer   |
| <b>CPI</b>    | Consumer Price Index  |
| <b>ENE</b>    | Estimates of National Expenditure                                   |
| <b>ENPS</b>   | Employees Net Promoter Score  |
| <b>IT</b>     | Information Technology  |
| <b>LBC</b>    | Large Business Centre   |
| <b>MoU</b>    | Memorandum of Understanding   |
| <b>MTBPS</b>  | Medium Term Budget Policy Statement                                 |
| <b>MTSF</b>   | Medium Term Strategic Framework                                     |
| <b>N/A</b>    | Not Applicable  |
| <b>NDP</b>    | National Development Plan   |
| <b>OTO</b>    | Office of the Tax Ombud   |
| <b>PEOU</b>   | Public Entity Oversight Unit  |
| <b>PESTEL</b> | Political, Economic, Social, Technological, Environmental and Legal |
| <b>SAP</b>    | Systems Applications and Products                                   |
| <b>SARS</b>   | South African Revenue Service                                       |
| <b>SLA</b>    | Service Level Agreement   |
| <b>STID</b>   | Strategic Technical Indicator Description                           |
| <b>SWOT</b>   | Strengths, Weaknesses, Opportunities and Threats                    |
| <b>TAA</b>    | Tax Administration Act  |
| <b>TID</b>    | Technical Indicator Descriptors                                     |
| <b>TO</b>     | Tax Ombud   |
| <b>VAT</b>    | Value Added Tax   |





ISBN: 978-0-621-48303-1

Menlyn Corner, 2nd floor, 87 Frikkie De Beer Street, Pretoria, 0181  
**Call Centre** 0800 662 837 | **Email** [complaints@taxombud.gov.za](mailto:complaints@taxombud.gov.za)

**[www.taxombud.gov.za](http://www.taxombud.gov.za)**