



OFFICE OF THE
TAX OMBUD
Ensuring fairness

2018
2019

TAX OMBUD ANNUAL REPORT

ITO SECTION 19 OF THE TAX ADMINISTRATION ACT 28 OF 2011
AND THE PUBLIC FINANCE MANAGEMENT ACT 1 OF 1999

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HIGHLIGHTS FOR THE 2018/19 FINANCIAL YEAR



11 957
Queries received



4 822
Complaints received



2 043
Finalised complaints
(**Resolved**)



326
Education, outreach,
stakeholder engagements,
advertising and public
relations activities



R12 370 861.35
Ad value **received**



99.27%
Percentage of recommendations
implemented by SARS



R 35 MILLION

The top 10 tax refunds paid to taxpayers through the intervention of the **Office of the Tax Ombud (OTO)** collectively exceeded R35 million.

Value of refunds paid to taxpayers

Table 1: Top 10 refunds paid to taxpayers

Tax type	Refund paid to taxpayers
VAT	R7 193 367.58
VAT	R4 729 493.42
PIT	R4 506 712.11
CIT	R4 423 372.33
VAT	R3 639 020.31
VAT	R3 081 468.61
VAT	R2 390 200.83
VAT	R1 926 908.43
CIT	R1 680 778.75
VAT	R1 679 348.30



PART

GENERAL
INFORMATION

1. INTRODUCTION

The Tax Ombud's 2018/19 Annual Report complies with the Public Finance Management Act (PFMA), giving effect to the legislative framework for the regulation of finances in national and provincial government. The Tax Ombud presents the Annual Report in line with Section 19 of the Tax Administration Act (TAA), Section 55 of the PFMA and Section 6.2 of the protocol governing the relationship between the Minister of Finance and the Tax Ombud. In terms of Section 19 (3) of the TAA, the Minister must table this report in the National Assembly.

2. ANNUAL REPORTING PERIOD

The reporting cycle of the Office of the Tax Ombud (OTO) is annual, ending 31 March, as prescribed by the PFMA. The OTO compiles and submits quarterly reports to the National Treasury as per the provisions of the PFMA and Treasury Regulations. This Annual Report records the organisational and financial performance for the period 1 April 2018 to 31 March 2019.

3. SCOPE OF THE REPORT

The report incorporates financial and performance information based on the approved 2018/19 Annual Performance Plan (APP), which was tabled before Parliament in March 2018. The Annual Report provides performance information and governance reports and incorporates financial information relating to the OTO.

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Menlyn, Pretoria

Postal address

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Telephone number

(+27) 12 341 9105

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(+27) 12 452 5013

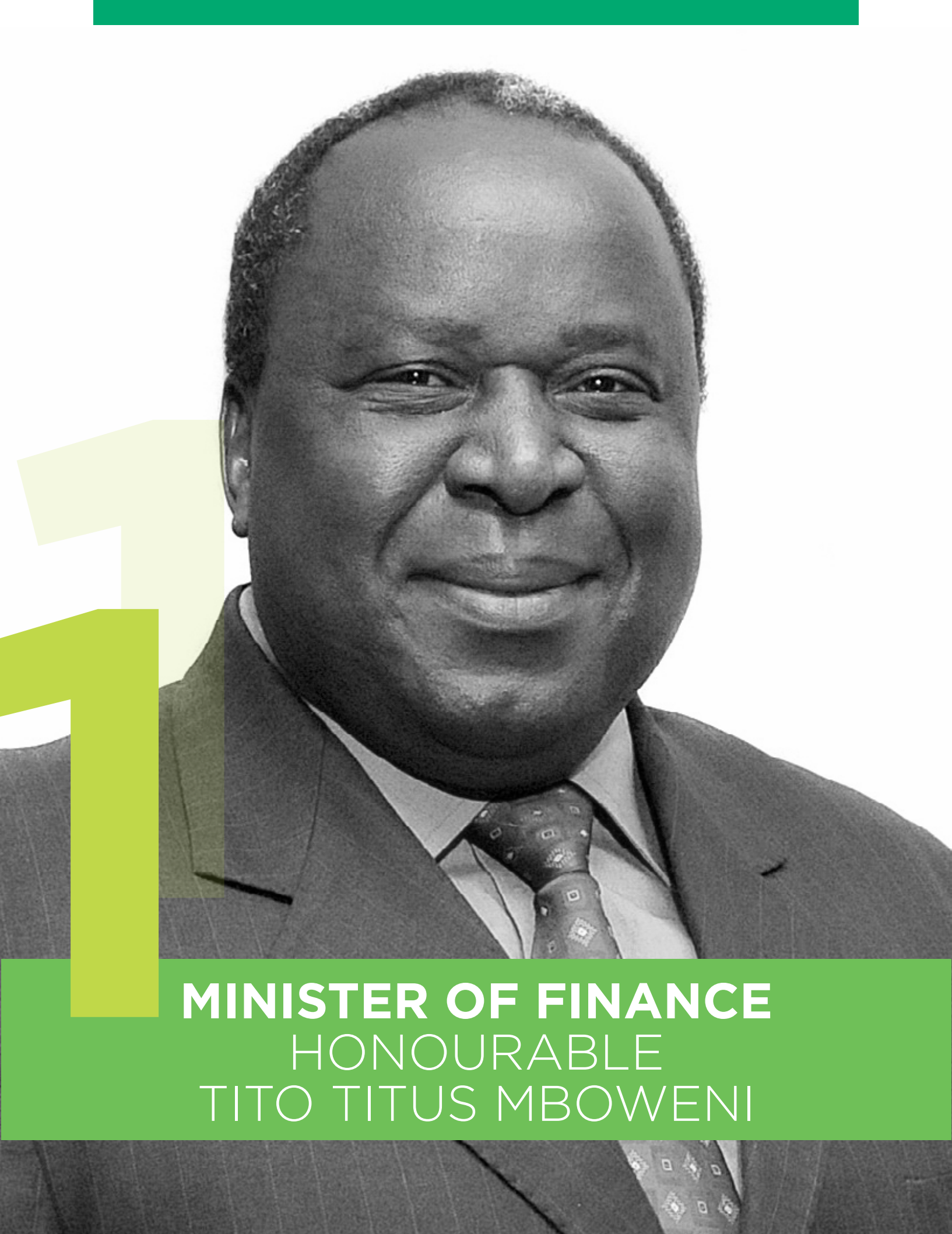
Email addresses

Office@taxombud.gov.za

Complaints@taxombud.gov.za

Website

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MINISTER OF FINANCE
HONOURABLE
TITO TITUS MBOWENI

MESSAGE BY THE MINISTER OF FINANCE

Five years of fairness and making a difference in the lives of taxpayers best describes what the Office of the Tax Ombud (OTO) has achieved since its establishment just over five years ago. Based on its track record, I believe this Office has been exemplary in delivering a much-needed service to taxpayers. In the Tax Ombud, taxpayers have a free, independent and impartial avenue through which to have their complaints against the South African Revenue Service (SARS) expeditiously resolved.

“ **The numerous education and awareness campaigns that have taken place have ensured that a growing number of public servants, politicians and members of the general public are increasingly becoming aware of the existence of the OTO and the services it provides.** ”

This report is being published in a challenging period for our country. The economic slowdown, growing unemployment, crime and lately, damning findings against government departments and entities, have become a normal part of everyday life in South Africa. It is to be welcomed that the credibility of the OTO and its employees has not been shaken. In fact, our parliamentarians are pleased with what the institution has achieved.

The OTO continued to pursue excellence during the reporting period in executing its mandate of making a positive contribution to improving the South African tax administration system. I can 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.

The OTO is making strides in helping restore public confidence in SARS by working with the revenue collector to address many of the systemic issues


that have been raised in a number of complaints by taxpayers.

I am also satisfied with the level of cooperation between the OTO and public and private sector institutions. The numerous education and awareness campaigns that have taken place have ensured that a growing number of public servants, politicians and members of the general public are increasingly becoming aware of the existence of the OTO and the services it provides. It should also be acknowledged that a lot more needs to be done to ensure that the majority of our people know about the services of the Tax Ombud.

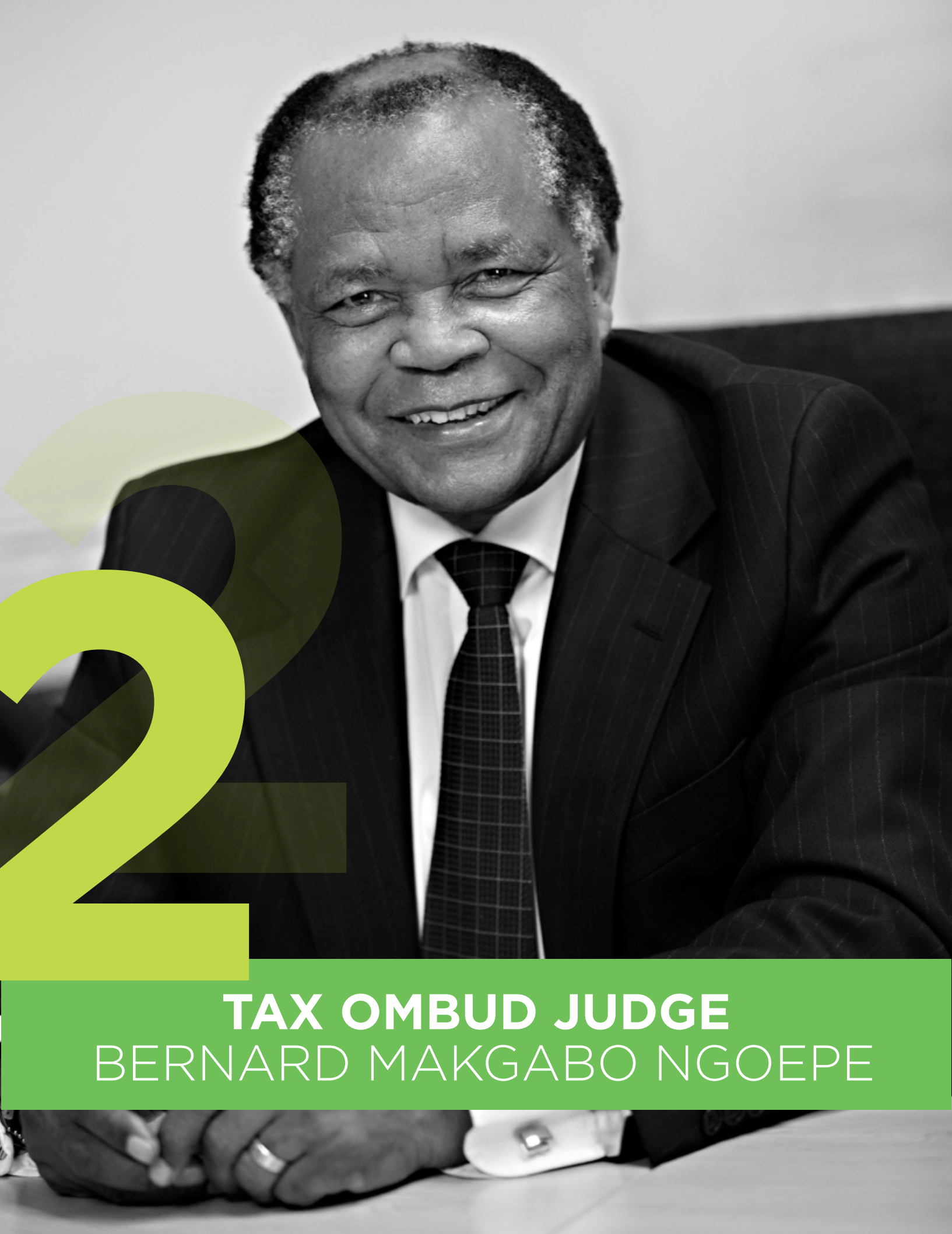
Furthermore, I am happy about the Memorandum of Understanding (MoU) the Office has signed with SARS, as well as the MoU signed with the Office of the Public Protector. This will help expedite the resolution of taxpayers' complaints and ensure that they are dealt with efficiently.

In conclusion, I want to express gratitude for the great work that is being done by Tax Ombud Judge Bernard M Ngoepe as well as his team and urge them to continue to carry out the Office's mandate without fear or favour.

“ **I can 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.** ”



HONOURABLE TITO TITUS MBWENI
MINISTER OF FINANCE



TAX OMBUD JUDGE
BERNARD MAKGABO NGOEPE

FOREWORD BY THE TAX OMBUD

The 2018/19 financial year witnessed numerous shifts in many of the country's aspects; one of the most significant being the renewed commitment and effort to put state entities on the right track. The Office of the Tax Ombud (OTO) played an important role in this regard with its relentless pursuit to promote fairness in the country's tax administration system - going to great lengths to hold the South African Revenue Service (SARS) accountable where we found legitimate complaints by taxpayers against it.

October 2019 marks the sixth anniversary of the Office - six years of bridging the gap, leading initiatives in tax recourse and a reminder of the journey I have thus far travelled with the institution from its inception.

Promoting a fair tax administration system

The impact this Office makes can be measured not just in monetary terms, such as in the form of refunds to taxpayers and by ensuring that taxpayers do not pay more than their fair share to SARS. We have also managed to help many taxpayers who would otherwise not have had access to a free and impartial resource to resolve their tax issues. In the 2018/19 financial year, the value of the top 10 tax refunds paid to taxpayers through the intervention of the OTO exceeded R35 million.

In the 2018/19 financial year, the value of the top 10 tax refunds paid to taxpayers through the intervention of the OTO exceeded R35 million.

This journey of providing free, fair and expeditious solutions to taxpayers' complaints against SARS has been ongoing for the past five years, and in October 2018, we commemorated "Five Years of Fairness". We believe the OTO has made, and will continue to make,

a material contribution towards a fair collection of tax by SARS. Every day, a significant number of taxpayers receive assistance from our Office and we continue to travel the length and breadth of the country to bring our services to the doorsteps of communities.

The commendations we receive from taxpayers and leaders in the tax industry are proof of the positive contribution we have been able to make since our establishment five years ago.

In his maiden State of the Nation Address in 2018, President Cyril Ramaphosa announced that a Commission of Inquiry into Tax Administration and Governance of SARS would be established, to which the OTO would make a contribution. This was indeed the case, with our former Chief Executive Officer (CEO), Advocate Eric Mkhawane, being one of many who gave evidence before the Commission, chaired by Judge Robert Nugent. The report states that it "has full admiration for the valuable role played by the Tax Ombud".

