



Tax Ombud

Updated **Strategic Plan**

2020-2025





YEARS OF FAIRNESS

2013 - 2023

#TaxpayerRightsMatter

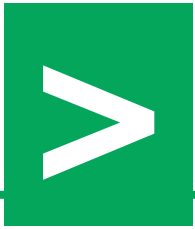


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1. OVERVIEW

The revised Department of Planning, Monitoring and Evaluation (DPME) Framework for Strategic Plans and Annual Performance Plans has provided the Office of the Tax Ombud (OTO) with an opportunity to review its strategic path and desired outcomes for the period 2020–2025 in alignment with the 2019–2024 Medium Term Strategic Framework and the National Development Plan, Vision 2030. The revision of the OTO Strategic Plan 2020–2025 allows the Office to conform to the National Treasury instruction no. 10 of 2020/2021.



Tito Mboweni

Minister of Finance

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EXECUTIVE AUTHORITY STATEMENT

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

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

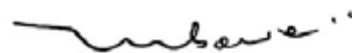
I have no doubt that the Tax Ombud Strategic Plan 2020-2025 will inspire taxpayer confidence, as the Office becomes more effective and accessible. The OTO instils a culture of governance that promotes the principles of transparency, integrity, accountability and stakeholder engagement in the tax administration sphere, in support of democracy and inclusive growth. The Office will continue to interact with taxpayers to oversee the process of ensuring that their rights are respected. The commitment of National Treasury is crucial in supporting the OTO to achieve the highest standards of corporate governance. This entails ensuring that there is a sound governance framework that encompasses the

requisite internal and external assurances. This will assist the Office to achieve its strategic objectives, by evaluating and improving the adequacy and effectiveness of its governance, risk management and control processes.

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

I welcome and support the Strategic Plan 2020-2025 as the start of the next chapter for the Office to continue as an efficient, independent, impartial and fair redress channel for the resolution of taxpayers' complaints about SARS matters. I look forward to continuing to work with the OTO in contributing towards building taxpayers' confidence in the tax system.

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



Honourable Tito Titus Mboweni, MP
Minister Of Finance



Judge Bernard Makgabo Ngoepe

Tax Ombud

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FOREWORD BY THE TAX OMBUD

“Tax collection remains a crucial aspect of ensuring a better life for all. I have stated before, and will reiterate, that we are committed to facilitating fair collection of taxes and will assist SARS in doing so.”

As an institution that operates in the service environment, the OTO has displayed its commitment to resolving taxpayers’ complaints and promoting a fair tax administration system for the last six years.

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

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

made a significant contribution to improving public confidence in the tax administration system, by ensuring that there is a fair and independent avenue to address their issues with SARS. Minister Mboweni’s appreciation of our contribution to the country’s tax administration system reassures me that we are on the right path and working towards ensuring a fair tax administration system.

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

Tax collection remains a crucial aspect of ensuring a better life for all. I have stated before, and will reiterate, that we are committed to facilitating fair collection of taxes and will assist SARS in doing so.

Building blocks for our strategic intent for the next five years

As part of my responsibility, I must provide clear direction for the OTO for the next five years and would like to ensure that the OTO continues to be respected by all taxpayers and other stakeholders. This Strategic Plan 2020-2025 details our prime objectives for the next five years and how we will go about achieving them. The senior leadership team and I have identified the pillars that are important to driving our strategic intent of improving the service provided by the OTO. Our first pillar is achieving independence from SARS. What is important now is to determine how to go about achieving this. It is important that the OTO limits the risk of being perceived as biased by taxpayers, and it is thus crucial not to just be viewed as independent by taxpayers, but to be structurally independent, which will enable us to fulfil our mandate efficiently. In doing so, we will continue to engage the Minister of Finance and consult with other stakeholders, in order to solicit their input on how to improve our legislative amendments, so as to enhance the OTO mandate and foster our independence.

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

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

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



Judge Bernard Makgabo Ngoepe
Tax Ombud

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OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

“ Strong principles of professional, ethical and accountable service delivery have put us in a good position to be regarded as having facilitated improved taxpayer perceptions and the experience of dealing with the South African Revenue Service.”

I am pleased to present the Tax Ombud 2020–2025 Strategic Plan and the Office of the Tax Ombud’s (OTO) strategic intent for the next five years. The past six years of the OTO’s existence were characterised by laying a solid foundation and building strong pillars, which proved pivotal in creating an exemplary institution that is committed to making a significant impact on the South African tax administration system, and to making a difference in the lives of taxpayers. In support of the Government’s Vision 2030 and the seven electoral priorities, the OTO will contribute to building a capable, ethical and developmental state.

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

Strategic overview

The focus during the next five years will be on intensifying the efficiency of our services by: being accessible and responsive; promoting awareness of our services and the rights of taxpayers to under-served communities; cementing strong partnerships with stakeholders; as well as assisting the country by promoting tax compliance.

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

An independent office

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



Gert van Heerden

Acting Chief Executive Officer

Tax Ombud, Judge Bernard Ngoepe, has been supported by many of our stakeholders in calling for independence from SARS since the establishment of the office.

Overview by the Chief Executive Officer

Strong principles of professional, ethical and accountable service delivery have put us in a good position to be regarded as having facilitated improved taxpayer perceptions and the experience of dealing with SARS. The service that we provide to taxpayers is very important to the country's coffers, as it contributes to tax compliance. Therefore, it is important that we take accountability for ensuring that taxpayers are treated fairly and that they are aware of their rights as taxpayers, as well as of their tax obligations to the country. A balanced and fair application of the tax administration process can contribute to a culture of tax compliance and increased revenue that can be utilised to the benefit of all citizens. It is thus important that the complaints processes we use to address complaints made by taxpayers against SARS are transparent, fair and efficient.

Intensifying our efficiency

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

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

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

Promoting a secure and confidential environment

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

Conclusion

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



Gert van Heerden

Acting Chief Executive Officer

5. OFFICIAL SIGN-OFF

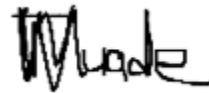
It is hereby certified that this Updated Strategic Plan 2020-2025:

- was developed by the management of the Office of the Tax Ombud under the guidance of the Minister of Finance;
- takes into account all the relevant policies, legislation and other mandates for which the Office of the Tax Ombud is responsible; and
- accurately reflects the impact and outcomes which the Office of the Tax Ombud will endeavour to achieve in the years 2020-2025.



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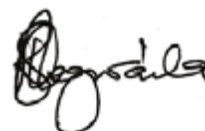
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Acting Chief Executive Officer



Prof. Thabo Legwaila

Acting Tax Ombud



TAX



OUR
MANDATE

1. Constitutional mandate

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

2. Legislative and policy mandates

The mandate of the Tax Ombud in terms of the Tax Administration Act 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 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.

3. Institutional policies and strategies governing the five-year planning period

The following policies, frameworks and strategies will govern the OTO's five-year planning:

- Complaints Resolution Policy
- Systemic Investigations Policy
- Taxpayers Complaints Feedback Framework
- Digital Communications Framework
- Communications and Outreach Framework
- Stakeholder Engagement Framework
- Complaints Management Framework
- Human Resource Strategy
- Corporate Governance Framework

4. Relevant court rulings

No court rulings have a significant, ongoing impact on operations or the service delivery obligations of the Office of the Tax Ombud.



