



ANNUAL PERFORMANCE PLAN 2023/24

SOUTH AFRICAN REVENUE SERVICE



South African Revenue Service

2023/24 **ANNUAL PERFORMANCE PLAN**

South African Revenue Service

RP70/2023

ISBN: 978-0-621-50997-7

Abbreviations

AEO:	Authorised Economic Operator
AI:	Artificial Intelligence
APA:	Advance Pricing Agreements
APP:	Annual Performance Plan
ATAF:	African Tax Administration Forum
CEMIS:	Compliance Evaluation Monitoring Information System
CFO:	Chief Financial Officer
CIPC:	Companies and Intellectual Property Commission
CIT:	Corporate Income Tax
COGTA:	Cooperative Governance and Traditional Affairs
DTC:	Davis Tax Committee
ENE:	Estimates of National Expenditure
EOI:	Exchange of Information
ETI:	Employment Tax Incentive
FATF:	Financial Action Task Force
FIC:	Financial Intelligence Centre
FOSAD:	Forum of South African Directors-General
FTA:	Free Trade Agreement
GBV:	Gender-Based Violence
ICT:	Information Communications Technology
KM:	Knowledge Management
KPI:	Key Performance Indicator
MOU:	Memorandum of Understanding
MTBPS:	Medium-Term Budget Policy Statement
MTEF:	Medium-Term Expenditure Framework
MTSF:	Medium-Term Strategic Framework
NATJOINTS:	National Joint Operational and Intelligence Structure
NCCC:	National Coronavirus Command Council
NDP:	National Development Plan
NES:	Net Easy Score
NPA:	National Prosecuting Authority
NSG:	National School of Government
OECD:	Organisation for Economic Cooperation and Development
PAYE:	Pay-As-You-Earn
PFMA:	Public Finance Management Act
PIT:	Personal Income Tax
PPE:	Personal Protective Equipment
RAWC:	Revenue Analysis Working Committee
SALGA:	South African Local Government Association
SARB:	South African Reserve Bank
SARS:	South African Revenue Service
SMS:	Short Message Service
SO:	Strategic Objective
TADAT:	Tax Administration Diagnostic Assessment Tool

ANNUAL PERFORMANCE PLAN

CONTENTS

Abbreviations	3
Minister's Statement	5
Commissioner's Statement	6
Official sign-off	8
PART A: OUR MANDATE	9
Legislative and policy mandates	9
How we fulfill our mandate	9
Institutional policies and strategies over the five year planning period	11
PART B: OUR STRATEGIC FOCUS	15
Situational analysis	15
Key external environmental factors and our approach	15
Key internal environmental factors and our approach	21
PART C: MEASURING OUR PERFORMANCE	22
Institutional performance information	22
Resource Considerations	33
Risks and mitigations	35
PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDs)	41
ANNEXURES	55
Annexure A: Changes to the 2020/21 – 2024/25 SARS Strategic Plan Key Performance Indicators and Targets	55



Enoch Godongwana
Minister of Finance

Minister's Statement

2023 marks my third consecutive year as Minister of Finance, responsible for the South African Revenue Service (SARS), in this 25th year of its existence.

I am honoured to continue serving all South Africans, and particularly, taxpayers. I look forward to continuing delivering on my mandate by working tirelessly to oversee SARS' sustained implementation of its Vision 2024 to build a smart modern SARS, with unquestionable integrity that is trusted by government, the public and our international peers.

I am proud of the way in which SARS has reversed many of the adverse consequences of its capture between 2014 and 2018, whilst at the same time, exploiting opportunities presented by the COVID-19 pandemic to accelerate implementation of its Vision 2024, in pursuit of its Strategic Intent to develop a Tax and Customs system based on Voluntary Compliance.

From the onset, the government placed a huge reliance on institutions like SARS to provide and administer economic and other relief measures to minimize the impact of the disruptions caused by the pandemic. Revenue collection efforts enabled the government to provide much-needed relief to millions of South Africans and businesses. This is a testimony to the fact that a well-functioning and effective revenue service is crucial to meeting the fiscal needs and ensuring the viability of our democracy in the most difficult of times.

Whilst much has been achieved, much still remains to be done. SARS will, in the coming year, continue its efforts to rebuild and ensure a sustainable system of voluntary compliance in an empathetic way.