We believe the OTO has made, and will continue to make, a material contribution towards a fair collection of tax by SARS.

MoUs with SARS and the Office of the Public Protector

We have made significant strides by signing a Memorandum of Understanding (MoU) with SARS, and hope that this will address the slow rate at which SARS is implementing the OTO's recommendations. We have also signed an MoU with the Office of the Public Protector. These steps will enable the Office to expedite the resolution of taxpayers' complaints.

Promoting taxpayers rights and obligations

South Africa is yet to see a Taxpayer Bill of Rights, something that this Office has been advocating for since its establishment in 2013. Although we take some consolation from the fact that SARS issued its Service Charter in July 2018, outlining taxpayers' rights and responsibilities and the service standards they can expect and must demand from the revenue collector; this is not enough. What we believe is needed is a comprehensive Taxpayers' Bill of Rights, which we would like to see being published as soon as possible. My Office has already made valuable inputs towards the proposed Bill of Rights and now we urge SARS, National Treasury, parliamentarians and other stakeholders to ensure that it becomes a reality.

I am convinced it will contribute towards strengthening our constitutional democracy and, to a considerable extent, improve the level of accountability on the part of the revenue collector and support an improved tax administration system. The latter will be of immense benefit to the country as it will improve public trust in the revenue collector and thus improve taxpayers' sense of tax obligation. In addition, one cannot advocate for taxpayers' rights and not stress the importance of taxpayer obligations; people must pay their tax because without it, government will not be able to deliver the much-needed services.

It is well known that, on paper at least, South Africa has one of the best Constitutions in the world, but worryingly, many citizens, including taxpayers, are not aware of their constitutional rights. What is the value of having rights that one does not know about? Our Office has been utilising numerous platforms to educate taxpayers and the general public about their tax rights and obligations, but many more education initiatives are needed.

The commendations we receive from taxpayers and leaders in the tax industry are proof of the positive contribution we have been able to make since our establishment five years ago.

Systemic investigations

The first systemic investigation conducted by this Office painted a less than rosy image of the revenue collector regarding delays in the payment of tax refunds. The systemic investigation report prompted SARS into action and both institutions have worked well to address some of the issues raised in that report. The second systemic investigation approved by the Minister in October 2018, relates to complaints about the Pay As You Earn (PAYE) statements of accounts and SARS' tendency to disregard the prescribed timeframes for the resolution of disputes. I remain optimistic that the results of the investigation will see both the OTO and SARS working together to address the issues, just as we did in respect of the first report. The co-operation that resulted led to a drastic reduction in complaints about delays in the payment of tax refunds.

We have reiterated our appeals and made inputs for amendments to the Tax Administration Act, some of which were not affected.

Thirsty for more impact

Over the past few years, this Office has continuously expressed its desire for an increased footprint; underpinned by greater independence. We have reiterated our appeals and made inputs for amendments to the Tax Administration Act, some of which were not effected. We urge the government to consider those inputs favourably and provide the necessary support for amendments that would enable this institution to carry out its mandate as it should: independently, impartially and expeditiously.

Creating an agile organisation

We have formulated an ambitious Annual Performance Plan (APP) that marks a significant trajectory on the Organisation's objectives from the baseline set in our first five years. This plan details how the Office intends to consolidate what has been achieved while setting out on a new growth path for

the next five years, starting in the 2019/20 financial year. The new plan puts more emphasis on improving the quality of services provided as there is growing public demand for transparency and clean governance from government and state entities. I acknowledge that there is still room for improvement towards making the OTO the best environment possible for delivering services. The ambitious targets set for deliverables in the coming financial year reflect our optimism that improved, more customer-centric services are in reach. While the first five years were mainly about building a strong foundation, the 2019/20 financial year will see more focus on maximising service delivery improvements and creating an agile institution geared for efficiency.

I acknowledge that there is still room for improvement towards making the OTO the best environment possible for delivering services.

Footprint and independence

In the previous financial year, we reported on the progress made in our quest for full independence from SARS. This included the OTO's competence to make staff appointments on its own and for its budget to be determined by the Minister, not SARS, and has enabled the OTO to provide improved services to taxpayers. We are still determined to work hard to gain structural independence from SARS. The Office must be, and seen to be, independent of SARS. Unfortunately, as things stand, there is a dependence on SARS for supporting governance, fiduciary and administrative functions; the Office therefore lacks structural (i.e. juristic) independence. This hampers its work and compromises its reputation. It is because of this lack of structural independence that the International Association of Ombuds does not admit the Office as a member. I asked The Government Technical Advisory Centre (GTAC) to assist. It has recommended two possible institutional options for the establishment of the Office as a juristic entity: either as a National 3A Public Entity without shared services, or the one with shared services. I have accepted the recommendation, which also enjoyed the support of the Director-General. What

remains is the Minister's approval, which I have, since last year, been seeking; I hope to get it soon.

This quest for full independence is driven by the relentless pursuit of excellence in the execution of our duties. Independence will serve the Office – and by extension taxpayers – well in that it will, amongst others, support our plans to have a footprint in the country's nine provinces.

It is well known that, on paper at least, South Africa has one of the best Constitutions in the world, but worryingly, many citizens, including taxpayers, are not aware of their constitutional rights. What is the value of having rights that one does not know about?

Conclusion

I want to express gratitude for the great work done by former Chief Executive Officer Advocate Eric Mkhawane. He joined the Office when it was started, helped establish it and then guided it to where it is today. Adv Mkhawane left a month after the end of the financial year under review to return to the Bar in Johannesburg. He is presently an Acting Judge of the Gauteng High Courts. I wish him all the best and thank him for contributing five years of his life to this institution during a critical time.



JUDGE BERNARD MAKGABO NGOEPE
TAX OMBUD



**ACTING CHIEF
EXECUTIVE OFFICER**
GERT VAN HEERDEN

CHIEF EXECUTIVE OFFICER'S OVERVIEW

This report is being tabled at a time when a new government administration and a new Commissioner of SARS had to hit the ground running under very difficult economic and political circumstances. The OTO has also had a change of leadership. Advocate Eric Mkhawane resigned from his position as Chief Executive Officer (CEO) at the end of the first month of the new financial year. The Office commends his commitment and earnest work ethic towards the fair administration of the Tax Act. The former CEO was an essential part of the Office for over five years and was instrumental in building the Office into what it is today. This Annual Report is evidence of the efficiency of the OTO under the leadership of Adv Mkhawane, who will be sorely missed. It is some consolation knowing that he will continue to have a positive impact on the lives of many people in his future endeavours.

We call on all citizens and residents to comply with their tax obligations in order to help build South Africa. As we walk the next five years together with the new administration of the country, the Office is hopeful that this administration will inspire confidence in South Africans that their taxes are being utilised for the benefit of every South African citizen; this confidence will in turn improve the level of cooperative compliance within the tax system.

Customer perception survey

Part of the OTO's strategy is to find innovative ways to continually improve and modernise our day-to-day work processes. To this end, we implemented a Customer Perception Survey to gauge taxpayers' perceptions of the quality of our service, their satisfaction levels, the brand loyalty built over the past five years and, above all, their views on how customer-centric they perceive us to be. As a once-off survey would not deliver the kind of insights we require if we are to improve our service incrementally, it is an ongoing process. A survey questionnaire is

routinely sent to taxpayers after the finalisation of complaints lodged with our Office, regardless of whether the complaint was accepted, rejected or terminated. In this way we are able to continually improve the experience of taxpayers and ensure that stakeholders are satisfied with our service.



We call on all citizens and residents to comply with their tax obligations in order to help build South Africa.



Communications and outreach

Our outreach plays an important role in promoting the Tax Ombud brand and, moreover, in ensuring that taxpayers are aware of the services offered. The 2018/19 financial year saw the Office embarking on a number of stakeholder education and awareness campaigns. The different engagements were robust and, based on the outcome, were indicative of taxpayers' appetite to know and understand our operating processes. We will continue to promote and protect taxpayers' rights and remind them of their responsibility to pay tax.

The response to an increase in stakeholder education and awareness engagements, together with a positive presence in the media and presentations to different stakeholders across the country, has been favourable. Increased awareness about the service and value of the Office, and the need for it, has added value in the tax administration system and enlarged taxpayers' experience with tax matters.

Complaints resolution

There is evidence of a growing need for our services as word spreads among taxpayers about the role we play in resolving complaints. An increase in the number of

complaints received by the Office finds expression in the statistics for the 2018/19 financial year. The Office received 4 822 complaints for the reporting period, an increase of 1 170 from the previous financial year (3 652). An important point to note about this increase is that more and more complaints are relevant to the mandate of the OTO, which means we can accept and investigate them. This is a positive development and shows that stakeholders have a better understanding of what we can and cannot do. In turn, this indicates that our awareness and education campaigns are paying off.

While it is certainly necessary for a certain amount of healthy tension to exist between the OTO and SARS, it is of the utmost importance that we work together, as ultimately we have a common goal – to provide service of the highest quality to the citizens of South Africa.

Financial support

Our financial model has remained strong and resilient through the turbulent times in which the South African economy currently finds itself. We have been able to do more with fewer financial resources compared to the previous financial year, which is important given the country's economic constraints. The Office's adaptable financial operating model made it possible to source staff and continue building brand recognition through its communication and outreach initiatives, without excessively cutting expenditure. Resources are under pressure, however, and we hope that with the increasing demand for our services, we will be able to motivate for a bit more in our budget.

Human resources support

We strive to broaden our skills and increase our staff count in order to meet the escalating demand for our services. It is important that our staff be knowledgeable in the field of tax administration and capable of responding satisfactorily to taxpayers' requests. During the year, a number of employees participated in skills development programmes in order to support our core mandate.

Planning for the next five years

We are an Office operating in times of constant and dynamic change. We continuously seek ways to embrace change and ensure that the work we do remains relevant, along with our skills and capacity to deal with growing volumes of complaints. In the 2018/19 financial year, our staff complement increased from 35 to 44, equipping the Office to improve our output in offering taxpayers a free, impartial and independent mechanism for tax complaint resolutions.

We extend gratitude to SARS, which under the leadership of the then Acting Commissioner Mark Kingon, assisted the Office in resolving the complaints referred to it. We look forward to having a positive and collaborative relationship with SARS under the leadership of the new Commissioner Edward Kieswetter. While it is certainly necessary for a certain amount of healthy tension to exist between the OTO and SARS, it is of the utmost importance that we work together, as ultimately we have a common goal – to provide service of the highest quality to the citizens of South Africa.

In conclusion, I would like to extend our gratitude to the Recognised Controlling Bodies (RCB) and other stakeholders that collaborated with us by providing numerous platforms from which to engage with taxpayers and raise awareness about our services. The trust placed in us by the many who seek assistance from our Office is also appreciated.

Thank you to every member of Team OTO for your continued pursuit of excellence in service delivery, thus making a positive contribution towards improving the country's tax administration system. We express our special gratitude to our former CEO

Advocate Eric Mkhawane who left the organisation shortly after the end of this reporting period – thank you for five years of fairness, professionalism and excellent leadership.



Gert van Heerden

Acting Chief Executive Officer

4. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

The Annual Report is complete, accurate and free from any omissions.

The Annual Report has been prepared in accordance with the Annual Report Guidelines as issued by National Treasury.

The Tax Ombud is responsible for the preparation of the performance information and for the judgments made in this information.

The Tax Ombud is responsible for establishing and implementing a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial information.

In our opinion, this Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the OTO for the financial year ended 31 March 2019.

Yours faithfully



GERT VAN HEERDEN
ACTING CHIEF EXECUTIVE OFFICER



JUDGE BERNARD MAKGABO NGOEPE
TAX OMBUD

5. STRATEGIC OVERVIEW

The OTO strives to be exemplary as a fair, impartial and expeditious avenue for taxpayers seeking to resolve complaints relating to SARS. The vision, mission and values of the Office guide the OTO's conduct and interaction with taxpayers, SARS and other stakeholders.

1. Vision

The vision of the Office of the Tax Ombud is to strengthen taxpayers' trust and confidence in tax administration.

2. Mission

The Office of the Tax Ombud is committed to being an efficient, independent, impartial and fair redress channel for taxpayers.

3. Values

In executing its mandate, the Office's conduct and interactions are based on a set of values that guide all staff at all levels:



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.

6. 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).

CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, ACT 108 OF 1996:

In terms of Section 195 of the Constitution, the democratic values and principles enshrined in the Constitution must govern public administration, including a high standard of professional ethics; efficient, economic and effective use of resources; provision of impartial, fair and equitable service; and transparency and accountability. As an agent of public administration, SARS, the subject of the OTO's oversight, is bound by this constitutional mandate. The OTO is equally bound by the constitutional mandate.