PART

B.

OUR

STRATEGIC FOCUS

1. Vision

To strengthen taxpayers' trust and confidence in tax administration.

2. Mission

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

3. Values



Accountability

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



Independence

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



Efficiency

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



Fairness

The Tax Ombud acts in fairness at all times.



Confidentiality

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



Impartiality

The Tax Ombud will review taxpayers' complaints fairly.

4. Situational analysis

Overview

The Office of the Tax Ombud continues to implement its Strategic Plan 2020–2025, supporting the South African tax administration system. The Office’s effectiveness in executing its mandate is dependent on the ability to manage and adapt to the environment in which it operates. However, the size and capabilities of the Office in relation to the demand for its services remains a challenge, especially in engaging with the broader taxpayer community, particularly in remote areas, to promote the mandate of the Office.

According to high-level statistics from SARS, provided in table 1, the revenue authority indicates that there are 23.8 million individual taxpayers and three million companies. In addition, there are approximately 13 000 SARS employees. In comparison, the OTO operates with a team of 39 employees from a single office with national responsibility.

Table 1: Tax register as of 31 March 2021

Tax Register	Number of taxpayers
Individuals	23,850,668
Companies (CIT)	3,112,509
Trusts	367,540
Employers (PAYE)	618,487
VAT vendors	888,553
Importers	333,204
Exporters	299,941

From the Tax Statistics | South African Revenue Service (sars.gov.za)

Therefore, the Office’s ability to provide services to taxpayers in line with their expectations is limited by the resources available, including the level of funding and current office infrastructure and structures. The Office aims to manage available internal resources appropriately to provide the highest quality service and to achieve seven main pillars:

- ensuring a balanced and fair application of the tax administration process and contributing to a culture of tax compliance;
- providing a consistently high-quality service that is taxpayer-centric and delivered at a minimal cost;
- an independent OTO, structurally and operationally, to limit the risk of perceived bias;
- continuously addressing the evolving threats associated with ensuring that all information, data and communications remain confidential;

- providing tax complaints-resolution services that are of the highest quality;
- using the knowledge and insight obtained from taxpayers and stakeholders to improve complaints handling by the OTO and to impact OTO services;
- being accountable for authentic content and efficient feedback; and
- deepening our relationship with members of the Recognised Controlling Bodies (RCBs) and key stakeholders.

4.1. External environment analysis - PESTEL

While developing a Strategic Plan and Annual Performance Plan, the Office utilised two practical analytical tools: PESTEL (Political, Economic, Social, Technological, Environmental and Legal) and SWOT (Strengths, Weaknesses, Opportunities and Threats). The PESTEL analysis was completed first to provide a context for the SWOT analysis. The PESTEL analysis considered the broad environmental context that affects the Office and the changes that occur in this context. The SWOT analysis was then used to interpret the findings to determine the Office’s strengths, weaknesses, opportunities and threats.

4.1.1. Political factors

- Ombud institutions – both local and international – promote an open government concept and mainly seek to improve the public sector’s transparency, accountability and responsiveness. However, they also serve to increase trust, fight corruption, improve citizen participation and improve the effectiveness and efficiency of the public sector. With individuals’ and entities’ consciousness of and sensitivity to corruption, it is essential that the OTO actively demonstrates ethical leadership.
- In general, support and guidance from the Minister of Finance and the Government are vital for the OTO to achieve its mandate successfully.
- Frequent changes in the Ministry of Finance might negatively impact the business continuity within the OTO due to difficulty in relationship-building and decision-making related to the organisational objectives.

4.1.2. Economic factors

- In terms of the 2022 Medium-Term Budget Policy Statement (MTBPS), National Treasury forecasts real GDP growth of 1.9% in 2022 (revised downwards from 2.1% in the 2022 Budget Review), mainly driven by weaker net exports and the volume of imports outpacing that of exports.
- Implementing structural reforms, especially in the energy sector, remains crucial to improve the economy's productive capacity and competitiveness. The recovery in economic activity that began in 2021 was driven by strong global economic growth, high commodity prices and the easing of COVID-19 restrictions.
- The Government has identified new spending commitments that can only be funded by closing existing programmes to free up revenue or through a permanent increase in revenue collection. Although the economy is in the recovery phase following the outbreak of the COVID-19 pandemic, the recovery for taxpayers might be prolonged due to the impact of the pandemic and the explosion of public violence in Gauteng and KwaZulu-Natal in July 2021. This will affect the OTO in several ways:
 - Increasing public interest in tax administration and public expenditure will require the OTO to maintain exceptional transparency and corporate governance.
 - The permanent increase in revenue collection is more likely to result in SARS making errors and subsequently lead to a significant increase in complaints lodged with the OTO.
 - Reported practices, such as SARS unduly withholding refunds and non-adherence to the dispute resolution timeframes, may increase the likelihood of taxpayers seeking OTO intervention.
- Over the next three years, spending will remain restrained. The government will avoid increases in departmental or programme baselines. This means that financial resources for service delivery will continue to be constrained. Therefore, the operations of the OTO will require ongoing optimisation to ensure maximum efficiency.

- The increase in fraudulent tax refunds, especially VAT refunds, is delaying the payment of valid tax refunds, resulting in complaints received by the OTO from these taxpayers.
- The slow growth in the country's economy compared to pre-pandemic levels and budget cuts in different spheres of government may further diminish the resources available to implement planned strategic activities that promote service delivery.
- High unemployment and general economic hardship, worsened by power outages, reduce the tax base and might reduce the number of complaints to the OTO.

4.1.3. Social factors

- Taxpayers expect easier accessibility when dealing with the Government and its associated administrative agencies. They are demanding a customer-centric approach that includes the following:
 - easy access via the web, either through a portal or web applications (apps);
 - simple processes that require minimal information and that are all accessible online;
 - continuous and instantaneous feedback on process status;
 - engaging with knowledgeable employees who can resolve queries at all contact points;
 - quick turnaround times with undertakings met consistently; and
 - simple and easy-to-understand correspondence between the OTO and taxpayers.
- Pressure for the OTO to adapt its service offering to meet taxpayers' expectations is increasing, including the provision of eChannels that are simple and quick to use.
- The OTO will continue to recognise that access to online services is not common in rural areas and will adapt its approach in line with its mandate – ensuring an appropriate mix of online and contact services.

- The general levels of corruption in the country impact how society behaves towards or perceives compliance with tax laws. This societal perception of corruption and the obligation to pay taxes results in lower standards of tax morality and more complaints for the OTO.
- Taxpayers who lack knowledge and understanding of the processes and procedures that must be followed before lodging a complaint with the OTO require a personal approach that will help build understanding, trust and confidence in the tax administration system.
- Organisations in both the private and public sectors offer employees a value proposition that often includes a hybrid work environment, which is a flexible approach that combines working in an office with working from home. In adapting to hybrid work, the OTO should ensure that there is support for work-life balance among its employees and that it can continue to deliver on its mandate without compromising the quality of service. The Office requires flexible resource plans to continue to meet the taxpayer's expectations.
- The decentralisation of the SARS Complaints Management Office (CMO) to the regions and business units within SARS could, in the long term, improve the complaints resolution rate.
- The growing use of eChannels is also increasing the opportunities for cybercrime, and this will require the OTO to respond by ensuring appropriate levels of electronic security.
- The introduction of new digital channels will also improve taxpayers' access to the OTO's services and allow for innovative working practices among employees. These services would enable increased operational flexibility, such as working from home, extended operating hours and face-to-face services provided via eChannels.
- SARS is continuously improving its IT systems, which might be a challenge for taxpayers who are less technologically proficient or not proficient at all. Technologically challenged taxpayers are more likely to raise complaints prematurely against SARS and subsequently to the Office of the Tax Ombud.
- Inadequate OTO technology resources limit engagement opportunities with taxpayers, tax practitioners and RCBs, among others.