This year's performance plan sets the basis for the next five-year planning cycle. We need to reflect on how we will secure gains made by SARS in the past four years. Judge Nugent, who headed the Commission of Inquiry into Tax Administration and Governance by SARS, reported that the failure of governance at SARS during its capture between 2014 and 2018 was made possible by weaknesses in the governing legislation for the revenue authority, which did not entrench governance structures in the organisation. As the responsible Minister, I will be driving the process to introduce mechanisms to prevent a recurrence of such a breakdown of governance and administration in SARS this year.

I invite you to discover more about how SARS plans to better serve South Africans by reading onward. As the Minister of Finance, it is my pleasure to present SARS' Annual Performance Plan 2023–2024. I look forward to what will be accomplished for the South African community, taxpayers and traders.

Enoch Godongwana
Minister of Finance



**Edward Chr
Kieswetter**
SARS Commissioner

Commissioner's Statement

The SARS APP 2023-2024 builds on our strong foundation and enduring commitment to the South African community, taxpayers and traders. This APP outlines the steps SARS is taking to deliver on our Vision 2024. The achievement of our strategic intent remains our over-arching commitment, whilst we retain sufficient agility and flexibility to account for the dynamic and ever-changing context within which we deliver the SARS mandate. This is evident, as most of the 2019/2020 strategic initiatives have been rolled over consistently into this plan, reinforcing our commitment to the direction and sustainability of our transformation well beyond 2024.

We have progressed significantly on our journey of rebuilding “A SMART Modern SARS, with unquestionable integrity that is trusted and admired”, in support of voluntary compliance. Our priority has been on meeting the needs of our taxpayers and traders, and supporting them through challenging times. In this year, we will continue to work with taxpayers, traders and our stakeholders to deliver modern and seamless experiences. In this fast-changing world, our objective is clear: deliver better tax experiences by making things clearer, simpler, easier, and more accessible for our taxpayers, to enable them to comply voluntarily with their tax obligations. Our key results from last year demonstrate the underlying strengths of SARS’ responsiveness, expertise and collaboration through the SARS Rebuilding Programme.

SARS has made substantial strides in the past year by embedding a comprehensive framework to strengthen our leadership, enhance our employee value proposition, and augment the institutional capability by reimagining its modernisation efforts. The essence of the emerging operating model embraces the increased and expanded use of big data, artificial intelligence and enabling technologies to augment the efforts of our employees. The aim is to improve the taxpayer and trader experience, detect and respond to instances of non-compliance, as well as focus on the illicit economy, and the effects of state capture. We recognise with humility that there is still much work to be done, whilst being encouraged by the measurable progress.

SARS progressed its efforts to restore its leadership and people capability by further implementing the SARS Leadership Model premised on Steward Leadership, which expects each SARS leader to display personal mastery, manage people, and work and impact others positively. In embedding the model, SARS established several forums, each with a specific mandate, including the Women in Leadership programme and the Junior Board.

This year, we will make a concerted effort to operationalise our aspiration that “the best service is no service”. To this end, we will further our efforts on leveraging the synthesis of people, data and technology, so that eventually “tax just happens”, thus eliminating the need for any service-related enquiry by taxpayers, and making the fulfilment of their obligations seamless. We will:

- Further invest in building our people capability, strengthening the leadership bench at the next level; focus on operations management in pursuit of operations excellence; implement our enhanced employee value proposition; and finalise organisational arrangements and focus on succession management.
- Focus on the most critical and transformational strategic initiatives. The initiatives have at their core technology-driven solutions to help taxpayers and traders voluntarily comply with their tax obligations, build public trust and confidence in the tax administration, and progress SARS towards being a streamlined, integrated and data-driven organisation through the SARS Modernisation Programme.
- Make progress by delivering against our key must-win battles, namely: Broadening the Tax Base; Improving Voluntary Compliance and Fiscal Citizenship; Leveraging our Resources (People, Data & Technology) and efforts intelligently to achieve more with less; Maintaining crucial Partnerships within Government, Stakeholders locally and internationally; and Building an organisation with Integrity that can be Trusted and Admired.

The leadership of SARS is fully aware that to deliver on any of these, it relies on SARS' valued employees. It is more important than ever that the SARS workforce be provided with the right tools and support to help our people grow and thrive into the future. With the inclusion of our core people-orientated priorities in the APP this year, we aim to strengthen the connection our employees have with the plan, and give everyone visibility of how they contribute.

I am proud of the effort and achievements of SARS over the past few years. Together we have reversed some of the most adverse consequences of the SARS capture, and set the institution on a new trajectory to achieve even more as we unite in our Higher Purpose.