TAX ADMINISTRATION, ACT 28 OF 2011:

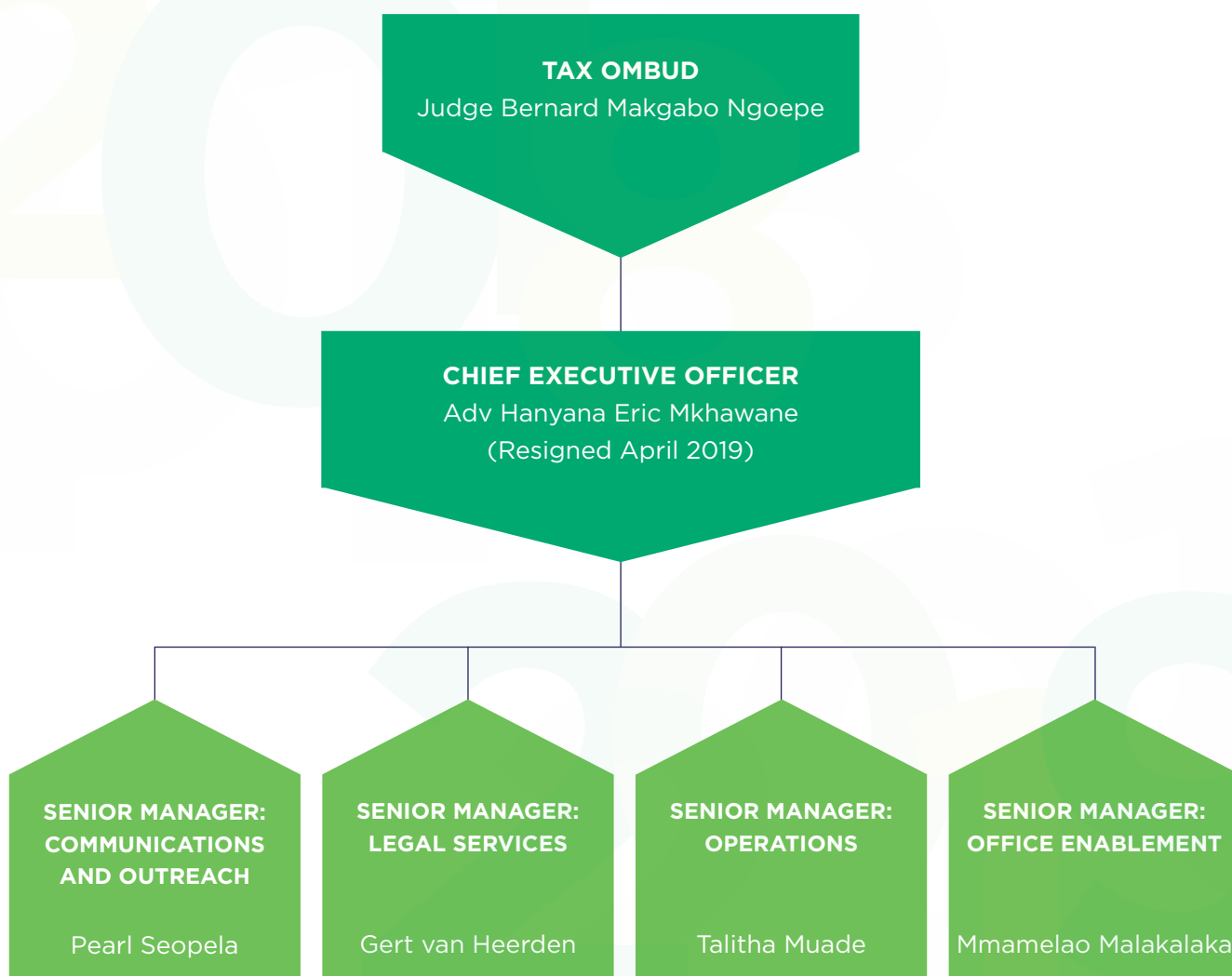
The mandate of the Tax Ombud is to -

- 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; and
- b. Review, at the request of the Minister or at the initiative of the Tax Ombud with the approval of the Minister, any systemic and emerging issue related to a service matter or the application of the provisions of this Act or procedural or administrative provisions of a Tax Act.

7. ORGANISATIONAL STRUCTURE

The OTO is led by the Tax Ombud who is supported by the Chief Executive Officer. The Office consists of five business units as per the approved structure. These business units are the Office of the Chief Executive Officer, Operations, Office Enablement, Legal Services and Communications and Outreach as depicted below.

Note: Systemic Investigations, a newly created section, falls under the Legal Services business unit.



LEADERSHIP OF THE OFFICE OF THE TAX OMBUD

TAX OMBUD

JUDGE BERNARD MAKGABO NGOEPE

BJuRis, LLB, LLD, (h/c) LLD, (h/c) LLD, (h/c), D.Ed (h/c)

Judge Ngoepe is a former Judge President of the North and South Gauteng High Courts, where he heard and decided seminal cases, including business and tax matters, and was responsible for assigning judges to the Tax Courts. He also acted for a term as a Constitutional Court Judge and as a Judge of the Supreme Court of Appeal. He was a Judge of the African Union's African Court on Human and People's Rights from 2006 to 2014, and was Vice-President of the Court when he left.

Before assuming his role on the Bench, Judge Ngoepe practised as an attorney from 1976 until 1983 when he was admitted as an Advocate of the Supreme Court of South Africa. In 1994, he was appointed Senior Counsel (SC).

Judge Ngoepe has been a member of many democracy-building fora, such as the Amnesty Committee of the Truth and Reconciliation Commission, the Court of Military Appeals (Chairperson), the Magistrates Commission (Chairperson) and the Judicial Service Commission. He is currently Chairperson of the Appeals Panel of the Press Council of South Africa (a position he has held since 2013); Chairperson of the Appeals Board of the South African Council of Medical Schemes (since 2012); and Chairperson of the Final Appeals Committee of the Advertising Standards Authority - Advertising Regulatory Board (since 2014); and Head of the Cricket SA Investigative Unit since 2016.

His numerous accolades include being made an Honorary Captain of the South African Navy and Honorary Professor of Law. He has received four honorary degrees, comprising three Honorary Doctor of Law degrees and an Honorary Doctorate in Education. He has also received many leadership and human rights awards, including the Duma Nokwe award.





CHIEF EXECUTIVE OFFICER ADVOCATE HANYANA ERIC MKHAWANE

BProc, LLB, LLM Tax Law, HDip Company Law, HDip Labour Law, SMDP

Adv Mkhawane practised as an attorney until 1998 when he joined the South African Revenue Service (SARS) as a Manager in the Legal Division. He was later appointed as a Regional Manager for Enforcement from 2005 until 2010, when he was admitted as an Advocate of the High Court (Johannesburg Bar). He practised as an advocate until the end of 2013 when he joined the Office of the Tax Ombud.

Adv Mkhawane's areas of expertise include tax, contracts, company law, commercial law, insolvency, personal injury, insurance, labour and administrative law.

Resigned April 2019

SENIOR MANAGER: OPERATIONS TALITHA MUADE

BCom, MDP, MBA, Postgraduate Diploma in Management Practice

Talitha Muade has been Senior Manager: Operations at the Office of the Tax Ombud since her appointment in October 2014.

Ms Muade has more than 12 years' experience in management and over four years in senior management at the OTO. She has extensive experience working for government departments and Chapter 9 institutions as well as experience in the private sector. Her interests and passion are in operations strategy, customer service strategy and staff empowerment.

She has held many and varied roles in sectors such as finance (ABSA) and the petroleum industry (BPSA), and has held the positions of Deputy Manager Finance and Administration at the Independent Electoral Commission (IEC), North West, and Head of the Local Office at the South African Social Security Agency (SASSA) Madibeng, as well as that of branch manager at the Doringkloof and Pretoria North branches of SARS.

Her academic background includes the following: BCom: Business Management and Industrial Psychology (University of the North West), Management Development Programme (University of Pretoria), MBA: Operations and Decision Management (University of the North West).





SENIOR MANAGER: LEGAL SERVICES

GERT VAN HEERDEN

BCom, LLB, LLM

Gert van Heerden was appointed as the Senior Manager: Legal Support at the Office of the Tax Ombud in May 2015. He has 11 years' post-admission experience in the legal field specialising in taxation. His key areas of interest are tax dispute resolution debt recoveries and administrative law.

After completing his articles and being admitted as an attorney in 2008, Mr van Heerden joined SARS as a legal advisor in the Legal Delivery and Support Department for the Gauteng Central Region.

In 2010, he was appointed as the dedicated legal specialist for the High Complex Debt Team based at Megawatt Park in Sunninghill, Johannesburg. In May 2012, Mr van Heerden was appointed as Manager of the Legal Delivery and Support Department in Gauteng Central.

In 2014, he joined the legal department of Afrocentric Health (Pty) Ltd, where he was Senior Manager until he joined the Office of the Tax Ombud.

Van Heerden's academic background includes the following: BCom, LLB and LLM (International Trade), all from the North-West University.



SENIOR MANAGER: OFFICE ENABLEMENT

MMAMELAO MOIRA MALAKALAKA

BCompt, Professional Accountant (SA)

Mmamela Moira Malakalaka joined the Office of the Tax Ombud in March 2016 as the Senior Manager: Office Enablement. She has more than 15 year's experience in Financial Management and Corporate Services with excellent entrepreneurial and negotiation skills. She has executive management and strategic and risk management experience coupled with strong knowledge of the various acts governing government institutions.

She completed her articles with the Auditor-General of South Africa. She then went on to work as the Chief Financial Officer (CFO) at the National Electronic Media Institute of South Africa (NEMISA), responsible for Finance, Risk Management, Procurement and Corporate Support Services.

Her academic qualifications include BCompt Accounting Science (Unisa) and Professional Accountant in Practice from the South African Institute of Professional Accountants (SAIPA).

SENIOR MANAGER: COMMUNICATIONS AND OUTREACH

PEARL SEOPELA

BA, BCom Honours, MCom, MDP, MMSM

Pearl Seopela joined the Office of the Tax Ombud in August 2014 as the Senior Manager: Communications and Outreach. She has more than 15 years' experience in communications and marketing and has a particular passion for consumer communication and their rights to protection. Her key interests lie in the areas of brand strategy, content communication, stakeholder engagements and reputation management.

Ms Seopela's career has encompassed a range of sectors, including medical schemes, telecommunications and public sector auditing, as well as pension fund administration. She is an expert in public relations, corporate communication and reputation management.

During her time in government pensions, Ms Seopela undertook pioneering work in the area of communications engagement with stakeholders, such as organised labour, government departments and members of the Government Employees Pension Fund (GEPF). As a result, the GEPF received the Institute of Retirement Funds' award for Best Communication Strategy in 2009, the special award for pioneering communication engagement with Organised Labour, also in 2009, and the 2008 award for Best Publication in Stakeholder Communication.

Ms Seopela's academic background includes the following: Masters in Management in the Field of Strategic Marketing (University of the Witwatersrand), BA (Communications and Industrial Psychology, Unisa), BCom Honours (Corporate Communication Management, University of Pretoria), Masters of Commerce in Communication Management (University of Pretoria), Management Development Programme (University of Pretoria) and a Leadership Certificate (University of Pretoria).





PART B

PERFORMANCE
INFORMATION

1.1. Service delivery environment

The Office contributes to promoting an active citizenry to strengthen development, democracy and accountability as directed by the National Development Plan 2030. The dynamic environment in which the Office operates is presented with numerous challenges and opportunities that are required to be addressed in order for the Office to continue fulfilling its vision of building trust and confidence in tax administration by resolving taxpayers' complaints fairly, swiftly and efficiently. An ongoing increase in the number of complaints has been in evidence since the OTO's inception, underlining the need for the Office's services.

However, several aspects of the service delivery environment are not within the ambit of the organisation's influence. One challenge is the delays at SARS in implementing the recommendations of the Tax Ombud. Another is the lack of awareness and understanding among taxpayers about SARS' complaints management processes and procedures, which has led to taxpayers submitting complaints to the OTO prematurely, before exhausting the SARS processes, as required. This results in taxpayers becoming frustrated and questioning the Office's commitment or capacity to resolve complaints.

Further, the fiscal constraints announced by government are also having an impact on the growth of the Office, particularly its ability to ensure that sufficient skills and capacity are available to deliver excellent service despite the rising volume of complaints.

1.2. Organisational environment

Governance

The OTO continues to be committed to achieving the highest level of good corporate governance and subscribes to the principles of responsibility, accountability, transparency and fairness as recommended by the King VI Report. The OTO has unremittingly complied with all relevant prescripts that seek to promote good governance in the public sector, such as the Public Finance Management Act and Treasury Regulations.

Human resources

As at 31 March 2019, and as touched on in the CEO's overview, the Office's headcount totalled 44 employees, an increase of 29% compared to 31 March 2018. Of the 44 employees in service, 84% are African and 16% white, while the gender distribution is 48% males and 52% females. There were five vacancies as at 31 March 2019, one of which (Specialist: Corporate Editing and Publications) will be filled in April 2019. The four other vacancies (for Operational Specialists: Complaints Resolution) remain unfunded.

The Office conducted an employee engagement survey with the overall objective of examining the level at which OTO's employees are engaged with their work. The survey provided an understanding of the employees' challenges and expectations regarding the overall work environment, performance management and issues that affect optimum output and service delivery, among others.

In response to the challenges identified in the survey, the Office is developing a human resources (people management) strategy. This will consist of programmes intended to help build a workforce with the capability to deliver on the Office's vision, mission and specific strategic objectives in the short, medium and long term. A key issue for the Office in developing this strategy is to ensure that organisational culture is prominently addressed as one of the cornerstones of effective people management. Culture is of cardinal importance in ensuring that the OTO is able to attract, develop and retain people with a passion for service delivery, sound ethics and an affinity with the values of the organisation.

Financial resources

The National Treasury approved a budget of R41,5 million for the 2018/19 financial year. In October 2018, National Treasury further approved the retention of the surplus amount of R4,9 million from the 2017/18 financial year. Consequently, the total budget increased to R46,4 million.

Customer perception survey summary

The OTO commissioned a customer perceptions research study to determine the levels of awareness among taxpayers and tax practitioners about the Office, as well as their perceptions of it. The survey findings revealed that the Office needs to focus on four key areas in its interaction with stakeholders. These areas are communication, service experience, service standards and stakeholder expectation.

A priority is to ensure that the Office's processes are clearly communicated to stakeholders in the tax environment. Furthermore, the Office will use integrated communication channels to reach its target audiences, while aligning its capabilities with taxpayers' service delivery expectations. This includes updating taxpayers as to the status of their complaints, using proper feedback systems to do so.

Building on the customer perception study, the OTO plans to implement a customer experience survey to understand taxpayers' perceptions about the services and service quality they receive. The Office commits to simplifying its internal complaints processes and to holding employees accountable for the resolution of queries.

Further, the Office seeks to encourage excellence in customer service by introducing a creative employee reward and recognition system and to measure performance against set objectives. This is in addition to the skills development initiatives that will continue to be funded and supported to ensure employees are equipped to resolve queries and complaints effectively and that taxpayers are assured of quality service.

Complaints resolution statistical analysis

The number of complaints increased by 32% from 2017/18 to 2018/19 and queries reduced by 16% for the same period. The Office received 4 822 new complaints and brought forward 149 which were not validated. During the reporting period the Office validated 4 741 complaints, which consisted of 46% service, 24% administrative, 22 % procedural related issues and 8% that did not fall within these categories.

Categories of validated complaints

The number of accepted complaints increased from 1 945 in the 2017/18 financial year to 2 721 in the 2018/19 financial year, representing an increase of 40%. The Office later terminated 433 of the accepted

2 721 complaints.