4.1.4. Technological factors

- Taxpayers are becoming increasingly comfortable engaging electronically via multiple channels, creating opportunities to extend access via eChannels.
- The Office plans to adopt a hybrid working environment as part of its employee value proposition, requiring changes in various information technology (IT) systems and related resources to enable personnel to render services away from the office. Changes will also include technology which enhances taxpayer-centric service delivery to improve the taxpayer experience.
- Social media allows customers to report unsatisfactory service immediately, and bad brand publicity can go viral almost instantly. The OTO will need to be equipped to maximise the positive impact of social media and have strategies to manage adverse publicity.

4.1.5. Environment factors

The objective of the Government's National Climate Change Response Policy White Paper is to effectively manage the inevitable climate change impacts through interventions that build and sustain South Africa's social, economic and environmental resilience and emergency response capacity. The policy recognises that public finance can support climate change through government procurement of sustainable technologies and the development of catalytic projects and programmes.

4.1.6. Legal factors

- Increasing public interest in law-making provides an opportunity for the OTO to promote independence and, in turn, trust in the tax administration system.
- The enforcement of the law is generally being questioned, which impacts taxpayer compliance with their tax obligations. OTO should be seen as applying the law fairly, equitably, and impartially.
- The OTO's recommendations to SARS are legally non-binding. Currently, SARS accepts over 90% of our recommendations, but the status quo could be disrupted because of factors such as changes in leadership at SARS and the OTO.
- Non-compliance with the Protection of Personal Information Act (POPIA) could lead to legal action and negative financial impacts on non-compliant organisations.

4.2. Internal environment analysis - SWOT

The Office used previous surveys and studies to analyse its internal strengths, weaknesses, opportunities and threats. These include an employee engagement survey, internal human resources management reports, a capacity study and customer satisfaction survey, and a previous brand equity survey.

Strengths

The OTO is renowned for the following strengths:

- respected and robust leadership;
- growing brand recognition, media presence and stakeholder collaboration;
- competent, skilled and professional employees, comprising the following occupational levels:
 - top and senior management comprise 12.82% of the workforce; 60% of top and senior managers are female;
 - professionally qualified, experienced specialists and middle management account for 64.1% of the workforce;
 - skilled technical, academically qualified and junior management employees make up 17.95%; and
 - 5.13% are semi-skilled.
- a youthful workforce with an average age of 43 indicates the sustainability of skills in the coming years;
- the employee turnover rate is low and 6.95 years of service the average in the nine years of existence.
- commitment to continuous employee development;
- an open-door policy for taxpayers, as no appointment is needed to visit the Office;
- commitment to taxpayer education and raising awareness of the Office and its functions;
- ability to deliver services optimally with minimal resources;
- good relationships and collaboration with major stakeholders, including public and private sector groups;
- complaint-resolution outcomes that change the lives of ordinary taxpayers and improve SARS's efficiency; and
- a steadily improving online brand presence;
- In addition, effective business continuity plan implementation enabled employees to deliver service remotely, efficiently and with minimal interruptions. This has been possible through the improvement of OTO processes; OTO employees with the technological resources can render service away from the Office.

Weaknesses

The OTO acknowledges the following weaknesses and is working on improvements:

- The Office lacks representation in SARS decision-making structures, which may impact the OTO's operations. The Office will therefore revise the Memorandum of Understanding with SARS to establish formal processes for engagement on corporate and operational issues.
- The OTO relies on SARS communication, which sometimes creates uncertainty among OTO employees. The Office will continue to engage and participate in the quarterly meetings with the SARS stakeholder management office and provide quarterly reports to the Commissioner.
- The Office is compelled to depend on SARS's IT systems, affecting its internal efficiency. The OTO will continue participating in quarterly meetings with the SARS stakeholder management office to discuss implementing the OTO digital communications framework.
- As the lack of financial resources may hamper the achievement of organisational objectives, the Office has developed an operating model, along with the Human Resources Strategy, which seeks to optimise current capacity to ensure that the Office achieves its goals.
- The Office is aware of the potential impact of leadership changes and the organisation's stability and constantly engages with the National Treasury.

Opportunities

The OTO has identified the following opportunities to improve its internal processes and the service it provides to taxpayers:

- Consumer insights survey results –
 - In 2022, a snap consumer survey was conducted to gain insights into radio listeners' views and awareness about where to resolve their tax queries and complaints. The main finding was a general awareness of the Office of the Tax Ombud. However, worryingly, most of those engaged viewed the OTO and the services it provides as a subsidiary of SARS. The survey also showed that of the 5% of respondents who have used the services of the OTO before, 44% of them found the experience satisfactory.
 - The OTO obtained valuable insight from the survey and will implement the recommendations stemming from it. These include intensifying visibility and community engagements and utilising radio, the most popular and effective medium, to inform and engage stakeholders. Another recommendation that the OTO will implement is to intensify activations to raise awareness and continue upgrading the OTO website to make it more customer-centric.
- promote employee engagement;
- advocate for a structurally independent organisation;
- implement a Human Resources Strategy;
- improve the effectiveness of technology by:
 - providing access via online lodging of complaints and increasing the number of digital channels; and
 - improving the complaints management process by pursuing a consolidated technological approach that embraces simplified complaints processes, automation and customer feedback that will enhance the customer experience.
- collaborate with SARS and other external stakeholders on taxpayer awareness, engagement and education;
- continue to engage with SARS on its service charter and compliance with the MoU between the OTO and SARS;
- consistently develop processes and procedures to streamline governance and reporting;
- gauge and improve customer satisfaction with the OTO's services;
- promote international participation with other Ombuds;

- intensify communications and stakeholder relations to reach out to communities;
- appoint an IT specialist for the OTO;
- raise awareness of the OTO's services and improve utilisation;
- Share resources and knowledge with other organs of state, stakeholders and Ombuds to improve accessibility to services;
- leverage the OTO's success stories in the media for coverage and interviews;
- maintain and improve the credibility of the OTO and its service delivery; and
- continuously advocate for integrity and confidentiality in the Office, especially considering the implementation of POPIA;
- introduce an employee value proposition with a flexible (hybrid) working environment, including electronic signatures and reducing printing and paper usage for operational purposes; and
- include energy solutions to assist the current OTO business continuity plan in minimising the disruptions caused by Eskom load shedding.