I wish to thank all SARS employees and express my sincere gratitude for their continuous commitment and determination to uphold the SARS mandate, and work towards our Vision 2024 of a Smart Modern SARS. I appreciate the support from colleagues in National Treasury and other Government Agencies. I am thankful to the Minister of Finance and Parliament for their ongoing support to rebuild SARS.



Edward Chr Kieswetter
SARS Commissioner and Accounting Officer

Official sign-off

It is hereby certified that this Annual Performance Plan:

- » Was developed by the management of SARS, under the guidance of Minister Enoch Godongwana.
- » Takes into account all relevant policies, legislation and other mandates for which SARS is responsible.
- » Accurately reflects the outcomes and impact which SARS will endeavour to achieve over the period 2023/24.



Yolande van der Merwe:
Chief Financial Officer



Katiso Tabe:
Executive: Enterprise Strategy and Planning



Edward Kieswetter:
Commissioner and Accounting Officer



Approved by:
Enoch Godongwana: **Minister of Finance**

PART A: OUR MANDATE

Legislative and policy mandates

The mandate of SARS, according to the SARS Act of 1997 (as amended) is to:

- » collect all revenues due
- » ensure optimal compliance with Tax and Customs legislation
- » provide a Customs service that will optimise revenue collection, protect our borders and facilitate legitimate trade.

The primary legislation that SARS administers include:

- » Income Tax Act, 1962
- » Customs and Excise Act, 1964
- » Value-Added Tax Act, 1991
- » Tax Administration Act, 2011
- » Employment Tax Incentives Act, 2013

How we fulfil our mandate

SARS Compliance Philosophy

Compliance, in our context, refers to the degree to which taxpayers (and traders) fulfil their tax obligations (i.e. registration, filing, declaration and payment) accurately and on time, as required by the law. Compliance that is voluntary refers to society fulfilling their obligations without being prompted by SARS to do so.

In the fulfilment of our mandate, the work of SARS in the main is to ensure taxpayer compliance. The SARS Annual Performance Plan (APP), therefore, is the means by which SARS intends to achieve tax compliance. The plan reflects, amongst other salient information, how SARS intentionally positions itself to triumph over the below must-win battles, viz:

1. Broadening the Tax Base
2. Improving Voluntary Compliance and Fiscal Citizenship
3. Leveraging our Resources and efforts Intelligently to achieve more with less
4. Maintaining crucial Partnerships within Government, Stakeholders locally and internationally
5. Building an organisation with Integrity that can be Trusted and Admired.

We have come to the realisation, time and again, that earning the public confidence and trust to win these battles is mission critical to fostering the principle of fiscal citizenry, and in our quest to realise our vision.

Embedded in voluntary compliance is the belief that most taxpayers and traders are honest, and will therefore strive to promote a culture where compliance is viewed as a positive social contribution. The behaviour of taxpayers may range from willing and intentional compliance to non-compliance largely due to either lack of knowledge of their obligations, or of the know-how. We are also aware that some taxpayers consciously choose not to comply, and will engage in aggressive tax planning to avoid fully discharging their tax obligations, some even engaging in criminal behaviour.

SARS holds the view that the majority of taxpayers will always do the right thing, whilst a certain number will always come short. Most taxpayers fit between these two extremes, in that they will do the right thing if the circumstances are right for them, but will choose not to comply if they believe they will get away with it. SARS will, therefore, through various forms, seek to move as many taxpayers and traders as possible up the continuum, towards voluntary compliance.

Our compliance philosophy is anchored by three pillars, i.e

1. Voluntary compliance will be achieved when everyone is aware of their tax obligations (clarity and certainty);
2. When it is reasonably easy and less costly to meet these obligations (make it easy); and
3. When there is a credible threat of detection and consequences for those who do not comply with their obligations (detection and enforcement).

To achieve high levels of voluntary compliance, we need to build administrative and institutional capability that has integrity, and serves the public beyond reproach.

Clarity and certainty

Taxpayers and traders that are aware, clear and certain of their rights and obligations are more likely to comply voluntarily. We will endeavour to administer tax and customs laws that are clear, easily understood and applied by taxpayers to the greatest extent possible. We will provide easy access to information, and guidance to taxpayers for better understanding. We will also provide certainty and consistency through prompt rulings, interpretation notes and explanatory guidelines. We will provide leverage products such as advance pricing agreements and advance rulings to certain segments of taxpayers and traders. We will also use other government facilities and institutions to educate taxpayers and traders about their rights and obligations.