The Office continues to receive a significant number of complaints that do not fall within its mandate as expressed in the Tax Administration Act. Rejected complaints in the financial year under review represented 43% of the validated complaints, compared to 47% in the previous financial year.

Reasons for rejecting complaints

A significant number of complaints were rejected due to taxpayers lodging their complaints with the Office without first exhausting SARS' internal complaints resolution mechanisms. These complaints represented 95.05% of the rejected complaints.

Geographical spread of complainants

The geographical spread of validated complaints is based on where the taxpayers are regionally registered in terms of their SARS' classification. The Office will now focus stakeholder engagements on provinces where taxpayers lodged no or only a few complaints with the OTO during 2018/19.

Accepted complaints submitted to SARS

The number of complaints accepted and resolved/finalised in 2018/19 increased to 2 043 compared to 1 404 in 2017/18. This represents a 46% increase in complaints resolved. SARS implemented 99.27% of the OTO's recommendations with regard to resolved complaints.

Notwithstanding the increase in resolved complaints and in the percentage of recommendations implemented, the rate at which SARS is implementing the OTO's recommendations remains a serious concern and impacts negatively on taxpayers and the reputation of the Tax Ombud. It is anticipated that the finalisation of the MoU between the OTO and SARS will help to speed up the implementation rate.

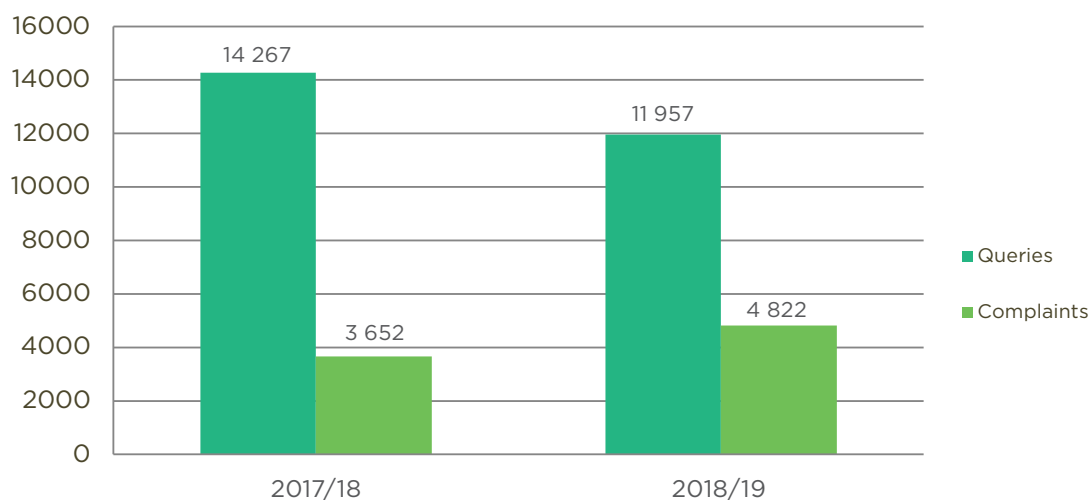
Value of refunds paid to taxpayers after the intervention of the OTO

The top 10 refunds that SARS paid to complainants as a result of the OTO's intervention amounted to more than R35 million, bringing much-needed relief to the entities and individuals concerned.

COMPLAINTS RESOLUTION STATISTICS

Total contacts received

Chart 1: Total contacts received



Categories of users for validated complaints

Table 1: Categories of users for validated complaints

Categories of users	Number	%
Taxpayers	2 609	55.03
Taxpayers' representatives	2 132	44.97
Total	4 741	100

Categories of validated complaints

Chart 2: Categories of validated complaints

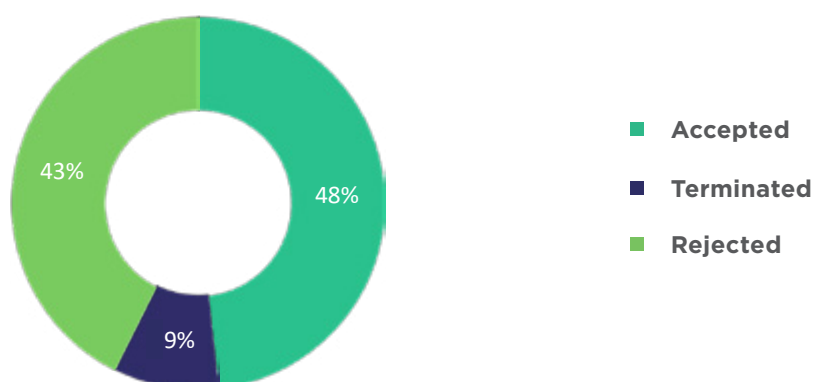


Table 2: Categories of complaints

CATEGORIES OF COMPLAINTS		
SUB-CATEGORY OF ACCEPTED COMPLAINTS	Number	%
Dispute resolution (appeals and objections)	667	29.15
Refunds	559	24.43
Verification	341	14.90
Assessment management (tax directives included)	228	9.97
Account maintenance	107	4.68
General service	100	4.37
Fraud investigations	92	4.02
Debt management	88	3.85
Audit	43	1.88
Penalties and interest	26	1.14
E-filing	17	0.74
Portfolio maintenance	13	0.57
Voluntary Disclosure Programme (VDP)	5	0.22
Estate	2	0.09
GRAND TOTAL	2 288	100%

Geographical spread of complainants

Table 3: Geographical spread of validated complainants

Region	Number	%
Gauteng	2 965	62.54
Western Cape	714	15.06
KwaZulu-Natal	519	10.94
Eastern Cape	279	5.88
Free State	173	3.65
Mpumalanga	87	1.84
Swaziland	2	0.04
Limpopo	1	0.02
Namibia	1	0.02
Total validated	4 741	100%

Age analysis of resolved complaints

Table 4: Age analysis of resolved complaints

Number of days it took SARS to finalise OTO recommendations	Total number finalised
1 – 15 days	12
16 – 31 days	208
32 – 60 days	645
61 – 90 days	370
Over 91 days	808
Total complaints finalised	2 043

Value of refunds paid to taxpayers

Table 5: Top 10 refunds paid to taxpayers through the intervention of the OTO

Tax type	Refund paid to taxpayers
VAT	R7 193 367.58
VAT	R4 729 493.42
PIT	R4 506 712.11
CIT	R4 423 372.33
VAT	R3 639 020.31
VAT	R3 081 468.61
VAT	R2 390 200.83
VAT	R1 926 908.43
CIT	R1 680 778.75
VAT	R1 679 348.30
Total	R 35 250 670.67

1. 3. Key policy developments and legislative changes

There were no changes in the period under review.

REPORT IN TERMS OF SECTION 19 OF THE TAX ADMINISTRATION ACT

In terms of section 19(1)(b), the Tax Ombud is required to submit an annual report to the Minister within five months of the end of SARS' financial year. The report must contain, in terms of section 19(2), a summary of at least 10 of the most serious issues encountered by taxpayers, as well as identified systemic and emerging issues. It must also contain the inventory made of such issues and recommendations, including

the administrative action appropriate to resolve the problems encountered by taxpayers.

Part 1 introduces systemic issues and examples of identified systemic and emerging issues and Part 2 presents a summary of the most serious issues experienced by taxpayers, as well as identified systemic and emerging issues.

2.1. Introducing systemic issues

2.1.1. Defining a systemic issue

For the OTO, a systemic issue can be regarded as the underlying cause of a complaint that affects or will affect a number of taxpayers in the tax system. A systemic issue may arise due to the way in which specific systems in SARS function, how SARS' policies, practices or procedures are drafted and implemented, or how legislative provisions are applied or disregarded.

2.1.2. Investigating systemic issues

In terms of section 16(2)(f) of the TAA, the Tax Ombud must identify and review systemic and emerging issues related to service matters or the application of the provisions of this Act or procedural or administrative provisions of a Tax Act that impacts negatively on taxpayers.

2.1.3. Methodology for identifying the most serious systemic and emerging issues

The OTO considers a number of factors when identifying and evaluating various issues encountered by taxpayers, thus resulting in a formal recommendation being issued, based on the following factors:

- The impact on taxpayer rights,
- The negative impact on SARS,
- The seriousness of the issue,
- The number of taxpayers affected.

3. New systemic issues identified during the 2018/19 financial year

New systemic issues were identified in the 2018/19 Financial Year and these are reflected in Section 19 of the Report.

3.1. Insufficient information on the outcome of objection letter pertaining to administrative penalties

The disallowance or partial disallowance of the objection against the Administrative Penalties letter does not include the date of the notice, making it difficult for taxpayers to lodge an appeal within the prescribed turn-around times.

3.2. Pay as You Earn (PAYE), Statement of Account (SoA)

Industry bodies and large corporates raised serious concerns with the OTO about PAYE/SoA issues associated with the SARS SoA system. These issues have apparently been a problem for the past 10 years, despite several industry forums and engagement with SARS involving specific taxpayers.

In addition, the industry bodies explained the basic mechanisms of the PAYE Account System. This is to allocate amounts paid as follows: first to PAYE, then to the Unemployment Insurance Fund (UIF) and then to the Skills Development Levy (SDL). Where a debt arises in any period, all subsequent payments are re-allocated in the same sequence to “recover” the debt. All re-allocations are done without informing the affected taxpayers, leading to endless reconciliation issues. Most corporates have opted for dedicated resources that review and reconcile SoAs daily, as balances can change on any given day as a result of SARS’ back-end journal entries. This can result in pages of journal entries for one month where the taxpayer has no idea why the journals have been processed.

The discrepancies in the SoAs result in the compliance status of the taxpayer reflecting as non-compliant, thereby preventing a taxpayer from obtaining business

contracts due to (alleged) PAYE “non-compliance”. In some instances, the banks are appointed as agents to recover the “debt” from the “non-compliant” taxpayer. Industry members have no objection where there is a legitimate debt but are concerned about the unjustified “debt” created by SoA allocations.

3.3. Duplicate Income Tax Reference Number issued by SARS

The Office has noticed an increase in complaints pertaining to SARS issuing duplicate income tax numbers under one identity number (ID). This adversely impacts on the affected taxpayers, particularly those who are waiting for their severance pay or lump sum pay-out, as their employers experience difficulties in applying for a directive. The SARS system should be able to detect when there is already an issued tax reference number for the applicant ID, thus automatically declining any application related to the affected ID number.

3.4. SARS incorrectly invalidating the Notice of Appeal

From complaints received, the OTO noted a trend pertaining to the invalidation of Notices of Appeal by SARS due to the condonation reason provided not being exceptional. SARS should ensure that the notice of suitability is issued within 30 business days from the date the taxpayer or vendor lodges an appeal. However, it was evident from the affected cases that SARS was not doing this, opting instead to continue invalidating the Notice of Appeal, thus depriving the taxpayers or vendors of the right to follow the proper dispute resolution processes.

3.5. SARS revising an assessment without issuing any prior communication

This complaint related to a revised assessment issued by SARS pertaining to the income tax years from 2005 to 2017. Throughout this period, SARS disallowed the Retirement Annuity Fund (RAF) contribution without any prior notice including failure to request for supporting documentation.

It must be noted that this scenario is limited only to matters related to RAF wherein SARS revised assessments without any prior communication with the affected taxpayers.

3.6. SARS revising assessment without issuing a letter of findings

A large number of taxpayers are affected by the lack of communication when it comes to SARS' failure to issue a letter of findings following completion of the verification. In addition, the current notices of assessment (IT 34 and VAT 217) do not provide sufficient information that will enable the taxpayer to understand the reason for the revised assessment.

3.7. Request for deferral payment arrangement or compromise or suspension of payment within the prescribed turnaround time of 21 business days

The OTO noticed an increase in complaints pertaining to SARS' failure to respond to the requests mentioned above. As this often results in undue hardship for taxpayers, the Office considers this matter to be a serious and systemic issue that has an adverse impact on the affected taxpayers.

3.8. SARS unfairly levying administrative penalties on taxpayers earning below the threshold, with one source of income and no deductions to be claimed, and thus not required to submit a tax return

SARS is levying administrative penalties on taxpayers who are not required to submit income tax returns as they are earning below the set threshold. The OTO has received a number of complaints about this from various taxpayers, indicating that the matter is serious and systemic. Based on the reviews of these cases, it was established that the affected taxpayers

are indeed earning below the threshold and acted in accordance with SARS' advice. It is unfair to expect these taxpayers to follow the remission/objection processes in order for SARS to remit these unwarranted administrative penalties.

3.9. SARS incorrectly invalidating the request for remission of penalties or interest or penalties and interest

The OTO has noticed an increase in complaints pertaining to SARS issuing notices invalidating requests for remission (RFR) of penalties and interest, for various reasons. In one matter, SARS invalidated the request for RFR on the basis that no payment was received for the period relating to the request. This was incorrect as the taxpayer did in fact make a payment for that period. SARS should have decided whether to accept or reject the request to remit the penalties, instead of not even considering it. The OTO is not implying that SARS was incorrect in not remitting the penalties and interest raised; the concern is that the incorrect reasons were provided for invalidating the RFR and the decision to invalidate the RFR, instead of a decision being made.