Threats

The following threats have been identified:

- Delays by SARS in finalising taxpayer complaints assigned by the OTO within a stipulated timeframe diminish taxpayer confidence in the system.
- Lack of awareness and understanding among taxpayers about the SARS complaints management process and procedures leads to taxpayers prematurely submitting complaints to the Office of the Tax Ombud.
- The growing prevalence of social media will increase the risk of wrong or inaccurate perceptions being created about the OTO through social media platforms, which, again, undermines trust and confidence if there is no prompt feedback to correct the perception.
- The rapidly evolving threat of IT crimes means that the OTO will require regular assurance that its systems, processes and policies are suitably configured to minimise the risk of a confidentiality breach. Funding will be needed to address identified weaknesses, as a single violation may severely damage the OTO's reputation.
- Inadequate funding may result in poor service delivery, leading to reputational risk.
- Negative media coverage can have reputational risks.

4.2.1. Organisational structure

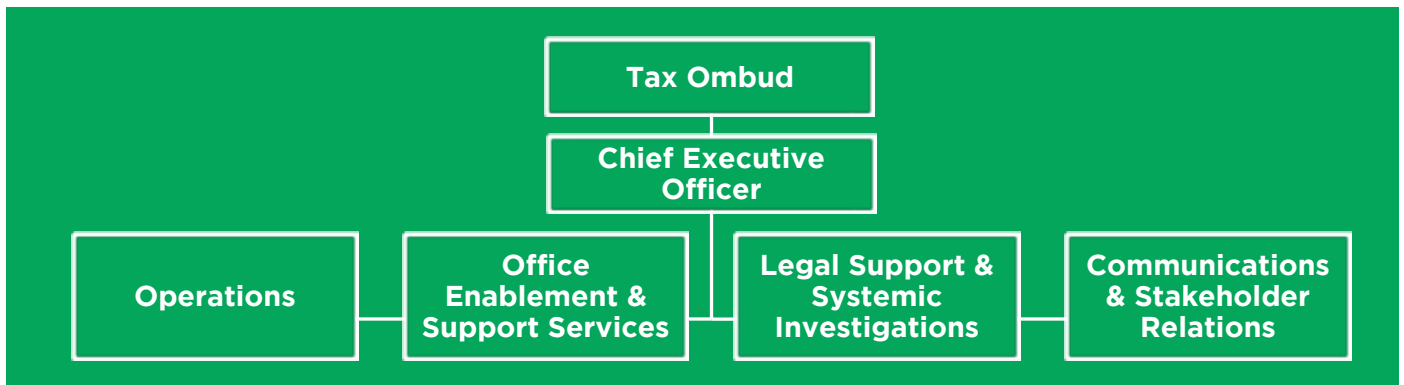
The Office has 39 employees, of whom 21 (53.85%) are female and 18 (46.15%) male. There are no employees living with disabilities.

In the 2023/24 financial year, the OTO is expected to employ two interns in complaints resolution through the graduate programme, as well as a new manager in Customer Service and an Information Technology Specialist. This will bring the total number of employees to 43.

To ensure optimal utilisation of the existing human capital, the Office undertook a process of re-aligning functions to strengthen capacity within its limited resources. Its Human Resources Strategy will be gradually implemented through the MTEF.

The OTO's functions are labour-intensive and therefore the organisation requires more qualified tax professionals and other specialists to handle the demand for its services. The OTO has not been able to meet its desired personnel numbers in both core and support services required to achieve the desired outcomes.

The current OTO organogram is depicted below:



4.2.2. Our core process

To deliver against the legislative and other mandates, the Office follows a simple complaints-resolution process with clearly defined operational targets. It consists of the following steps:

1. Acknowledge complaint:

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

2. Evaluate and review complaint:

We undertake to complete an evaluation and review of a complaint within eight days from the date of acknowledging receipt.

3. Assign recommendations to SARS and/or send the outcome to the taxpayer

- For accepted complaints, we assign recommendations to SARS for consideration and notify the complainant accordingly.
- For rejected and terminated complaints, we provide an outcome of the evaluation to the complainant.

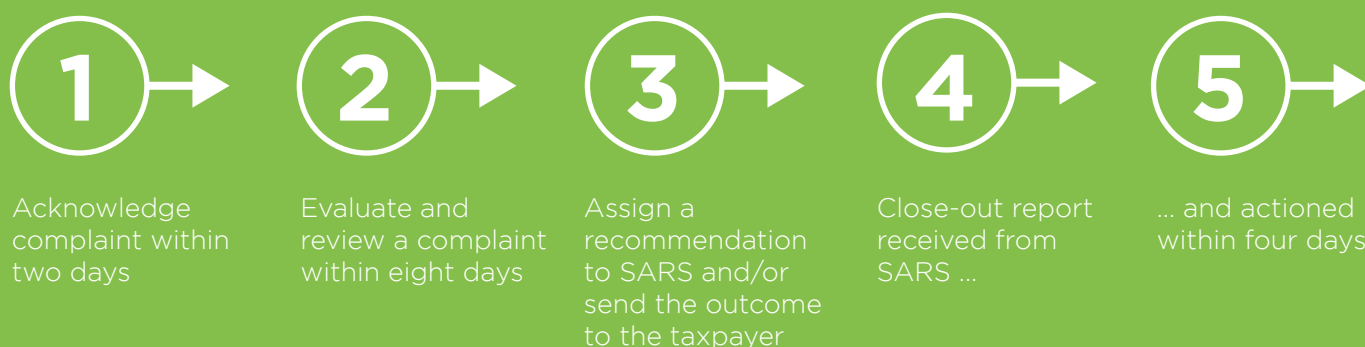
4. Close-out report received:

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

5. Close-out report actioned:

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

Diagram 1: Complaints-resolution process





PART
C.

**MEASURING OUR
PERFORMANCE**

1. INSTITUTIONAL PERFORMANCE INFORMATION

1.1. Impact statement

Impact statement	Contribute to improving the tax administration system, thereby achieving a balance between SARS's powers and duties, taxpayer obligations, remedies and rights.
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1.2. Measuring our performance

Medium Term Strategic Framework priority (MTSF): Building a capable, ethical and developmental state			
Outcomes	Outcome indicators	Baseline	Five-year targets
Review and address complaints by taxpayers against SARS.	Percentage of complaints acknowledged within two business days of receipt.	Target not planned	100%
	Percentage of complaints evaluated and reviewed within eight business days of the date captured.	Target not planned	98%
	Percentage of close-out reports actioned within four business days of date received.	Target not planned	92%
Contribute to improving the tax administration system and building confidence in the system.	Percentage of systemic issues identified and investigated within five months.	Target not planned	100%
	Time taken to complete systemic investigation report/s approved or requested by the Minister.	Target not planned	12 months from the date of approval
	Percentage reduction of existing systemic issues implemented by SARS.	Target not planned	The indicator changed from percentage to number from the 2023/24 financial year.
	Number of existing systemic issues removed from the register of systemic issues through their implementation by SARS.	Target not planned.	4
		Two systemic issues removed in 2020/21.	
	Develop, promote and review the Tax Ombud's Compilation of Taxpayers' Rights, Entitlements and Obligations.	Target not planned	Development and approval of Compilation of Taxpayers' Rights, Entitlement, and Obligations
		Target not planned	Promotion of the Compilation - 50 activities from the date of approval.
Target not planned		3 annual reviews of the taxpayers' Compilation from the date of approval.	