Education and awareness campaigns will be attuned to the needs and behaviours of groups of taxpayers and traders, based on observations and insights drawn from data. We will pay particular attention to the work we do with, and through intermediaries, opinion-makers, influencers, professional bodies and other stakeholders, to provide clarity and certainty to taxpayers and traders.

We will reach out to future taxpayers and traders by collaborating with the Department of Basic Education and the Department of Higher Education to provide tax education.

Make it easy

We recognise that providing an easily accessible, professional and efficient service promotes voluntary compliance. Our service must enable taxpayers and traders to meet their obligations in a fair, easy, cost effective and convenient manner possible, most importantly for compliant taxpayers and traders. We will provide equitable access to all service channels, however, we will strive to encourage the majority of taxpayers and traders to mainly use our online self-service channels. Through these online channels and our branches, we will ensure that taxpayers and traders are provided with seamless services from registration, filing, declaration, payment to deregistration. Service offerings will be attuned to the needs and behaviours of groups of taxpayers and traders, and where appropriate, we will use intermediaries (accredited, certified or trusted) to provide services that enable taxpayers and traders to meet their obligations with the least effort and cost.

Detection and enforcement

The aim of our enforcement activities is to promote fairness and deter non-compliance with tax and customs laws by creating an environment where a taxpayer and trader's compliance is consistently monitored. In carrying out enforcement measures, we will apply a principle of proportionality, which matches the severity of the enforcement action to the nature of non-compliance. Our actions will be proportional to the level of non-compliance detected, moving through a continuum of "soft" enforcement for a lesser degree of non-compliance, first offenders etc. to "hard" enforcement for deliberate non-compliance e.g. intentional tax evasion, multiple offenders, and other forms. We will build the necessary capabilities (data, intelligence, skills, people, systems etc.) to detect and investigate non-compliance early, and communicate promptly with taxpayers and traders when non-compliance is detected. We will give non-compliant taxpayers and traders a reasonable time and clear guidance to respond and correct their non-compliance, and when that fails, we will utilise the tools at our disposal to respond appropriately.

We will embark on enforcement campaigns in areas where we have detected widespread non-compliance to create leverage. We will use our Compliance Programme as a tool to communicate to taxpayers and traders our observations regarding their compliance behaviours, and how we plan to address them.

In time, for the non-compliant taxpayer and traders, the cost of non-compliance must outweigh the benefit of non-compliance.

Institutional integrity and capability (effective administration)

The bedrock of voluntary compliance is an efficient, capable and disciplined administration that adheres to the highest standards of integrity and governance. An effective administration comprises of system integrity, transactional integrity, adequate financial resources, prudent management of resources, and people integrity (adequately skilled and resourced people, who behave professionally and ethically).

Our system integrity will include trustworthy taxpayers and traders' records, a transparent governance system with appropriate checks and balances, and value for money spending. We will expand the use of data and artificial intelligence to improve the integrity of our records, risk management, and to derive critical insights and improve outcomes.

In the course of interacting with taxpayers and traders, we will do everything permissible, in a fair and courteous manner, to enable them to meet their obligations with ease. We will take adequate measures to ensure efficiency and fairness in our actions, unbiased in our dealings with taxpayers and traders, in recognition of the potentially intrusive nature of our enforcement actions. We will manage exceptions in a transparent and fair manner.

To live up to our constitutional obligations and our legal mandate, we seek to maximise performance through prudent and ethical management and deployment of our resources (people, financial, intellectual, manufacturing, social and relational and natural capital) to deliver quality and measurable outcomes.

Section 195 (1) of the Constitution states, amongst other things, that public administration must exhibit "a high standard of professional ethics", must provide services "impartially, fairly, equitably and without bias", must be "accountable", and must be "broadly representative of the South African people". As SARS, we commit to abide by these principles.

We want our employees to be highly skilled at addressing and resolving taxpayer and trader queries, and disciplined in maintaining organisational processes. We want SARS to be a great place to work, where employees can express their aspirations and values. We will build and maintain a working environment that supports employee growth and development, by providing employees with the tools and skills they need to do their jobs, within a context of an evolving environment. We will continue to identify, recruit and upskill the right people to maintain excellence in our operations, drive innovation, and enable implementation of our future strategies.

At the heart of our “People Philosophy” is the recognition that we serve the public collectively through the role we play in the country’s fiscal management, and individually through the day-to-day interactions that we have with them.