SUMMARY OF IDENTIFIED SYSTEMIC AND EMERGING ISSUES

No	Issue	Summary	Category (serious/ systemic/ emerging)	Action taken by the OTO	Action taken by SARS	Period in the OTO's inventory	Result
1	Delay in payment of refunds	<p>1.1. Failure to link submitted documentation requested by SARS to the main file;</p> <p>1.2. Unwarranted placing of special stoppers;</p> <p>1.3. Using the filing of new returns as an excuse to block refunds;</p> <p>1.4. Delay in the lifting of stoppers and lack of timeframe for doing so;</p> <p>1.5. Refunds for one period being withheld while an audit/verification is in progress on another period;</p> <p>1.6. Using historic returns to delay the payment of refunds;</p> <p>1.7. Raising assessments to clear unallocated credits;</p> <p>1.8. Requesting further information during audit;</p> <p>1.9. Assessments successfully disputed, but refund still not paid out;</p> <p>1.10. Diesel refunds;</p> <p>1.11. Debt set-off notwithstanding a request for suspension of payment.</p>	Serious/ systemic	The OTO will embark on a new drive with SARS to address all the identified systemic issues to ensure that the underlying or root causes of the complaints are adequately resolved.	The OTO is still monitoring the effectiveness of the SARS implementations previously reported on.	64 months	Ongoing

No	Issue	Summary	Category (serious/systemic/emerging)	Action taken by the OTO	Action taken by SARS	Period in the OTO's inventory	Result
2	SARS' incorrect allocation of payments made by taxpayers	Payments made by taxpayers are incorrectly allocated resulting in a debt on SARS' systems. In some instances, SARS institutes collection steps to recover this incorrect debt.	Serious/systemic	Recommendation: SARS to ensure that payments made to it are allocated correctly and timeously.	In the specific cases referred to SARS, it corrected the allocations and apologised. However, SARS has indicated that in future it will perform correct allocations and taxpayers need to use the correct payment reference (PR) number in order to avoid misallocations.	36 months	Ongoing
3	Taxpayers being affected by employers' non-compliance with legislation relating to IRP5s	While employers have a legal obligation to submit recons, issue IRP5s and correct incorrect IRP5s, there is no mechanism to enforce this. This results in SARS referring affected taxpayers to the employers and the employers sending taxpayers back to SARS. Furthermore, SARS branches are not consistent in attending to these matters.	Serious/systemic	Recommendation: SARS to enforce the legislation so as to ensure that employers reconcile their employees' PAYE and to hold the former accountable for non-compliance. The development of a standard operating procedure is advised to assist those employees who do not have IRP5 certificates, due to these issues.	SARS maintains that the responsibility of issuing correct IRP5 certificates remains the duty of the employer, as does the submission of the PAYE reconciliation. Where an employee has not received an IRP5 certificate, there is an alternative process at SARS to assist in this regard. The OTO notes that SARS has implemented a process pertaining to the concern raised. It is noted, however, that there are still instances where SARS is applying the process inconsistently.	43 months	Ongoing

No	Issue	Summary	Category (serious/ systemic/ emerging)	Action taken by the OTO	Action taken by SARS	Period in the OTO's inventory	Result
4	SARS' inconsistency in providing taxpayers with timelines for finalisation of audits/verifications	Taxpayers are given different turnaround times for completion of an audit/verification when phoning the SARS contact centre. The turnaround times are extended every time the taxpayer follows up after expiry of the initial turnaround time.	Systemic	Recommendation: SARS to ensure that auditors adhere to set turnaround times and for these turnaround times to be published on the SARS website for taxpayers to access.	SARS has published the Service Charter to address the different timeframes pertaining to the audit/verification processes. The concern raised has therefore been resolved.	36 months	Resolved
5	Victims of identity theft being held liable for tax debts	SARS holds taxpayers who were victims of identity theft, where more than one individual is allocated the same identity number and multiple IRP5 certificates are included on the income tax assessment, liable for the tax debt even in instances where SARS was aware of the alleged fraud and was investigating.	Systemic	Recommendation: SARS to investigate and assist taxpayers who have proved to be victims of identity fraud.	SARS has put processes in place to assist taxpayers who are victims of fraud. It appears that SARS is successfully applying the process to assist taxpayers experiencing issues of identity theft. The concern raised has therefore been resolved.	57 months	Resolved

No	Issue	Summary	Category (serious/ systemic/ emerging)	Action taken by the OTO	Action taken by SARS	Period in the OTO's inventory	Result
6.	Dispute resolution						
6.1	SARS' non-adherence to dispute resolution turnaround times	SARS does not adhere to the dispute resolution turnaround timeframes as envisaged in Chapter 9 and under the rules for dispute resolution as promulgated under section 103 of the TAA.	Serious/ systemic	A request to conduct a systemic investigation into SARS' disregard of the timeframes prescribed by the rules for dispute resolution was approved by the Minister of Finance on 10 September 2018 and is pending. A formal investigation will address all dispute resolution concerns.	SARS has welcomed the investigation and is currently cooperating with the OTO.	46 months	Ongoing
6.2	Insufficient information on the outcome of an objection letter pertaining to administrative penalties	The disallowance or partial disallowance of the objection against the administrative penalties letter does not include the date of the notice, making it difficult for taxpayers to lodge an appeal within the prescribed turnaround times.				11 months	Ongoing
6.3	SARS incorrectly invalidating the Notice of Objection and the Notice of Appeal	In some instances, SARS requests additional information and then proceeds to incorrectly invalidate the objection instead of taking a decision on the objection, considering the information at hand.				9 months	Ongoing
7	SARS' failure to take information at its disposal into account.	In some instances, SARS requests information during audit/verification/objection process and takes decisions without taking the information submitted by the taxpayer into account.	Systemic	Recommendation: SARS to ensure that assessments are corrected in accordance with the supporting documents submitted.	In reported cases where supporting documents were already submitted, SARS finalised the complaints and the taxpayer was notified.	36 months	Ongoing

No	Issue	Summary	Category (serious/ systemic/ emerging)	Action taken by the OTO	Action taken by SARS	Period in the OTO's inventory	Result
8	Delays in e-filing profile transfer between tax practitioners due to a system error (taxpayer advised SARS was waiting for system developer to repair the system)	It was recommended that SARS finds a solution to the system issue and communicates the date by which the issue will be resolved or communicates the decision taken.	Systemic	<p>No further complaints dealing with this concern were received after the initial complaint. It therefore appears that this could have been an isolated case.</p> <p>Furthermore, this concern did not relate to instances where one tax practitioner would refuse to release an e-filing profile to the new tax practitioner due to outstanding fees by the taxpayer.</p> <p>The concern is therefore closed.</p>	None required	30 months	Resolved

2018/19

No	Issue	Summary	Category (serious/systemic/emerging)	Action taken by the OTO	Action taken by SARS	Period in the OTO's inventory	Result
9	Non adherence to legislative requirements in relation to the final demand	<p>The final demand template of SARS Debt Management has not been updated to accommodate the amendment of s179 (5) of the TAA. Therefore, it is not compliant with legislation.</p> <p>Possible effects: Final demands are invalid and consequently the associated Third Party Appointments (TPA) and the related TPA collections are invalid.</p>	Systemic	<p>A response was received on 28 February 2017 wherein SARS acknowledged that there are deficiencies in the letters, and that active measures should be taken to review the letters.</p> <p>Complaints received are continuously monitored. It appears that current received cases still relate to the historical final demand issued.</p> <p>The concern raised will therefore be removed from the register.</p>	None required	27 months	Resolved
10	Incorrect correspondence provided relating to condonation of late filing of objection	<p>A formal recommendation was sent to SARS on 20 December 2016, recommending to SARS that:</p> <ol style="list-style-type: none"> 1. the rules be applied consistently; 2. the relevant SARS officials be properly informed and trained to ensure the correct application of the rules to objections where condonation is involved; 3. the relevant SARS officials be properly informed and trained to ensure the correct outcome is communicated to taxpayers and to advise them of the correct process to follow; 4. the relevant SARS officials take decisions previously made by their counterparts into account when dealing with subsequent matters. 	Systemic	<p>The OTO is satisfied that the SARS system updates made to correctly address dispute condonation cases appear to be effective. The concern raised will therefore be removed from the systemic register.</p>	None required	30 months	Resolved

No	Issue	Summary	Category (serious/systemic/emerging)	Action taken by the OTO	Action taken by SARS	Period in the OTO's inventory	Result
11	Numerous follow ups/queries/re-requests	SARS not attending to taxpayers' requests, despite numerous follow ups.	Systemic	<p>This Office deems this raised concern as resolved since the SARS Complaints Management Office appears to be effective in raising awareness on how and when to submit complaints to SARS.</p> <p>This Office also had multiple engagements with taxpayers and tax practitioners regarding the SARS Complaints Management Office.</p> <p>The concern is therefore closed.</p>	None required	60 months	Resolved
12	Refunds paid into the wrong bank accounts	This is due to SARS' failure to update banking details timeously, which often results in refunds being paid into wrong bank accounts.	Systemic	The issue raised is satisfactorily addressed since the bank responsible for recycling account numbers no longer does so.	None required	42 months	Resolved
13	Inability on the part of SARS to confirm manual correspondence was sent	Taxpayers allege that they did not receive correspondence from SARS, SARS simply responds by providing them with a copy of the letter but fails to provide proof that the correspondence was indeed sent to them on the specified date. It should be noted that the concern raised is not applicable to correspondences issued electronically.	Systemic	SARS to ensure that it keeps records of all correspondences sent to taxpayers and also ensure that the intended recipients receive correspondences.	SARS will make sure that letters sent outside of the Service Manager system are sent via e-mail and are also attached to a created case. This will enable SARS to be in a position to prove that correspondence was indeed sent.	30 months	Ongoing

No	Issue	Summary	Category (serious/ systemic/ emerging)	Action taken by the OTO	Action taken by SARS	Period in the OTO's inventory	Result
14	e-filing profile hijacking	<p>Fraudsters hijacked taxpayers' e-filing profiles. These fraudsters then changed taxpayers' banking details to their own, filed fraudulent returns and created refunds.</p> <p>SARS subsequently corrected the assessments, resulting in a liability that the taxpayer needed to pay.</p>		<p>Recommendation:</p> <p>SARS to conclude the investigation and assist the taxpayers who have been victims of e-filing profile hijacking.</p>	SARS indicated that its systems and processes have since been enhanced to the effect that changes to a taxpayer's ID number and or bank details can only be effected at a branch office and can no longer be done on a taxpayer's income tax return on e-filing.	60 months	Ongoing
15	Tax Compliance System (TCS)	<p>Many taxpayers are affected by the manner in which the current tax compliance system is designed.</p> <p>The system is designed to be live and to immediately reflect red when there is something outstanding (non-compliant).</p> <p>There are various factors that could lead to the tax compliance system reflecting non-compliance.</p> <p>These include:</p> <ul style="list-style-type: none"> (i) Outstanding debt even when it is R1; (ii) Outstanding returns; (iii) Non-submission of certain relevant material SARS requested; and (iv) Any transgression that SARS deems to be non-compliance. <p>As much as SARS is applauded and supported regarding the introduction of the TCS, there are, however, certain challenges that are causing undue hardship to various taxpayers owing to the way the system was designed. These challenges are based on various complaints from taxpayers.</p>	Serious / systemic	Formal recommendation submitted to SARS.	The OTO considering the response from SARS.	14 months	Ongoing

No	Issue	Summary	Category (serious/systemic/emerging)	Action taken by the OTO	Action taken by SARS	Period in the OTO's inventory	Result
16	Raising assessments prematurely	The notification of verification, as well as the request for additional information, allows the taxpayer 21 days to submit the relevant information. In some instances, SARS issues additional assessments without affording the taxpayer 21 days.	Systemic	Recommendation: SARS to cancel the additional assessment raised under these circumstances.	SARS to monitor progress to ensure that the issue is resolved before removing the issue from the register.	11 months	Ongoing
17	PAYE Statement of Account	SARS processes journals in the PAYE, UIF and Skills Development Levy (SDL) accounts, without informing taxpayers or providing reasons. This results in endless reconciliation issues for taxpayers.	Serious/systemic	The Minister of Finance approved the request to conduct a systemic investigation on 10 September 2018. The investigation is still pending.	SARS has welcomed the investigation and is currently co-operating with the OTO.	11 months	Ongoing
18	SARS issuing duplicate tax numbers	SARS incorrectly issues more than one tax number to one ID number. This causes endless frustration to taxpayers awaiting a lump-sum payment since the directive cannot be issued if there is more than one active income tax number.	Serious/systemic	Formal recommendations were submitted to SARS.	Awaiting feedback from SARS.	10 months	Ongoing
19	Process SARS follows to correct the RAF carried forward.	The complaint related to a revised assessment SARS issued pertaining to the 2005 to 2017 income tax years. SARS disallowed the RAF contribution without any prior notice, including failure to request supporting documentation. It must be noted that the above is limited only to matters related to RAF where SARS has revised assessments without any prior communication with the affected taxpayers.	Systemic	The concern was monitored and it appears that the issue has been resolved. The issue will therefore be removed from the systemic issues register.	None required	10 months	Resolved

No	Issue	Summary	Category (serious/systemic/emerging)	Action taken by the OTO	Action taken by SARS	Period in the OTO's inventory	Result
20	Raising of assessments without issuing a Letter of Findings	<p>At the moment, a large number of taxpayers are affected by the lack of communication when SARS fails to issue a Letter of Findings following the completion of verification.</p> <p>In addition, the current Notices of Assessment (IT 34 and VAT 217) do not provide sufficient information to enable the taxpayer to understand the reason for the revised assessment.</p>	Systemic	A formal recommendation was sent to SARS on 29 March 2019.	At the time of the report, the Office was still awaiting a response.	10 months	Ongoing
21	Failure to respond to the request for deferral of payment arrangement or compromise or suspension of payment within the prescribed turnaround times	We have noticed an increase in complaints pertaining to SARS' failure to respond on the aforementioned matters. This negatively impacts on taxpayers who are attempting to be compliant as well as SARS which is delaying collecting revenue for the state.	Systemic	<p>Recommendation:</p> <p>SARS to respond to all the identified matters.</p> <p>Even though SARS included the specific turnaround times in the Service Charter, this does not address the underlying cause of the delay.</p>	None required	7 months	Ongoing
22	SARS levying administrative penalties on taxpayers regardless of the indicated requirements for certain classes of taxpayers not required to file returns	SARS is levying administrative penalties on taxpayers who meet the requirements not to file income tax returns. There has also been a reported instance where SARS proceeded to issue third party appointments to recover the debt that arose from the administrative penalties levied.	Systemic	<p>Recommendation:</p> <p>SARS to ensure accuracy before levying administration penalties.</p> <p>In addition, SARS must automatically remit penalties levied on taxpayers who are earning below the threshold and have one source of income with no deductions to be claimed.</p>	Waiting for SARS to respond to the recommendations submitted.	7 months	Ongoing

No	Issue	Summary	Category (serious/ systemic/ emerging)	Action taken by the OTO	Action taken by SARS	Period in the OTO's inventory	Result
23	SARS incorrectly invalidating the request for remission of penalties or interest	<p>The OTO has noticed an increase in complaints pertaining to SARS issuing a notice of invalidating of a request for remission (RFR) of penalties and interest for various reasons. In one matter, SARS invalidated the request for RFR on the basis that no payment was received for the period that the request was related to.</p> <p>This was incorrect as the taxpayer did make a payment for that period, thus SARS should have decided whether to accept or reject the request to remit the penalties, instead of not even considering it.</p> <p>It must be noted that the Office is not implying that SARS was incorrect in not remitting the penalties and interest raised. However, we are concerned about the incorrect reasons provided for invalidating the RFR and the decision to invalid the RFR, instead of a decision being made.</p>	Systemic	Recommendations were sent to SARS on a case-by-case basis to withdraw the incorrect notice of invalidation.	None required	7 months	Ongoing

2018/19

3. STRATEGIC OUTCOME-ORIENTED GOALS

The vision of the OTO is to strengthen taxpayers' trust and confidence in tax administration by providing an impartial mechanism for dispute resolution. Four strategic goals have been identified to achieve the desired levels of trust and confidence.