**Medium Term Strategic Framework priority (MTSF):
Building a capable, ethical and developmental state**

Outcomes	Outcome indicators	Baseline	Five-year targets
Create an agile organisation that can scale efficiently to meet taxpayer demands.	Percentage of customers satisfied with the OTO's complaints-resolution process.	73%	75%
	Percentage of Digital Communications Framework activities implemented.	Target not planned	100%
	Percentage of Community Outreach Framework activities implemented.	Target not planned	100%
	Employee engagement survey at second quartile.	Third quartile (-28%)	Top quartile.
	Net promoter score for taxpayers' brand recognition survey.	-3	+1
Promote stakeholder engagement and collaboration.	Percentage of Stakeholder Engagement Framework activities implemented.	Target not planned	100%
Optimise governance structures, risk management and business processes.	Performance audit outcome achieved.	Target not planned	Clean audit
Enhance and strengthen the mandate of the Office of the Tax Ombud.	Tax Administration Act amendment proposals sent to National Treasury for consideration.	Target not planned	5 proposals or decisions not to make proposals



1.3. Explanation of the planned performance over the five-year planning period

Strategic initiatives

The OTO has identified and developed initiatives that will assist in achieving the five-year targets. These initiatives will be implemented at different stages in the five-year period. The initiatives are linked to the outcomes. The following initiatives are planned:

Outcomes	Five-year outcome initiatives
Review and address complaints by taxpayers against SARS.	<ul style="list-style-type: none"> • Implement an efficient complaints review plan that will ensure complaints are evaluated and reviewed within eight days. • Implement a complaints management framework that will improve the feedback provided to taxpayers.
Contribute to improving the tax administration system and building confidence in the system.	<ul style="list-style-type: none"> • Implement a framework to identify systemic issues from the complaints received, stakeholder feedback and requested or approved by Minister. • Introduce a monitoring and evaluation plan to comply with the turnaround times for completing systemic investigation reports. • Develop and promote a compilation of the rights and obligations of taxpayers.
Create an agile organisation that can scale efficiently to meet taxpayer demands.	<ul style="list-style-type: none"> • Implement a five-year digital framework through continuous interactive online platforms that will improve the OTO's brand presence and promote accessibility of its services to all taxpayers. • Implement a feedback plan that will assist taxpayers in ensuring that they comprehend the outcome of their complaints. • Implement a Human Resources Strategy that encourages professionalism and high performance by OTO employees. • Develop and implement a training plan for employees. • Conduct a capacity study on a five-year plan to determine the OTO's ability to meet future demand for its services. • Develop a five-year quality matrix document to improve the quality of service provided to taxpayers. • Implement a monitoring and evaluation plan that will assist the OTO in understanding customer needs and ensure effective communication. • Develop a five-year stakeholder framework that promotes optimal engagement and collaboration to ensure efficient interaction between the OTO and its stakeholders and to strengthen relationships. • Develop a five-year community outreach activity framework to ensure that taxpayers in all nine provinces know the OTO's mandate and understand its processes.
Promote stakeholder engagement and collaboration.	<ul style="list-style-type: none"> • Develop a five-year stakeholder framework that promotes optimal engagement and collaboration to ensure efficient interaction between the OTO and its stakeholders and to strengthen relationships.
Optimise governance structures, risk management and business processes.	<ul style="list-style-type: none"> • Develop and implement an independent governance framework with efficient and effective governance structures, including internal and external assurances. • Develop and implement a risk management framework. • Maintain an unqualified audit report record for performance and financial information.
Enhance and strengthen the mandate of the Office of the Tax Ombud.	<ul style="list-style-type: none"> • Draft annual proposals on legislative amendments to enhance the OTO mandate. • Enter into memorandums of agreement, service level agreements or formal interventions with various stakeholders, to optimise engagement. • Review current service level agreements with SARS to optimise structural independence and efficiency.

1.3.1. Progress made towards the achievement of the impact statement.

Programme	Programme purpose	Output (objectives)	Strategic planned activities achieved
Accountability	Ensure a balanced and fair application of the tax administration process and contribute to a culture of tax compliance.	Review and address complaints by taxpayers against SARS.	<p>1. Implement a complaints management framework that will improve the feedback provided to taxpayers.</p> <ul style="list-style-type: none"> The complaints management framework was developed and approved by the Senior Management Committee for implementation on 15 June 2021. The implementation of the complaints management framework is in progress.
		Contribute to improving the tax administration system and building confidence in the system.	<p>1. Develop and promote the Compilation of Taxpayers' Rights, Entitlements and Obligations.</p> <ul style="list-style-type: none"> The Compilation of Taxpayers' Rights, Entitlements and Obligations was developed and approved in March 2022. The promotion of the Compilation of Taxpayers' Rights, Entitlements and Obligations commenced in the 2022/23 financial year. The Compilation of Taxpayers' Rights, Entitlements and Obligations is subject to review annually, i.e., from 2022/2023 to the 2024/2025 financial years. This will be informed by legislative amendments that may necessitate changes to the existing document. The Office will also assess the impact of the Compilation of Taxpayers' Rights, Entitlements and Obligations after the 2024/2025 financial year.
Efficacy	Provide a consistently high-quality, taxpayer-centric service at a minimal cost.	Create an agile organisation that can scale efficiently to meet taxpayer demands.	<p>1. Implement a feedback plan that will assist in ensuring that taxpayers comprehend the outcome of their complaints.</p> <ul style="list-style-type: none"> The taxpayer feedback framework was developed and approved on 22 February 2022. The implementation of the feedback framework is in progress.
			<p>2. Implement a five-year digital framework through continuous interactive online platforms that will improve the OTO's brand presence and promote accessibility of its services to all taxpayers.</p> <ul style="list-style-type: none"> The digital framework was developed and adopted on 4 June 2020. From the approved framework, a Digital Communications Framework Road map was compiled, which broke down the deliverables across a five-year plan, separated into project-based digitisation, continuous social media and digital advertising. The annual outputs correspond to 20% of the total deliverables of the plan. Since the adoption of the framework, the OTO website has been redeveloped with improved functionality; an Intranet/workspace has been deployed for the OTO, and the Office has run continuous social media messaging supported by advertising campaigns at strategic periods. In the first two years, the OTO achieved the target set of 40% progress against the framework. The framework implementation is in progress and it is anticipated that the OTO will achieve the five-year target.