Institutional policies and strategies over the five-year planning period

Policies

The National Development Plan (NDP) 2030, continues to shape government’s policy framework. Government’s policy direction, as outlined in the NDP, the Medium-Term Strategic Framework (MTSF) and other State policies, provide the policy framework on how SARS ought to carry out its mandate. As one of the critical organs of State, SARS will continue to diligently carry out its mandate of collecting the revenue required to fund critical government programmes. We will continue to promote and facilitate legitimate trade through the country’s borders to help grow the economy and protect it from harmful illicit trade activities.

Strategy over the five-year planning period

SARS’ Higher Purpose

Our work enables government to build a capable state, to foster sustainable economic growth and social development that serves the well-being of the people of South Africa.

Our Strategic Intent

To give effect to our mandate, our strategic intent is to ***develop and administer a tax and customs system of voluntary compliance, and where appropriate, enforce responsibly and decisively.***

It is our vision to ***build a smart, modern SARS with unquestionable integrity that is trusted and admired.***

Our strategic objectives

In support of our strategic intent and to give effect to our compliance philosophy, we have identified and committed to achieving nine Strategic Objectives to guide and inform our efforts and decisions, and establish where to focus our resources over the course of this planning cycle.

Our nine strategic objectives are:

1.	<p>Provide CLARITY and CERTAINTY for taxpayers and traders of their obligations</p> <p>The overall taxpayer and trader experience is empowering and enabling. Taxpayers and traders proactively receive clarity guidance, and where required, have easily accessible additional customized support. Certain segments of taxpayers and traders may also access leverage products such as advance pricing agreements, advance rulings (inclusive of Value-Added Tax - VAT rulings and binding general rulings) and co-operative compliance programmes.</p>
2.	<p>Make it EASY for taxpayers and traders to comply with their obligations</p> <p>Engagements with taxpayers and traders in the fulfilment of their obligations will be mainly online, intuitive and self-managed, with minimal face-to-face visits. For standard taxpayers (largely non-provisional taxpayers), the fulfilment of their registration, filing, declaration and payment obligations will be seamless. Exceptions will be resolved with ease and minimal intervention. Complex taxpayers (largely provisional taxpayers - individuals and entities) as well as their intermediaries, will experience engagements customised to their specific needs. Increasingly, trusted intermediaries will be empowered and enabled as authorised agents acting on our behalf.</p>
3.	<p>DETECT taxpayers and traders who do not comply, making non-compliance HARD and COSTLY</p> <p>Taxpayers and traders who negligently, deliberately, aggressively, or criminally stay out of the tax system or do not comply, will be detected immediately when non-compliance occurs. They will experience a response appropriate to the nature and degree of their non-compliance, which progressively, may include friendly reminders to more intrusive and investigative engagements that enforce compliance. Where necessary, hard enforcement may include court action, asset seizure and criminal prosecution. Non-compliant taxpayers and traders may under certain circumstances be named and shamed. The cost of non-compliance will be high and severe.</p>
4.	<p>Develop a HIGH performing, DIVERSE, AGILE, ENGAGED and EVOLVED workforce</p> <p>Our employees consider us to be an Employer of Choice and are engaged to deliver the best taxpayer and trader experience characterised by professionalism and actions that are beyond reproach. Tasks have become less administrative, more analytical and service oriented. Our employees easily collaborate to leverage their combined strengths, and we invest in them appropriately and provide them with the right tools for the job. They are able to respond to future demands of the work environment and changing needs of taxpayers and traders with ease.</p>
5.	<p>Increase and expand the use of DATA within a comprehensive knowledge management framework to ensure integrity, derive insight and improve outcomes</p> <p>By expanding and increasing the use of data, data analytics and artificial intelligence, we create the capability to understand the compliance behaviour of taxpayers and traders to provide clarity and certainty where it is needed, simple, easy and seamless service that fosters voluntary compliance, and timely/early detection of risks, trends and instances of non-compliance that enable us to enforce responsibly. We have incorporated data into a comprehensive system of knowledge management. The composite effect of the expanded and increased use of data must substantively support our strategic intent of voluntary compliance.</p>