Strategic outcome-oriented goals	Goal statement
ACCOUNTABILITY Rational and fair application of the tax administration process	It is important to continuously provide rational and fair reasons for recommendations and action taken, while also ensuring that complainants understand the rationale and feel that the process has provided sufficient opportunity for their case to be reviewed fairly and impartially.
INDEPENDENCE Structurally independent Tax Ombud	By becoming truly independent, structurally and operationally, it will be possible for the OTO to limit the risk of perceived bias.
EFFICACY Prompt and efficient resolution of complaints	The objective is to become truly taxpayer-centric by providing a consistently high-quality service at no cost to the taxpayer, with specific attention to: <ul style="list-style-type: none"> • Consistently achieving a taxpayer service promise; • Meeting the specific needs of taxpayer segments (practitioners, individuals, businesses, corporates); • Enabling taxpayers to access services through the channel of their choice; • Engaging taxpayers through easy-to-understand, simple, transparent and quick processes; • Ensuring all complainants (whether their complaints are valid or not) trust the tax administration system; • Ensuring staff are customer-oriented, technically proficient and professional; and • Adopting technologies that make processes easy and convenient for taxpayers and staff.
SECURITY AND CONFIDENTIALITY All information is secure and treated in strict confidence	It is vital to continuously address the evolving threats associated with ensuring that all information, data and communications remain confidential.

4 **PERFORMANCE** INFORMATION BY PROGRAMME

4.1 **PROGRAMME 1** ACCESSIBILITY AND OPERATIONS

Programme purpose

Accessibility and operations ensured that the OTO provides a high-quality, taxpayer-centric service; that taxpayers understand the rationale for all recommendations and that recommendations are impartial and executed in a highly efficient manner.

Strategic objectives

- Committed to provide and maintain a high standard of service in the OTO's interaction with taxpayers.
- Committed to create an agile organisation able to efficiently scale to meet demands.

Highlights

The OTO implemented the Customer Experience Survey in the fourth quarter of the financial year under review. The survey aims to assist the Office to:

- evaluate taxpayers' perceptions on how easy it was to lodge complaints with the Office;
- evaluate whether they understood the contents of the outcome letters they received;
- determine their level of service satisfaction.

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme 1: Accessibility and Operations									
Strategic Objectives	Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Indicator Status	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
Committed to provide and maintain a high standard of service in our interaction with taxpayers	Feedback provided by stakeholders about the complaint resolution process - survey.	Target was not planned	Target was not planned	0%	60%	73%	Achieved	13%	The survey was implemented shortly before the financial year-end and the Office will continue to monitor the results.
Create an agile organisation able to efficiently scale to meet demands	% of recommendations sent to SARS within 10 days from date of receipt.	Target was not planned	Target was not planned	Target was not planned	50%	74%	Achieved	24%	Standardisation of processes, staff development and improvement on quality led to the increased efficiency in reviewing complaints.
	Average cost reduction per complaint, year on year.	Target was not planned	Target was not planned	-100%	0%	0%	Achieved	0%	The Office conducted a study during the 2018/19 financial year to determine the base cost of reviewing and addressing complaints. The average cost of reviewing and addressing a complaint as at 31 March 2019 is R1 744.

4.2

PROGRAMME 2 SYSTEMIC INVESTIGATION

Programme purpose

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

Strategic objectives

- a) Provide reports on systemic investigations requested by the Minister and/or initiated by the Tax Ombud.
- b) Identify and investigate systemic issues from complaints received.

Highlights

- The Minister of Finance granted approval for the Tax Ombud to investigate the fluidity of the PAYE Statement of Accounts and SARS' disregard of the timeframes prescribed by the rules for the resolution of disputes, in terms of section 16(1)(b) of the TAA.
- Identified systemic issues were published on the OTO website to support the awareness and education initiatives.

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KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme 2: Systemic Investigation									
Strategic Objectives	Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Indicator Status	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
Provide reports on systemic investigations requested by the Minister and/or initiated by the Tax Ombud	% of systemic investigations completed.	Target was not planned	Target was not planned	Target was not planned	50%	0%	Not achieved	-100%	Minister approved two systemic investigations on 10 September 2018. Subsequent to the approval, the Office began a process to gather information from stakeholders. The stakeholders requested an extension from the Office to afford them enough time to collate information. The Office could only commence with the investigation in the last quarter after receiving all the necessary information from the stakeholders. The preliminary report of the investigation will be issued in the next financial year.
Identify and investigate systemic issues from complaints received	Number of systemic investigations completed.	Target was not planned	Target was not planned	Target was not planned	5	9	Achieved	4	In the current financial year, more systemic issues emerged from the complaints reviewed.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

Underperformance Indicators	Strategies to address underperformance
% of systemic investigations completed.	The Office has reviewed the structure of its systemic investigation unit to ensure that upon receiving the necessary approval, efficient investigation processes, resources and capacity are available to meet the set target.

PROGRAMME 3

AWARENESS AND EDUCATION

Programme purpose

In support of the strategic objectives, the OTO promoted awareness and education through outreach campaigns, advertising and public relations services. These activities were then measured according to the level of stakeholder awareness within the taxpayer population, concerning the perceived level of the OTO's independence and understanding of the complaints' procedure and brand recognition.

Strategic objectives

- a) To improve taxpayers' awareness of the services of the OTO.
- b) Achieve positive brand recognition.

Highlights

The communication activities of the OTO are guided by a Communication Strategy that addresses the three key knowledge gaps that the Office is accessible, credible and easily understandable.

In the reporting period, the Office undertook 326 activities which include awareness campaigns, stakeholder communications, social media engagements, presentations, public relations and advertising. In addition to this, media engagements with various media houses and journalists, the issuing of media statements and lobbying for publicity resulted in the OTO receiving considerable free publicity in media space in print, and on broadcast and digital platforms.

4.3.1. Communications and outreach

The Office held 19 exhibitions and 22 community outreach engagements across the country, with the major activities being in KwaZulu-Natal where activations were conducted in Durban and neighbouring townships. This was supplemented by media engagements, presentations, distribution of information leaflets to private and public institutions and advertising culminating with a Tax Ombud Dialogue with Recognised Controlling Bodies, taxpayers and businesses.

4.3.2. Stakeholder engagements and collaborations

The OTO, in collaboration with the South African Institute of Tax Professionals (SAIT), Financial Planning Institute (FPI) and South African Institute of Professional Accountants (SAIPA), conducted six webinar presentations. In total the Office carried out 56 engagements which included speaking opportunities, dialogues and presentations.

4.3.3. Media engagements

Print

The OTO received extensive coverage in the following print publications:

City Press	The Mercury	The Corporate Report Volume 2	Business Day	Saturday Independent
Tax Talk	Sandton Chronicle	Sunday Tribune	Personal Finance	The Weekly Gazette Glenwood
Public Servants Association of South Africa (PSA) magazine				

Television interviews

The OTO received considerable coverage on the following television stations and programmes:

Business Day TV	CNBC Africa	SABC 1, 2 & 3 news bulletins
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Online

The OTO featured regularly on the following online media:

Fin24	Politics Web	Daily Maverick	Biznews
Mail & Guardian	Cape Talk	Engineering News	Business Tech
Classic FM	Radio 702	Money Web	City Press
Personal Finance	Public Servants Association of South Africa (PSA) magazine	The Citizen	Eye Witness News (EWN)
Independent Online	FA News	Biz-community.com	
Business Tech		Saturday Star	

Radio

Radio was another platform that gave the OTO positive coverage during the period under review, as indicated below:

Kaya FM	Classic FM	Vukani FM	Thobela FM	Touch HD	Power FM
Lukhanji FM	Cape Talk	Radio 2000	Lotus FM	Radio 702	North-West FM
East Coast Radio	Radio Sonder Grense	Link FM	Izwi LoMzansi		SA FM
Kingfisher FM			Ligwalagwala		

4.3.4. Advertising campaigns

Print advertising campaign

Paid advertising campaigns were flighted in the print media to unpack the Tax Ombud's Annual Report 2017/18, to celebrate *Five Years of Fairness*, publicise the OTO roadshow in KwaZulu-Natal and announce vacancies. Advertisements appeared in the following print media:

Cape Times	Pretoria News	The Star	Sowetan
Financial Mail	The Mercury	Business Day	The Star
Mail & Guardian	Sunday Times	City Press	Business Day
Sunday Tribune	Business Report (The Star, Pretoria News, Cape Times and The Mercury)	The Sunday Independent	Daily News
	The Post	Isolezwe	

Print advertorial

Paid print advertorials were featured in the following publications as part of creating awareness about the OTO.

ZCC Magazine	Sawubona Magazine	Destiny Man	Destiny Women	Mail & Guardian	Brainstorm Magazine	CIO Directory
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Radio advertising

Paid educational campaigns were flighted on Radio702 to publicise the OTO's services, unpack the launch of the 2017/18 Annual Report and celebrate *Five Years of Fairness*.

Social media advertising

The Office was featured on the following paid social media and digital platforms:

IOL	EWN	Business Report
Kaya FM Twitter and Facebook	Touch HD Twitter, Instagram and Facebook	

Digital advertising

A paid advertising campaign was flighted on the following digital media in the form of digital adverts to explain the Tax Ombud's Annual Report 2017/18 and celebrate *Five Years of Fairness*.

Sunday Times	Business Day	Sowetan	Financial Mail
Mail & Guardian	EWN	702 Talk Radio	Kaya FM

Out-of-home advertising

A paid out-of-home advertising campaign was flighted as follows during the period under review:

- Street poles on Garsfontein Road in Pretoria
- Gantry billboard on Garsfontein Road in Pretoria
- Mobile truck advertising in KwaZulu-Natal.

Stakeholder publication

The OTO used the external newsletter (Fair Play) to engage stakeholders by featuring articles on important tax-related issues and events. During the reporting period, three issues of Fair Play were published and each issue was distributed to stakeholders.

4.3.5. Customer perception survey

The OTO commissioned research to determine the level of awareness among taxpayers and tax practitioners about the Office, as well as their perceptions of it. The findings were released in the period under review and recommendations will be implemented in the new financial year.

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KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme 3: Awareness and education									
Strategic objectives	Performance indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Indicator Status	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
Raise taxpayers' levels of awareness of the services of the OTO	Number of educational outreach campaigns, stakeholder engagements, public relations and advertising activities.	123	172	241	160	326	Achieved	166	The increased media interest and interviews resulted in extensive coverage. Demand for presentations coupled with robust PR activities contributed to the overachievement.
Positive brand recognition.	Taxpayers' brand awareness survey - positive recognition	Target not planned	Target not planned	0	1	1	Achieved	0	A survey was conducted and the findings were released in the period under review.

PROGRAMME 4

LEGAL AND SUPPORT SERVICES

Programme purpose

In support of the strategic goals, legal and support services ensure the highest level of corporate governance, including financial management, while striving for the relevant legislative and structural changes for independence, ensuring performance management throughout the organisation and building a culture of professionalism and excellence.

Strategic objectives

- a) Ensure the highest levels of corporate governance.
- b) Ensure performance management throughout the organisation.
- c) Ensure that a memorandum of understanding (MoU) exists between the OTO and SARS to formalise the relationship.
- d) Build a culture of professionalism and excellence.

Highlights

Legal Services provides legal and support services on non-complaint -related issues that arise in the Office to the Tax Ombud and the Chief Executive Officer on matters such as facilities management, human resources, governance and risk to ensure compliance with legislative and regulatory provisions. The legal work items increased by 5.8% from the previous financial year; this is mainly attributable to matters where the referral process was being formalised.

The following were highlights in the year under review:

Agreements

- A Service Level Agreement was entered into with the different business units of the OTO to formalise the work items referred to Legal Services.
- The MoU between the OTO and SARS was signed.
- An MoU that governs the relationship between the OTO and the Public Protector of South Africa was concluded.

Opinions

Legal Services provided support in preparing a total of 61 internal opinions on corporate and operational tasks.

Appointments

A second Legal Specialist and an Administrator were appointed to streamline the complaints resolution process value chain, making it more efficient and effective.

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme 4: Legal and Support Services									
Strategic Objectives	Performance Indicator	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Planned Target 2018/19	Actual Achievement 2018/19	Indicator Status	Deviation from planned target to Actual Achievement for 2018/19	Comment on deviations
Ensure the highest levels of corporate governance	Zero governance audit findings.	Target not planned	Target not planned	Target not planned	100%	0%	Not achieved	-100%	OTO was not independently audited in the current financial year as the Office's structure does not yet include all the auditable components required. The Office is audited as part of SARS regulatory audits.
Ensure that an MoU exists between the OTO and SARS to formalise the relationship	MoU signed off by both parties.	Target not planned	Target not planned	Target not planned	1 MoU	1	Achieved	0	N/A
Develop OTO employment equity numerical targets (EE, gender, disability)	2% of disabled persons.	Target not planned	Target not planned	Target not planned	100%	0%	Not achieved	-100%	The recruitment was directed towards people with disabilities however the Office did not receive applications from people with disabilities for the positions advertised.
	Gender: 49% and 51%.	Target not planned	Target not planned	Target not planned	100%	102.50%	Achieved	2.50%	The Office achieved a 52.27% quota of female employees as at 31 March 2019. The recruitment focus was directed to female candidates. The target was therefore achieved.
	Race: 75% black.	Target not planned	Target not planned	Target not planned	100%	112%	Achieved	12%	The recruitment focus was on EE candidates. The target was therefore achieved.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

UNDERPERFORMANCE INDICATORS	STRATEGIES TO ADDRESS UNDERPERFORMANCE
Zero governance audit findings	The OTO is audited as part of the SARS audit, the indicator is removed from the APP 2019/20.
2% of people with disabilities	To improve on targets, the Disability Forum was established to create and raise awareness and encourage employees to disclose their disability.