Programme	Programme purpose	Output (objectives)	Strategic planned activities achieved
Efficacy	Provide a consistently high-quality, taxpayer-centric service at a minimal cost.	Create an agile organisation that can scale efficiently to meet taxpayer demands.	<p>3. Develop and implement a Human Resources Strategy that encourages professionalism and high performance by OTO employees.</p> <ul style="list-style-type: none"> A Human Resources Strategy was developed and approved in October 2021. The Human Resources Strategy implementation is in progress, including workforce planning.
		Promote stakeholder engagement and collaboration.	<p>1. Develop a five-year community outreach activity framework to ensure taxpayers in all nine provinces are aware of the OTO's mandate and understand its processes.</p> <ul style="list-style-type: none"> The community outreach framework was developed and adopted on 18 November 2020. The OTO reached out to taxpayers through virtual presentations, seminars, television and radio broadcasting, publications, exhibitions, media engagements, email, social and digital media marketing and advertising and surpassed all annual targets and is thus on track to surpass the five-year target. <p>2. Develop a five-year stakeholder engagement framework that promotes optimal engagement and collaboration to ensure efficient interaction between the OTO and its stakeholders and strengthen relationships.</p> <ul style="list-style-type: none"> The stakeholder engagement framework was developed and adopted on 17 March 2021. The Office has continuously engaged with stakeholders, grouped according to the stakeholder mapping process of the OTO. The Office has fostered mutually beneficial partnerships with government departments, RCBs, academia, private businesses, the media and taxpayers and secured fruitful engagements through educational interactions. The Office has continuously surpassed set annual targets and is on track to exceed the five-year objectives.
Independence	An Office of the Tax Ombud that is structurally and operationally independent to limit the risk of perceived bias.	Optimise governance structures, risk management and business processes.	<p>1. Develop and implement an independent governance framework with efficient and effective governance structures, including internal and external assurances.</p> <ul style="list-style-type: none"> Limited assurance external audit has been provided by the Auditor-General South Africa (AGSA) from the 2020/21 financial year. The development of a comprehensive framework is in progress.
		Enhance and strengthen the mandate of the Office of the Tax Ombud.	<p>2. Draft annual proposals on legislative amendments to enhance the OTO mandate.</p> <ul style="list-style-type: none"> A proposal on legislative amendments was drafted and submitted to National Treasury annually for their consideration to strengthen taxpayers' trust and confidence in tax administration.

2. KEY STRATEGIC RISKS AND MITIGATIONS FROM THE STRATEGIC PLAN

The table outlines the key risks identified in the process of developing the Strategic Plan 2020–2025 that may affect the achievement of the planned outcomes and outputs, and spells out related risk mitigation factors.

Outcomes	Key risks	Risk mitigations
<p>Review and address complaints by taxpayers against SARS.</p> <p>Enhance and strengthen the mandate of the Office of the Tax Ombud.</p> <p>Contribute to improving and building confidence in the tax administration system.</p>	<p>Non-adherence to turnaround times for reviewing and addressing complaints and resolving or implementing recommendations that could impact taxpayers' trust and confidence in the OTO and the tax administration system.</p>	<ul style="list-style-type: none"> • Implement the complaint review MoU/SLA with SARS to resolve turnaround times. • The Tax Ombud is to have quarterly meetings with the SARS Commissioner to discuss non-compliance by SARS in terms of the MoU and the Tax Administration Act (TAA). • Bi-monthly meetings are held with SARS employees.
<p>Contribute to improving the tax administration system and building confidence in the system.</p>	<p>A lack of structural independence might result in taxpayers perceiving the OTO as lacking objectivity and independence.</p>	<ul style="list-style-type: none"> • Review the MoU/SLA with SARS to ensure that the OTO's operations are independent of SARS. • OTO to continue engaging the Finance Ministry regarding the independence of the OTO.
<p>Review and address complaints by taxpayers against SARS.</p> <p>Enhance and strengthen the mandate of the Office of the Tax Ombud.</p>	<p>Lack of financial resources to optimally review and address complaints might impact the outcome of complaints and lead to taxpayers losing confidence in the OTO's ability to address their complaints.</p>	<ul style="list-style-type: none"> • Undertake constant engagement with National Treasury to ensure that the Office is adequately funded.
<p>Review and address complaints by taxpayers against SARS.</p>	<p>Delays in the process of reviewing and addressing complaints due to the lack of improved IT will result in non-adherence to turnaround times.</p>	<ul style="list-style-type: none"> • Establish an internal digital committee to monitor the implementation of the digital communications framework and engage SARS on issues relating to the framework. • Engage the National Treasury to provide funding for digital communications framework activities.
<p>Create an agile organisation that can scale efficiently to meet taxpayer demands.</p>	<p>The lack of understanding of the OTO mandate and its limitations creates unrealistic expectations and raises doubts over the OTO's ability to review and address complaints.</p>	<ul style="list-style-type: none"> • Implement a five-year communication and outreach plan that will further promote taxpayer awareness of the OTO mandate and services. Implement a feedback plan that will assist taxpayers in understanding the outcome of their complaints. • Continue taxpayer awareness and monitor levels of awareness through the customer satisfaction survey.
<p>Optimise governance structures, risk management and business processes.</p>	<p>Leadership uncertainty might result in a destabilised working environment.</p>	<ul style="list-style-type: none"> • Conduct change management initiatives and induction of new executives.



PART
D.

**TECHNICAL INDICATOR
DESCRIPTIONS (TIDs)**

TID NO: 1

Required field	Description
Indicator title	Percentage of complaints acknowledged within two business days of receipt.*
Short definition	The Office acknowledges complaints received within two days of being checked for completeness and registers them on the system.
Purpose/importance	The indicator aims to inform a taxpayer that the Office has received the complaint and provides feedback on any missing documents not provided with the complaints form.
Source/collection of data	The Service Manager System generates a letter of acknowledgment for dispatch to a taxpayer who has lodged a complaint.
Method of calculation	Total number of complaints acknowledged within two days divided by total complaints received and acknowledged, multiplied by 100.
Data limitations	None
Type of indicator	Efficiency and inputs
Calculation type	Cumulative year-end (quarterly non-cumulative, cumulative annually)
Reporting cycle	Quarterly
New indicator	Existing
Desired performance	Acknowledge all complaints within two business days of receipt.

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



TID NO: 2

Required field	Description
Indicator title	Percentage of complaints evaluated and reviewed within eight business days of the date of acknowledgment.*
Short definition	The complaint is evaluated/reviewed, and recommendations are assigned to SARS. The outcome letters for complaints not reviewed are sent to the taxpayer within eight business days from the complaint's acknowledgement.
Purpose/importance	To become truly taxpayer-centric by providing a consistently high-quality service at minimal cost and creating an agile organisation that can scale efficiently to meet demand.
Source/collection of data	Service Manager data
Method of calculation	Total number of complaints evaluated and reviewed within eight business days of acknowledging a complaint, divided by total complaints evaluated and reviewed during the reporting period, multiplied by 100.
Data limitations	None
Type of indicator	Efficiency and output
Calculation type	Cumulative year-end
Reporting cycle	Quarterly and annually
New indicator	Existing
Desired performance	A higher number of complaints is evaluated and reviewed within eight business days from the date of acknowledgement of the complaint.
Indicator responsibility	Senior Manager: Operations

* The complaint is captured after the acknowledgment letter is issued to the complainant.