6.	<p>Modernise our systems to provide DIGITAL and STREAMLINED online services</p> <p>Our digital platforms will provide reliable and secure services to all our constituencies. Specifically, to enable taxpayers and traders to meet their obligations simply, easily, and where appropriate seamlessly, anywhere. For our employees, to enable them to deliver world-class and best-in class taxpayer and trader experience and to ensure performance excellence. For our stakeholders, provide access to reports and analysis that enable them to hold us accountable.</p>
7.	<p>Demonstrate EFFECTIVE STEWARDSHIP of our resources to ensure EFFICIENCY and EFFECTIVENESS in the delivery of quality outcomes and performance excellence</p> <p>We steward the limited resources entrusted to us in a manner that creates value to achieve quality outcomes and performance excellence. The way we organise ourselves reflects agility and responsiveness to deliver the best experience for all our constituencies. We demonstrate a high work ethic, strive for performance excellence and achieve the most with the least effort and cost, and best-in class innovations that enable us to achieve our strategic intent.</p>
8.	<p>Work with and through STAKEHOLDERS to improve the TAX ECOSYSTEM</p> <p>We have effective and beneficial partnerships with all stakeholders in the tax ecosystem that deliver maximum benefits for the taxpayers and traders, government and the public. We leverage each other's strengths to resolve tax administration challenges and improve voluntary tax compliance. Our interactions and exchanges are formal, professional, and transparent. Intermediaries experience their engagement with us as empowering and enabling, mainly through online digital services.</p>
9.	<p>Build PUBLIC TRUST and CONFIDENCE in the tax administration system</p> <p>The public is confident that our stewardship of the country's tax system is professional, unbiased and fair; we always act and do the right thing all the time; we maintain the highest standards of integrity and ethics; we have transparent governance systems and processes; and we have capable and trustworthy leaders. We accept that ultimately we are accountable to taxpayers, traders, and their representatives, the general public and elected public office bearers, whose trust we must earn.</p>

Table 1: The nine strategic objectives

We will ensure accountability for the delivery of all nine strategic objectives by identifying key results, associated indicators and measurable targets for each. We will track, reflect and report on our performance quarterly and annually.

PART B: OUR STRATEGIC FOCUS

Situational analysis

Key external environmental factors and our approach

SARS is operating in an increasingly gloomy economic environment both globally and domestically, largely driven by the rising cost of living and interest rates, geo-political and economic tensions, natural disasters and extreme weather events, the slowdown in the Chinese economy due to the spread of COVID-19 and property market crisis, energy shortages, as well as poor public service delivery and corruption, which is negatively impacting on the public confidence in government.

Global Landscape

The world economy was well on a path to recovery from the devastating impact of the outbreak and spread of COVID-19, when it was faced by even more challenges emanating from Russia's invasion of Ukraine, which severely disrupted the global supply chain and pushed oil prices higher fueling inflation higher than seen in decades. Russia's war in the Ukraine drags on and recession risks remain elevated in the Euro Area, even though energy constraints have eased. Growth prospects for the United States this year are lower. The growth outlook for China has improved, but is likely to remain modest by historical standards. In the developing world, a number of economies face debt distress exacerbated by tighter global financial conditions. This has inevitably led to a series of tightening of the monetary policies across the world.

Taking these and other factors into account, the SARB's forecast for global growth in 2023 was revised slightly lower to 1.6% (from 1.9%). The Bank expects better growth in 2024 at 2.6% (from 2.4%).

Domestic Landscape

The South African economic growth is still slow, taking a cue from the global trend. While the South African economy grew by a relatively strong 1.6% in the third quarter of 2022, the expansion was not broad-based. The SARB forecasts no growth in the fourth quarter. For the whole of last year, GDP growth of 2.5% is expected (up from 1.8%).

For 2023, and because of extensive load-shedding and other logistical constraints, the Bank now forecasts GDP growth of only 0.3%. Given the scale of load-shedding, the Bank estimates that it deducts as much as 2 percentage points from growth in 2023, compared to the previous estimate of 0.6 percentage points.

The economy is still characterized by high levels of unemployment at 32.9%, with the youth unemployment rate even higher at between 40.5% and 59.6%. Cost of living is still on the rise, with inflation remaining above the upper limit of the inflation target range for seven consecutive months at 7.2% in December 2022, and pushing inflation for 2022 to 6.9% from 4.5% and 3.3% in 2021 and 2020 respectively. The Bank's forecast of headline inflation for 2023 remains unchanged at 5.4%, and is slightly higher at 4.8% for 2024. In 2025, headline inflation is expected to be 4.5%. Interest rates have been soaring, with seven consecutive upward adjustments in the Repo Rate, closing at 7.00% by the end of 2022. This was increased further to 7.25% by the Central Bank's Monetary Policy Committee sitting of 26 January 2023.

As a result of these factors, the economy is forecast to expand by 0.7% in 2024 (down from 1.4%) and by 1.0% in 2025 (down from 1.5%).