PART GOVERNANCE

1. Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on the Tax Administration Act 28 of 2011 (founding legislation), corporate governance with regard to the OTO is applied through the precepts of the PFMA and run concurrently with the principles contained in the King Report on Corporate Governance, as well as the protocol governing the relationship between the Minister of Finance and the Tax Ombud. The OTO continues to comply with this protocol, and has submitted all required reports and strategic documents such as APPs and Strategic Plans.

2. Portfolio Committee

The OTO attended five Standing Committee on Finance (SCOF) portfolio committee sittings during the financial year under review.

Table 1: Portfolio committee dates

DATES OF COMMITTEE SITTINGS
23 May 2018
21 August 2018
12 September 2018
16 October 2018
13 February 2019

3. The accounting authority

The Tax Ombud is the Accounting Authority in terms of section 49 of the PFMA, and is responsible for all duties and responsibilities described in section 50 and 51 of the PFMA.

The role and responsibilities of the Tax Ombud include:

- Absolute responsibility for organisational performance in line with the OTO's mandate
- Ensuring full and effective control over the organisation
- Ensuring compliance with applicable laws, regulations and government policy
- Ensuring the preparation of reports and financial statements

- Formulating, monitoring and reviewing the corporate strategy, major plans of action, budgets and plans
- Ensuring an adequate and effective risk management framework
- Developing a clear definition of materiality.

The Tax Ombud is appointed by and reports to the Minister of Finance. The Tax Ombud and the Minister of Finance have agreed on the protocol governing their relationship. The roles and functions of the Tax Ombud are defined in the protocol. All reports and plans that are required by the Minister and Parliament were submitted to National Treasury within the prescribed time, with the exception of the draft Tax Ombud Annual Report (See Table 4 of Internal Control). To execute his duties, the Tax Ombud is assisted by the Chief Executive Officer and Senior Management.

4. Risk management

The OTO considers risk management as an important tool of governance, which helps ensure the continued sustainability of the OTO and the achievement of its strategic objectives.

The Office reviewed its strategic risks during the year under review to identify areas of focus that can possibly hinder the achievement of the performance objectives.

A draft framework for risk management was developed during the year under review. The framework is being reviewed and internal stakeholders will be consulted for their inputs.

5. Internal control

The OTO has put a number of internal control measures in place to strengthen governance, and to ensure that the quality of its work is of the desired standard.

Senior Management Committee

The OTO had three committees that operated at management level during the 2018/19 financial year. These committees exist to provide management assurance on the functioning of the Office. During the year under review, four Senior Management Committee meetings (Table 2) were convened.

Table 2: Senior Management Committee meetings

MEMBER	NUMBER OF COMMITTEES MEETINGS ATTENDED
Advocate Eric Mkhawane (Chair)	4
Mmamelao Malakalaka	4
Pearl Seopela	4
Talitha Muade	4
Gert van Heerden	4

Management Committee

The Office established a Management Committee (MANCO) in November 2018 to enable the first level of management to be involved in the planning and implementation of the objectives of the Office. The MANCO meets on a monthly basis to monitor the Office's initiatives towards the achievement of the objectives set in the Annual Performance Plan.

The committee is chaired by senior managers on a rotational basis, for the period under review the chairpersons were the Senior Managers of Office Enablement and Legal Services.

Since its establishment, five committee meetings were held, the last being in March 2019.

Table 3: MANCO meetings

MEMBER	Monthly meetings attended					
	November	December	January	February	March	Number of meetings
Mmamelao Malakalaka (Chair 1)	Y	Y	Y	N	N	3
Gert van Heerden (Chair 2)	N	N	Y	Y	Y	3
Frik Pretorius (FP)	Y	Y	Y	Y	Y	5
Fundiswa Ngqeleni (FN)	N	Y	Y	Y	Y	4
Christel van Wyk (CvW)	Y	Y	Y	Y	Y	5
Reason Dube (RD)	Y	N	Y	Y	N	3
Phumeza Ferreira (PF)	Y	Y	Y	N	Y	4
Segomotsi Mahlwele (SM)	N	Y	Y	Y	Y	4
Sibusiso Thungo (ST)	Y	Y	N	Y	Y	4
Jack Malatji (JM)	Y	N	Y	Y	Y	4
Francois Viljoen (FV)	Y	Y	Y	Y	Y	5
Thomas Phetla (TP)	Y	Y	Y	Y	Y	5
Thabo Mkhize (TM)	Y	Y	Y	Y	N	4
Veli Thobela (VT)	Y	Y	Y	Y	Y	5
Nthabiseng Nene (NN)	Y	Y	Y	Y	Y	5

Y=Yes N=No

Case Review and Appeals Committees

The OTO has two quality control committees that oversee and ensure that quality recommendations are provided on complaints received from taxpayers or their duly authorised representatives. These committees are the Case Review Committee (CRC) and the Appeals Committee.

Case Review Committee

The CRC deliberates on all complaints that are submitted to the OTO by taxpayers or their duly authorised representatives. The committee then assesses whether or not any issue brought to its attention should be identified as a systemic or as an emerging issue requiring further investigation or review.

Appeals Committee

The Appeals Committee reviews any complaint where the complainant is not satisfied that the Review Committee made the correct decision.

In November 2018, the Office developed the Terms of Reference (ToR) for the CRC and the Appeals Committee. These ToR provide guidance to the committee members on how the committees should be conducted and managed. The CEO of the OTO chairs the Appeals Committee; the members are the CEO, Senior Manager: Legal and Senior Manager: Operations. Others attend by invitation.

Compliance with National Treasury requirements

The planning and reporting activities of the OTO are governed by various prescripts, such as PFMA, Treasury Regulation and Framework for Strategic Plans and Annual Performance Plans. The Office submitted its reports and plans to National Treasury as prescribed by the aforementioned prescripts. It was found that the Office had complied with 89% of the National Treasury reporting and planning activities, as indicated below.

Table 4: Compliance with National Treasury timeframes

ACTIVITY	DUE DATE	SUBMISSION DATE	STATUS
2017/18 Quarter 4	30 April 2018	30 April 2018	Complied
Draft Annual Report	31 May 2018	1 June 2018	Not Complied
2018/19 Quarter 1	31 July 2018	31 July 2018	Complied
First draft annual performance plan 2019/20	31 August 2018	31 August 2018	Complied
Final Annual Report	31 August 2018	31 August 2018	Complied
2018/19 Quarter 2	31 October 2018	31 October 2018	Complied
Second draft Annual Performance Plan 2019/20	30 November 2018	30 November 2018	Complied
Final draft Annual Performance Plan 2019/20	31 January 2019	31 January 2019	Complied
2018/19 Quarter 3	31 January 2019	31 January 2019	Complied

Internal controls have since been put in place to mitigate the non-adherence to the National Treasury timeframes.

6. Code of Conduct

The staff of the OTO is employed in terms of the SARS Act as per section 15 of the TAA. As such, the OTO has adopted the SARS Code of Conduct regulating employment matters.

7. Continuous Improvement

The objective of Continuous Improvement is to build a culture of professionalism and excellence in the OTO. The improvement of processes within the Office is aimed at ensuring that taxpayers are engaged through easy-to-understand, simple, transparent and quick processes. Continuous Improvement undertook the following processes to improve efficiency:

- Conducted a Time and Motion study and assisted in the review of the Annual Performance Plans, objectives and targets.
- Introduced a Contact Centre system that is more efficient, separating business administration contacts from complaints resolution inquiries.

8. Health, safety and environmental issues

The Health and Safety Committee has been constituted to manage, avoid and control measures for the prevention of hazardous exposures and for protecting workers' health.

Quarterly Health and Safety meetings were planned and conducted as required by the Occupational Health and Safety Act (OHSA) of 1993. Health and Safety inspection lists were tabled for the periods: April, July, October and December 2018.

A Threat and Risk Security Assessment was conducted by the South African Police Service (SAPS): Government Security Regulator: Security Advisory Services, at the OTO offices in Menlyn in September 2018. A security assessment report with recommendations on how to achieve an effective level of security was received from the SAPS in January 2019.

Unplanned/emergency evacuation drills were held in July and September 2018, and evacuation observations with suggestions were submitted to the Health and Safety Committee.

Facilities and administration management

The primary objective of Facilities Management at the OTO is to ensure that all facilities-related services within the OTO are coordinated and maintained in accordance with applicable policies and procedures, as well as standards and norms. The Facilities Management section is accountable for the functions of caring for, monitoring and maintaining property and assets to ensure proper control, responsibility and accountability for their usable life and condition. The following key aspects were completed by the Office during 2018/19:

- The Office renegotiated the building lease agreement to include additional visitors' parking and basement storage. The addendum to the existing lease agreement was finalised and signed in January 2019.
- The asset verification process for the period under review was concluded in August 2018 to ensure accuracy and completeness of the Asset Register.

9. Social responsibility

Since its inception, the OTO has displayed consistency when it comes to Corporate Social Responsibility (CSR) programmes that benefit society by participating in both government and private sector initiatives. This is despite the Office not having a budget for its CSR activities, relying solely on contributions from employees to make a difference in the lives of those who need assistance. In the 2018/19 financial year, the OTO participated in the following activities:

- Nelson Mandela International Day: On Wednesday 25 July 2018, Team OTO joined the global community in celebrating Nelson Mandela International Day in honour of the former South African President. The team donated food parcels, toiletries, mugs and clothes to Child Welfare Tshwane in Eersterust outside Pretoria. The team also bought and donated about 40 litres of soup to approximately 150 children and adults as part of the Office's Nelson Mandela Day initiative.
- Cell C Take a Girl Child to Work Day: On 24 May, the OTO hosted 18 female matric learners from Nellmapius Secondary School and Gerrit Maritz High School who job-shadowed OTO senior managers and managers, gaining direct exposure to various career options. Themed "Facing Fear. Embracing Ambition", the event was the fourth in consecutive years to be hosted by the OTO, providing learners with important insight into different careers, including the legal, communications, accounting, human resources and finance fields. The Tax Ombud Judge Bernard Ngoepe also addressed the learners and urged them to take full advantage of the many opportunities available to women.



PART D HUMAN RESOURCE MANAGEMENT

1. Introduction

1.1. Overview

The Human Resource (HR) function provides integrated and comprehensive HR services in line with the HR business partnering model of SARS. The HR function supports the goals and strategies of the institution, ensuring that HR planning and practices are consistent across the Office. It also outlines how the gaps between future and present capacity will be addressed.

The OTO staff headcount has increased since the beginning of the 2018/19 financial year. The recruitment and appointment of new staff was driven by the growing demand for our services. The OTO has begun working on a value-based reward and recognition programme in an effort to mitigate the potential loss of staff.

The majority of OTO employees are employed in the professional categories. The OTO is committed to the demographic transformation of its workforce. As mentioned earlier, the total headcount of the OTO increased from 35 on 31 March 2018 to 44 as at 31 March 2019. This excluded the five vacancies for a specialist: corporate editing and publications and four operational specialists: complaints resolution.

1.2. Graduate programme

The OTO, in partnership with SARS, has been providing in-house training opportunities for graduate students for the past three years. The graduate programme enables students to receive training within the OTO's four main business units for a period of two years, during which they earn a monthly stipend. The stipend consists of earnings (basic salary) and deductions (tax and unemployment insurance fund).

The units at which graduates are placed during their training are Communications and Outreach, Legal Services, Operations and Office Enablement. The training is a combination of classroom-based learning and on-the-job training. In 2018/19, the Office recruited three graduate trainees in the field of tax and communications.

1.3. Bursaries

Academic and technical qualifications form an important part of growing the OTO talent pipeline to meet future capabilities. To assist employees to acquire qualifications, six new bursaries were granted to employees during 2017/18 and two to employees for 2018/19.

1.4. Employee wellness

The SARS employee wellness programme, enjoyed by employees is designed to meet the needs of its diverse workforce. The programme is multi-faceted to ensure support that reduces stress at work and at home, leading to improved employee retention, engagement and performance. The employee health and wellness programme, "Kulani no Hlayisa" (grow while caring), offers each employee and members of their household access to a variety of life management support services.

2. Human resource oversight statistics

Personnel expenditure remains the main cost driver and represented 81% of the total expenditure for the 2018/19 financial year.

Table 1: Personnel cost

BUSINESS UNITS	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP. (R'000)	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Office of the Tax Ombud	41 102	33 320	81%	44	757

Table 2: Training costs

BUSINESS UNITS	NUMBER OF TRAINING EVENTS	NUMBER OF TRAINING MAN DAYS
Office of the CEO	15	**
Office Enablement	38	7
Operations	97	53
Communications and Outreach	18	12
Legal Services	12	**
TOTAL	180	72

**Part of the training is web-based training, which employees completed at their work station, online, without attending the training event.

For the year under review, employees of the OTO spent about 72 man days attending 180 different training interventions (Table 2). This is all internal training done through the SARS Institute of Learning, so there is no direct cost. The main contributor as indicated in Table 2 is the Operations unit, whose staff spent 53 man days attending training.

Table 3: Employment and vacancies

BUSINESS UNITS	2017/18 NO. OF EMPLOYEES	2018/19 APPROVED POSTS	2018/19 NO. OF EMPLOYEES	2018/19 VACANCIES	% OF VACANCIES
CEO's office	3	5	5	0	0
Office Enablement	5	12	12	0	0
Operations	21	22	18	4	18.18
Communications and Outreach	4	6	5	1	16.67
Legal Services	2	4	4	0	0
TOTAL	35	49	44	5	10.20

In 2018/19, the Office increased its headcount by 26%; this is based on 11 appointments, two of which were internal promotions. In 2017/18, the Office had 37 approved posts, which increased to 49 approved posts in 2018/19. These exclude the two positions that were delisted as unfunded during the year under review.