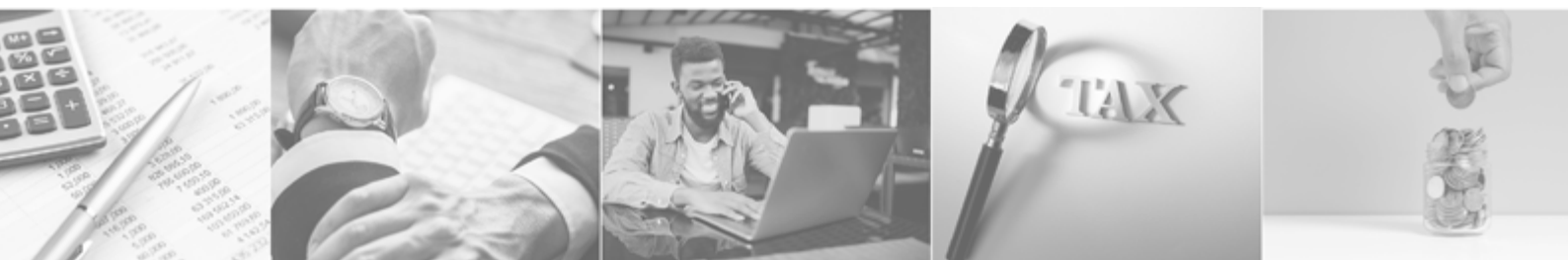


Required field	Description
Indicator title	Percentage of close-out reports actioned within four business days of the date of receipt.
Short definition	Finalisation of completed close-out reports for recommendations assigned and received from SARS.
Purpose/importance	To become truly taxpayer-centric by providing a consistently high-quality service at minimal cost and creating an agile organisation that can scale efficiently to meet demand.
Source/collection of data	Service Manager reports
Method of calculation	Total number of close-out reports actioned (finalised) within four business days of receipt, divided by total number of close-out reports finalised within the reporting period.
Data limitations	The manual process for allocating close-out reports to Operational Specialists and delays from taxpayers with confirmations.
Type of indicator	Impact, efficiency, equity
Calculation type	Cumulative year-end
Reporting cycle	Quarterly and annually
New indicator	Existing
Desired performance	The higher performance of resolution time against the set target of four days from the date close-out reports are received.
Indicator responsibility	Senior Manager: Operations



TID NO: 4

Required field	Description
Indicator title	Percentage of systemic issues identified and investigated within five months.
Short definition	These are issues identified from the monitoring of individual complaints received and from stakeholder engagements, and that are possibly systemic. The investigated issues affect or might affect a number of taxpayers in the tax system.
Purpose/importance	To identify procedural, administrative or policy weakness within the tax administration system due to a particular matter that can be regarded as an underlying cause of a complaint that affects or will affect a number of taxpayers in the tax system.
Source/collection of data	Systemic issues register
Method of calculation	Number of systemic issues identified and investigated within five months (including issues not found to be systemic at the preliminary stage), over the number of systemic issues identified and investigated during the reporting period (including issues not found to be systemic), multiplied by 100.
Data limitations	N/a
Type of indicator	Output
Calculation type	Cumulative year-end
Reporting cycle	Quarterly and annually
New indicator	Existing
Desired performance	To identify all systemic issues that affect or will affect a number of taxpayers. Actual performance that is higher than the targeted performance is desirable.
Indicator responsibility	Senior Manager: Legal Services and Systemic Investigations



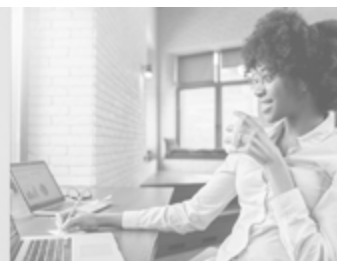
TID NO: 5

Required field	Description
Indicator title	Time taken to complete systemic investigation report/s approved or requested by the Minister.
Short definition	This measures the timeframe within which reports on identified systemic issues are investigated and finalised, from the Minister's date of approval or request until the final report is submitted to SARS.
Purpose/importance	To identify and remedy procedural, administrative or policy weaknesses within the tax administration system due to a particular matter that can be regarded as an underlying cause of a complaint that affects or will affect a number of taxpayers in the tax system.
Source/collection of data	Progress report on the investigation(s)/reports issued pertaining to the investigation.
Method of calculation	A simple count of the months taken to complete the systemic investigation reports from the Minister's date of approval/request until the final report is submitted to SARS.
Data limitations	The commencement of the investigation is dependent on approval from the Minister.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No, this is an existing indicator from the previous period.
Desired performance	To investigate 100% of approved investigations within 12 months.
Indicator responsibility	Senior Manager: Legal Services and Systemic Investigations



TID NO: 6

Required field	Description
Indicator title	Number of existing systemic issues removed from the register of systemic issues through implementation by SARS.
Short definition	The indicator measures the success of implementing the recommendations on systemic issues that were resolved or finalised by SARS.
Purpose/importance	This will contribute to the efficient functioning of the tax administration system. The knock-on effect will reduce the number of complaints lodged with the OTO due to the underlying root causes of complaints being addressed and resolved through systemic investigation.
Source/collection of data	Systemic issues register
Method of calculation	A simple count of the existing systemic issues removed from the register of systemic issues.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Existing
Desired performance	To make successful recommendations on all identified systemic issues and achieve SARS resolution of the systemic issues from the OTO.
Indicator responsibility	Senior Manager: Legal Services and Systemic Investigations



TID NO: 7

Required field	Description
Indicator title	Develop, promote and review the Tax Ombud's Compilation of Taxpayers' Rights, Entitlements and Obligations.
Short definition	Review and update the Tax Ombud's Compilation of Taxpayers' Rights, Entitlements and Obligations to refine or comply with recent changes in the tax environment or legislation.
Purpose/importance	To provide taxpayers with further information regarding their rights and obligations. An informed taxpayer base will result in a more efficient and compliant taxpayer.
Source/collection of data	Reviewed and updated the Compilation of Taxpayers' Rights, Entitlements and Obligations.
Method of calculation	Non-cumulative - Simple count of the reviewed and updated Compilation of Taxpayers' Rights, Entitlements and Obligations.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Existing
Desired performance	To have a current (updated) Compilation of Taxpayers' Rights, Entitlements and Obligations.
Indicator responsibility	Senior Manager: Legal Services and Systemic Investigations