Government debt has also reached unsustainable levels at 71.4% in 2022/23, and is projected to stabilise at 70.4% in 2024/25, compared to the previous estimate of 77.8% of GDP in 2024/25 according to the MTBPS 2022. This is largely attributed to the significant improvements in revenue collections in the 2021/22 and 2022/23 financial years, wherein SARS respectively collected R198.7 billion more than its Printed estimate, and is expected to collect R83.5 billion more in 2022/23. The downgrading of South Africa to non-investment grade together with increasing socio-economic challenges will put SARS under immense pressure to collect more revenue, moreso at the backdrop of the impact of the pandemic. This is also one of the major global economic risks identified in the World Economic Forum (WEF) Global Risk Report 2022.

Natural disasters such as the KwaZulu-Natal (KZN) floods have caused immense infrastructural damage. Load shedding has become one of the major risks to economic growth in South Africa, with persistent electricity cuts, and with 2022 being South Africa's worst year for load shedding with 208 days of power cuts, compared to 75 days in 2021. This appears to be continuing into 2023 with many analysts predicting a gloomy year on the energy front.

The below table depicts the specific actions SARS will take to mitigate the adverse effects of these on SARS' mandate of collecting tax that is due.

Environmental factor	Affected strategic objective (SO)	SARS' response
Economy The lackluster economic performance that is characterised by high inflation and rising interest rates continues to pose a risk to SARS' collection efforts. The lingering effects of the COVID-19 pandemic continue to be felt in the economic recovery trajectory.	All	<ul style="list-style-type: none"> » Continue our efforts in areas within our control, such as, reducing the cost of compliance for taxpayers and traders by making it easy to comply through tax education, providing virtual access platforms and assisting taxpayers 24/7 through e-Filing, increasing our visibility/presence and co-operation with key stakeholders. » Continue to step-up on our Tax Gap efforts. Part of these efforts include rethinking, reimagining and recreating ways of plugging existing tax leakages, and discovering new tax bases to recover revenue lost through the erosion of existing tax bases. The ultimate test as to whether we are making progress in closing the tax gap is reflected in the revenue collection and the compliance levels. » Continue improving integration, collaboration and co-operation with key stakeholders (South African Reserve Bank (SARB), Financial Intelligence Centre (FIC) and Companies and Intellectual Property Commission (CIPC), etc.). » Continue to utilise third party information and leverage on Automatic Exchange of Information (AEOI) to have more insight into critical taxpayer information. » Continue to refine our revenue forecasting models. » Step-up on efforts to combat the illicit economy which is a scourge on the economy.

Environmental factor	Affected strategic objective (SO)	SARS' response
Government debt The unsustainably high government debt is projected to increase to 75.1% of GDP in 2024/25 (57.4% in 2019/20). The fight against the pandemic certainly pushed the debt to these atrocious levels. The race to contain and reduce this runaway level of debt remains real and paramount.	All (by way of a reduction in the appropriation of funds from the fiscus)	<ul style="list-style-type: none"> » Identify new revenue opportunities and increase revenue collections. » Employ Artificial Intelligence (AI) to detect non-compliance. » Develop strategies to collect tax optimally from the ever-growing online transactions and e-commerce. » Ultimately increase tax revenue contribution to the government revenue purse.
Public confidence Research continues to show that taxpayers' attitude towards tax compliance is influenced by how they perceive tax to be utilised by its recipients. The deteriorating popularity of the governing party (as evidenced by falling national and local votes over time), complemented by an upsurge in service delivery protests, the continued internal party feuds, slow rate to delivering election manifesto promises, load shedding, and the glaring corrupt activities by senior party officials (as revealed by the Zondo Commission of enquiry) has led to a waning public confidence.	SO: 8 and 9	<ul style="list-style-type: none"> » Continue to work with all our Stakeholders to improve outcomes. » Continue to strengthen governance and leadership systems within SARS. » Continue to invest in systems that will bolster the privacy of personal information to improve trust levels. » Continue to root out internal fraud and corruption.
Illicit economic activities The illicit economy continues to be a scourge on the economy, and remains a social ill to be dealt with and eradicated.	SO: 3 and 5	<ul style="list-style-type: none"> » Continue fruitful collaborations across the government spectrum and internationally to unearth illicit trade. » Continue to strengthen SARS' capacity, capabilities and competencies to respond comprehensively to illicit economic activities. » Continue to use data and information at our disposal intelligently to upend illicit activities by detection and instigate appropriate enforcement.