Table 4: Employment and vacancies by levels

LEVELS	2017/18 NO. OF EMPLOYEES	2018/19 APPROVED POSTS	2018/19 NO. OF EMPLOYEES	2018/19 VACANCIES	% OF VACANCIES
Top Management	2	2	2	0	0
Senior Management	4	4	4	0	0
Professional qualified	20	31	26	5	16.13
Skilled	8	11	11	0	0
Semi-skilled	1	1	1	0	0
Unskilled	0	0	0	0	0
TOTAL	35	49	44	5	10.20

The recruitment of employees into identified areas where there is a lack of capacity is crucial to the effective functioning of the Office. By investing in youth development through the Graduate Programme, the Office has adopted a strategy of developing potential employees who know the organisation and can relate to the culture. To this end, the Office has appointed three graduate trainees. Table 4 and 5 indicate the significant growth of the Office, the majority being females in the professional category.

Table 5: Employment changes

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top Management	2	0	0	2
Senior Management	4	0	0	4
Professional qualified	20	6	0	26
Skilled	8	5	2	11
Semi-skilled	1	0	0	1
Unskilled	0	0	0	0
TOTAL	35	11*	2**	44

* The 11 appointments include two internal appointments due to promotions and three graduate trainees.

Table 6: Reasons for staff leaving

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	0	0
Resignation	2**	100
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other	0	0
TOTAL	2	100

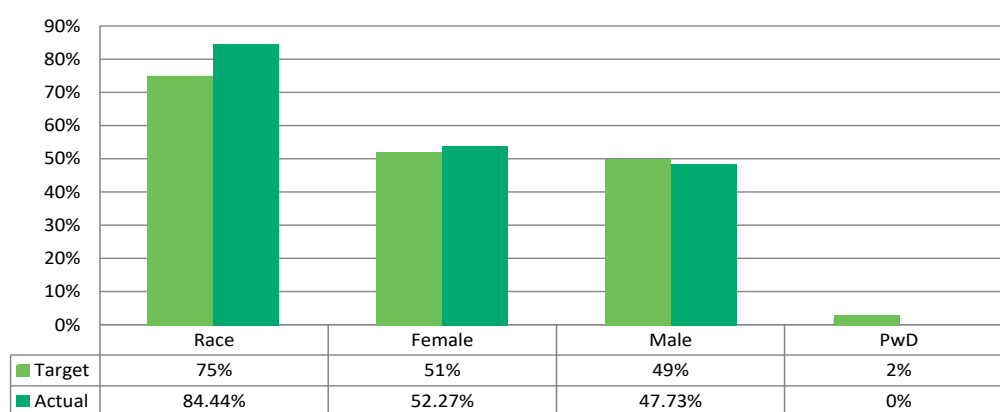
**Resignations were part of internal promotion of two employees.

Table 7: Labour relations misconduct and disciplinary action

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	0
Written warning	0
Final written warning	1
Dismissal	0

Equity target and Employment Equity status

The Office aims to have an inclusive and diverse institution focusing to ensure that the workforce is reflective of the country's Economically Active Population (EAP) demographics.

Chart 1: Employee equity targets

The OTO's current actual achievement for its gender target was 52%, against its target of 51%, while the actual achievement for race was 84%, against a target of 75%. All efforts were made to recruit and appoint people with disability (PwD); however, the OTO's actual achievement for PwD has still not been achieved. To improve on performance against targets, the Disability Forum in collaboration with SARS was established to create and raise awareness and encourage employees to disclose their disability.

Table 8: Employment Equity by gender - Males

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	2	2	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	1	1
Professional qualified	12	12	0	0	0	0	3	3
Skilled	3	3	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	17	17	0	0	0	0	4	4

Table 9: Employment Equity by gender – Females

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0	0	0	0	0
Senior Management	3	3	0	0	0	0	0	0
Professional qualified	10	10	0	0	0	0	1	1
Skilled	6	6	0	0	0	0	2	2
Semi-skilled	1	1	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	20	20	0	0	0	0	3	3

3. Employee communication

The OTO acknowledged the need to actively communicate with its employees to ensure there are open lines of communication that enable information and knowledge sharing within the organisation.

The Office continues to employ a number of communication platforms to engage employees and ensure they are kept abreast of important developments, not just within the Office but in the general tax environment. The Office consistently utilises its bi-monthly internal newsletter *Perspective*, planned events, engagement discussions and the internal global facility to communicate information timeously about changes that directly and indirectly impact on employees and their work.



PART

FINANCIAL INFORMATION

ANNUAL FINANCIAL INFORMATION

Expenditure relating to the Office of the Tax Ombud

The purpose of the financial report is to provide an overview of the financial expenditure in the OTO from 1 April 2018 to 31 March 2019. The information that is outlined in the tables and graphs shows the expenditure for the year per cost element. Comparisons have also been made to show the expenditure growth patterns since the establishment of OTO and between the 2017/18 and 2018/19 financial years; as well as actuals versus budgeted expenditure.

The National Treasury, as previously stated, approved a total budget of R41, 5 million for 2018/19 financial year. In October 2018, National Treasury approved a further amount of R4,9 million pertaining to the surplus retained during the 2017/18 financial year. The total budget therefore increased to R46,4 million. Currently, employee cost remains one of the main cost drivers and represents 81% of the total expenditure; the staff headcount increased by 26% in the 2018/19 financial year.

Table 1 indicates expenditure per cost element and total expenditure for the year. The total revised budget for the 2018/19 financial year, including the retained surplus, was R46,4 million. The total expenditure was R41,1 million resulting in a surplus of R5,3 million. The run rate at the end of the financial year was 89%. The spending increased by 21% due to an increase in headcount and advertising when compared to the previous financial year.

Table 1: Expenditure per Cost Element and Total Expenditure

2018/19					2017/18			
COST ELEMENT	YTD ACTUAL (R'000)	BUDGET (R'000)	VARIANCE (R'000)	% VARIANCE	YTD ACTUAL (R'000)	BUDGET (R'000)	VARIANCE (R'000)	% VARIANCE
Personnel Expenditure	33 320	36 080	2 760	8%	26 525	28 534	2 009	7%
Administrative Expenditure	1 299	1 660	361	22%	924	1 452	528	36%
Inventory and Printing	513	998	485	49%	418	560	142	25%
Professional and Special Services	5 356	6 318	962	15%	3 011	5 660	2 649	47%
Land and Buildings	374	756	382	51%	2 984	4 328	1 344	31%
Other Miscellaneous	0							
Capex	239	607	368	61%	177	390	213	55%
TOTAL OPERATING AND CAPITAL EXPENDITURE	41 102	46 420	5 318	11%	34 039	40 924	6 885	17%

Commentary per cost element

a. Personnel expenditure

Personnel expenditure consists of total cost to company, overtime, benefits and other staff costs, such as training and development costs and bursaries.

Personnel expenditure increased from R26,5 million in the 2017/18 financial year to R33,3 million in 2018/19 due to the increase in headcount to build capacity within the OTO.

The variance of R2,7 million on personnel expenditure is as a result of delays in filling of vacancies (R2,4 million). The other portion relates to savings on bursaries and training and development costs.

b. Administrative expenditure

The variance of R361 000 on administrative expenditure is due to savings on domestic travel costs and cellphone costs. The expenditure increased by 41% when compared to the 2017/18 financial year.

c. Inventory and printing

There was an increase in the number of outreach activities which required the printing of marketing and promotional materials. Expenditure increased by 23% from the previous financial year; however, some publications could not be finalised due to delays from procurement, resulting in a variance of R485 000.

d. Professional and special services

The cost element consists of information technology costs, advertising and media bulk buying. The variance of R962 000 is mainly on media space purchases that could not be finalised. There was a significant increase in advertising and media space purchases because of additional advertising required when the Office celebrated its fifth anniversary in October 2018. The other portion pertains to IT costs relating to office layout reconfiguration that could not materialise as planned.

e. Land and buildings

The variance of R382 000 concerns the rental of parking bays for visitors and the basement storeroom that materialised in February 2019 as well as the construction costs for the non-emergent, planned office layout reconfiguration. In 2018/19 SARS paid centrally for Office rental, building rates and taxes, building maintenance, security services and cleaning services.

f. Capital expenditure

The variance of R368 000 on capital expenditure is mainly as a result of furniture and fittings costs for the office layout reconfiguration that did not materialise.

Graph 1 is a representation of actuals and budgets for the previous financial years, since the establishment of the OTO. There was an increase in actuals and budget as a result of an increase in the demand for OTO services as well as the headcount increase. The actual expenditure started at R12,4 million and is currently at R41,1 million. The first budget of the OTO was R14,2 million and this has since increased to R46,4 million.

Graph 1: Actual vs Budget Expenditure for 2014/15 to 2018/19 Financial Years

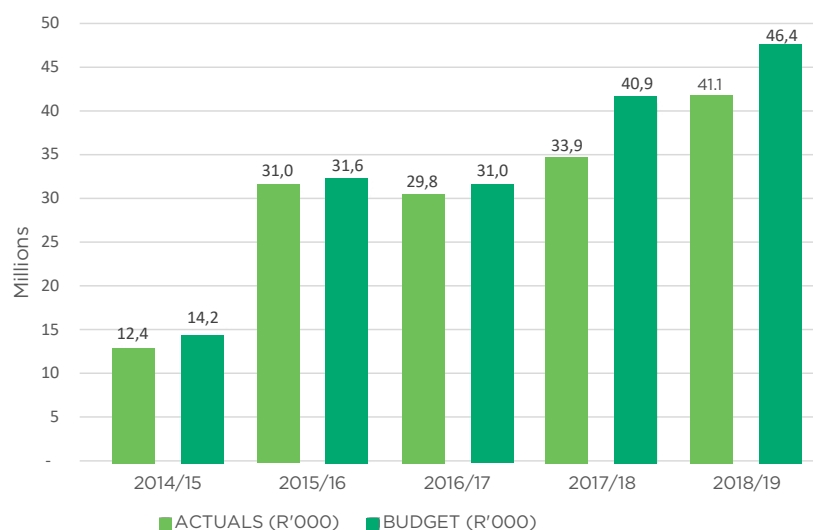


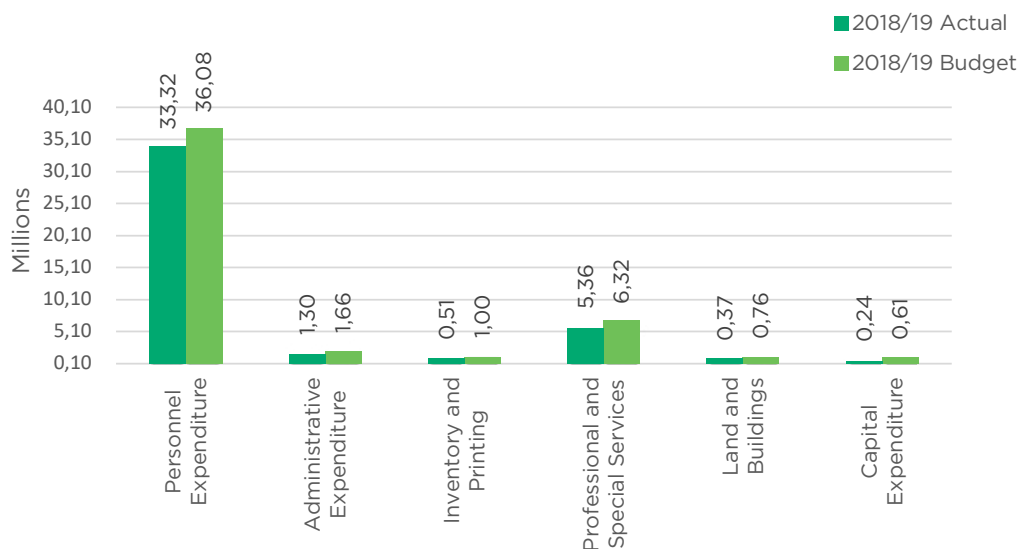
TABLE 2 depicts the actuals and budget for the 2017/18 and 2018/19 financial years and the budgets for these years, as well as the percentage of the budget utilised, which indicates an increase.

Table 2: Percentage utilisation of the allocated budget

FINANCIAL YEAR	ACTUAL (R'000)	BUDGET (R'000)	UTILISATION OF THE ALLOCATED BUDGET
2017/18	34 039	40 924	83%
2018/19	41 102	46 420	89%

GRAPH 2 indicates the actual expenditure to budgeted expenditure comparison. Eighty-nine percent (89%) of the total budget was utilised and the variance mainly concerns personnel expenditure. Eighty-one percent (81%) of the budget was spent on employee costs.

Graph 2: 2018/19 Actual to Budget Comparison



ABBREVIATIONS/ ACRONYMS

ADR	Alternative Dispute Resolution	PR	Public Relations
APP	Annual Performance Plan	PSA	Public Servants Association
BPSA	BP Southern Africa	PWD	People with Disabilities
CEO	Chief Executive Officer	RAF	Retirement Annuity Fund
CFO	Chief Financial Officer	RCB	Recognised Controlling Bodies
CIT	Corporate Income Tax	RFR	Request for Remission
CMO	Complaints Management Office	SAIPA	South African Institute of Professional Accountants
CRC	Case Review Committee		South African Institute of Tax Professionals
CSR	Corporate Social Responsibility	SAIT	South African Revenue Service
EAP	Economically Active Population	SARS	South African Social Security Agency
EE	Employment Equity	SASSA	
FPI	Financial Planning Institute		
GEPF	Government Employees Pension Fund	SC	Senior Counsel
HR	Human Resource	SCOF	Standing Committee on Finance
IEC	Independent Electoral Commission	SDL	Skill Development Levy
IT	Information Technology	SLA	Service Level Agreement
IT	Income Tax	SOA	Statement of Account
MANCO	Management Committee	TAA	Tax Administration Act
MOU	Memorandum of Understanding	TCS	Tax Compliance System
NDP	National Development Plan	The Constitution	Constitution of the Republic of South Africa Act No 108 of 1996
NEMISA	National Electronic Media Institute of South Africa		Terms of Reference
OHSA	Occupational Health and Safety Act	TOR	
OTO	Office of the Tax Ombud	TPA	Third Party Appointment
PAYE	Pay as You Earn	UIF	Unemployment Insurance Fund
PFMA	Public Finance Management Act	VAT	Value Added Tax
PIT	Personal Income Tax	VDP	Voluntary Disclosure Programme
PRN	Payment Reference Number		

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