TID NO: 8

Required field	Description					
Indicator title	Percentage of Digital Communications Framework implemented.					
Short definition	A five-year digital communications framework will improve the OTO's efficiency and brand presence and promote the accessibility of its services to all taxpayers.					
Purpose/importance	To communicate and promote accessibility and awareness of the services of the OTO through digital platforms.					
Source/collection of data	Digital Communications Framework. Implementation progress reports and/or final reports.					
Method of calculation	The Office will strive to implement 100% of the activities per year for the five years. Achievement of the target will be the sum of all implemented activities for the five-year planning period.					
	Description	2020-21	2021-22	2022-23	2023-24	2024-25
	Digitisation	Intranet/workspace designed - 12.5%	Online complaints submission, customer survey - 12.5%	Mail management: migrate OTO to Exchange Online - 6.25%	N/A	Omni-channel CRM, fully integrated with Service Manager. Mobile application - 12.5%
		N/A	N/A	CRM: Integrate customer response survey with website and bulk mailer - 6.25%	Digital complaints management system -20%	N/A
	Digital communications	Responsive (mobile-friendly) site - 12.5%	Responsive site on the updated platform - 12.5%	Expand content marketing: Introduce two new content types on the website - 6.25%	Develop chatbot / live service agent interaction on the website - 20%	Social media integration with CRM - 12.5%
		N/A	N/A	Improve search engine optimisation (SEO): upgrade Google pixel - 6.25%	N/A	N/A
	Social media and digital advertising	Grow by 10% a year on established social media channels - Twitter, Facebook, Instagram, LinkedIn - through the organic campaign and paid campaigns - 25%.	Grow by 10% a year on established social media channels - Twitter, Facebook, Instagram, LinkedIn - through the organic campaign and paid campaigns - 25%.	Grow by 10% a year on established social media channels - Twitter, Facebook, Instagram, LinkedIn - through the organic campaign and paid campaigns - 25%.	Grow by 10% a year on established social media channels - Twitter, Facebook, Instagram, LinkedIn - through the organic campaign and paid campaigns - 20%.	Grow by 10% a year on established social media channels - Twitter, Facebook, Instagram, LinkedIn - through organic and paid campaigns - 25%.
		3 paid campaigns a year - SARS Tax Season, OTO Anniversary and Annual Report Launch, and SARS Revenue Drive. Integrated communications with media engagements - 25%.	3 paid campaigns a year - SARS Tax Season, OTO Anniversary and Annual Report Launch, and SARS Revenue Drive. Integrated communications with media engagements - 25%.	3 paid campaigns a year - SARS Tax Season, OTO Anniversary and Annual Report Launch, and SARS Revenue Drive. Integrated communications with media engagements - 25%.	3 paid campaigns a year - SARS Tax Season, OTO Anniversary and Annual Report Launch, and SARS Revenue Drive. Integrated communications with media engagements - 20%.	3 paid campaigns a year - SARS Tax Season, OTO Anniversary and Annual Report Launch, and SARS Revenue Drive. Integrated communications with media engagements - 25%.
		Continuous organic campaign to promote OTO activities - 25%.	Continuous organic campaign to promote OTO activities - 25%.	Continuous organic campaign to promote OTO activities - 25%.	Continuous organic campaign to promote OTO activities - 20%.	Continuous organic campaign to promote OTO activities - 25%.
	Annual Target	100%	100%	100%	100%	100%
Data limitations	None					
Type of indicator	Activity					
Calculation type	Cumulative year-end					
Reporting cycle	Annually					
New indicator	Existing					
Desired performance	Improved accessibility, efficiency and awareness about the OTO.					
Indicator responsibility	Manager: Communications and Stakeholder Relations					

TID NO: 9

Required field	Description
Indicator title	Percentage of the Community Outreach Framework activities implemented.
Short definition	Activities aimed at educating stakeholders about the OTO and the services offered.
Purpose/importance	Educate taxpayers and create awareness about the existence of the OTO and the services offered.
Source/collection of data	Report on the implementation of the framework.
Method of calculation	<p>Total community outreach activities/initiatives implemented, divided by total community outreach activities/initiatives planned for the year as per the Community Outreach Framework roadmap, multiplied by 100.</p> <p>Planned activities:</p> <ul style="list-style-type: none"> • Stakeholder presentations, exhibitions and seminars - 60 • Media engagements and interviews (print, broadcast and digital) - 60 • Email marketing - 10 • Advertising - 10
Data limitations	The OTO will only count on information at its disposal due to the lack of media-monitoring resources.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No, this is an existing indicator from the previous period.
Desired performance	Widespread awareness about the OTO and the services offered.
Indicator responsibility	Senior Manager: Communications and Stakeholder Relations



TID NO: 10

Required field	Description
Indicator title	Employee engagement survey in the second quartile.
Short definition	Build a culture of professionalism and excellence by conducting an employee engagement survey.
Purpose/importance	To build a culture of professionalism and excellence.
Source/collection of data	Survey results
Method of calculation	Simple observation of the survey outcome results Quartile 1: 0 - 2.5 (top quartile) Quartile 2: 2.6 - 5.0 Quartile 3: 5.1 - 7.5 Quartile 4: 7.6 - 10
Data limitations	Employee participation, budget and external service provider.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	Second quartile
Indicator responsibility	Senior Manager: Office Enablement and Support Services



TID NO: 11

Required field	Description
Indicator title	Net Promoter Score for taxpayers' brand recognition survey.
Short definition	The quantitative survey seeks to ascertain stakeholder brand awareness and customer satisfaction.
Purpose/importance	To identify the gap that exists between the OTO and taxpayers and use the survey findings to implement means of bridging the gap.
Source/collection of data	Brand recognition survey findings.
Method of calculation	Percentages in different categories of the survey.
Data limitations	None
Type of indicator	Survey
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No, this is an existing indicator from the previous period.
Desired performance	Informative data on OTO stakeholder brand recognition.
Indicator responsibility	Senior Manager: Communications and Stakeholder Relations



TID NO: 12

Required field	Description
Indicator title	Percentage of Stakeholder Engagement Framework activities implemented.
Short definition	A five-year stakeholder framework promotes optimal engagement and collaboration to ensure efficient interaction between the OTO and its stakeholders and to strengthen relationships.
Purpose/importance	Promote, educate and create awareness about the OTO's services.
Source/collection of data	Register of collaboration and stakeholder engagement events held.
Method of calculation	<p>The number of Stakeholder Engagement Framework activities implemented, divided by the number of stakeholder engagement activities planned for the year in terms of the Stakeholder Engagement Framework roadmap, multiplied by 100.</p> <p>Planned activities</p> <ul style="list-style-type: none"> • Stakeholder newsletters published - 10 • Stakeholder engagements - 30
Data limitations	None
Type of indicator	Activity
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Existing
Desired performance	Promote the OTO to all stakeholders.
Indicator responsibility	Senior Manager: Communications and Stakeholder Relations



TID NO: 13

Required field	Description
Indicator title	Performance audit outcome achieved.
Short definition	Audit outcome expressed by the Auditors on the performance information of the Office.
Purpose/importance	Audit outcome reflects the effectiveness of internal controls, the accuracy and validity of information and compliance with relevant prescripts that govern an institution.
Source/collection of data	Audit report
Method of calculation	Audit outcome as per the Auditor-General's audit report
Data limitations	The indicator assumes that a performance information audit will be conducted.
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	New indicator
Desired performance	Clean audit
Indicator responsibility	Senior Manager: Office Enablement and Support Services

TID NO: 14

Required field	Description
Indicator title	Tax administration amendment proposals are sent to Treasury for consideration if required.
Short definition	These are changes or additions proposed to the section of the Tax Administration Act that deals with the Office of the Tax Ombud.
Purpose/importance	To determine if it is necessary to improve or enhance the sections of the Tax Administration Act that deal with the Office of the Tax Ombud, ensuring the OTO becomes structurally and operationally independent.
Source/collection of data	Amendment proposals are sent to National Treasury, or a formal decision is taken not to make proposals.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Input
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Existing
Desired performance	Up-to-date and relevant Tax Administration Act.
Indicator responsibility	Senior Manager: Legal Services and Systemic Investigations

ABBREVIATIONS

COVID-19	Coronavirus disease-2019
MoU	Memorandum of Understanding
OTO	Office of the Tax Ombud
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
POPIA	Protection of Personal Information Act
RCB	Recognised Controlling Bodies
SARS	South African Revenue Service
SLA	Service Level Agreement
SWOT	Strengths, Weaknesses, Opportunities and Threats
TID	Technical Indicator Description
VAT	Value Added Tax



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