Environmental factor	Affected strategic objective (SO)	SARS' response
<p>Emerging technologies</p> <p>The fourth industrial revolution presents various opportunities for SARS, including rapid processing of tax transactions (inclusive of refunds), increased certainty in tax outcomes, real-time tax payments, fusion of multi-tax platforms; and threats such as the rapid automation that may lead to a redundancy of roles, resulting in lower PAYE collections, difficulties in classifying technological goods crossing the borders for Customs purposes, cybercrime, weakened security of taxpayer information, etc.</p> <p>Cybercrime remains one of the main factors taxpayers are reluctant to use e-filing.</p>	SO: 4, 5, 6 and 7	<ul style="list-style-type: none"> » Continue to invest in new and advanced systems and intelligent digital processes to maintain a seamless taxpayer and trader experience when engaging with SARS. » Continue the upskilling of our ICT personnel to the required levels, capable of meeting the new demands and emergent threats. » Continuously advocate for the use of on-line platforms when engaging with SARS. Issue awareness messages on authentic SARS messages and communication on radio, television adverts etc. to mitigate the risk of cybercrime.
<p>Political environment</p> <p>The political landscape remains volatile. The governing party continues to lose political ground, as evidenced by recent polls, and one of the consequential outcomes of this is the existence of coalition governments in key metros. Service delivery has suffered, and along with it is tax morale, amid continued tensions in these locals. The coalitions have proven to be unstable and unsustainable. These developments, amongst other factors, do not bode well with potential investors, local and external alike.</p> <p>The political and economic instabilities in neighboring countries pose political and social threats as many citizens of these countries illegally migrate to South Africa.</p>	SO:3 and 9	<ul style="list-style-type: none"> » In the discharge of its mandate, SARS will remain factual, objective, and act without fear or favour. » SARS will continue to stress on its autonomy and independence in its business dealings. » Continue with our stakeholder engagements across all sectors, public and private, listening and taking concerns, as well as providing credible responses and solutions that engenders trust. » SARS, together with other law enforcement agencies, will continue to increase vigilance at the ports of entry to prevent any illegal entry into the country.

Environmental factor	Affected strategic objective (SO)	SARS' response
Unemployment The South African unemployment rate has reached unprecedented levels of over 35%. Despite 80% of the sectors starting to hire job seekers, numbers are still well below pre-Covid times. It is the youth who are mostly affected, which presents a serious threat to the tax base, the overall integrity of the tax system, and social stability.	SO: 1,2 and 3	» Continue to be a catalyst of change by promoting gender equality in the workplace by recruiting women, youth and persons with disabilities. » Continue to efficiently collect and administer the Employment Tax Incentive (ETI). » Explore tax incentives and concessions that have the effect of lowering overall taxes on businesses that are employing more youths.
Energy crisis The unabating loadshedding is increasingly imposing an added burden on businesses that are already at the mercy of severe operating constraints (Covid-19 effects, soaring interest rates and fuel cost, subdued demand, food security, etc.). This phenomenon has a catastrophic effect on the economy, pulling it back and the immediate effects will be reflected in the quantum of the tax revenue SARS will collect.	All	» Install back-up power sources at SARS points of interaction to ensure service is not interrupted for walk-in clients. » Continue to monitor the impact of the ongoing energy crisis and loadshedding on revenue collection across all tax types, and SARS will proactively endeavour to deal with the impact on revenue collection.

Table 2: Key external environmental factors

Key internal environmental factors and our approach

Environmental factors	Relevant strategic objective(s)	Our approach
<p>Staff morale SARS staff falling under the bargaining unit embarked on a full-blown strike in protest over salary increases, from 25 May 2022 to 25 September 2022. This led to 40 branches being closed. The productivity hours lost impacted negatively on the provision of services especially at points of entry.</p> <p>Low levels of employee engagement remain an area of grave concern.</p>	SO: 4 and 7	<ul style="list-style-type: none"> » Continue to save costs and fund salary increases to the best possible levels. » Continuously engage with National Treasury for funding of salary increases. » Continue to enrich the new employee value proposition to cater for easier staff movement, rotation, and intensify the inclusion of an evolved job profile that will move people away from largely administrative work to more analytical and service roles. » Continue to put more emphasis on equity issues especially on women, youth and persons with disabilities. » Continue to create a working culture that promotes multi-skilling, co-creation and job transfers. » Continue to embed and institutionalise the new SARS Leadership Model.
<p>Shortage of requisite skills SARS continues to grapple with securing special skills in technical areas such Base Erosion and Profit Shifting (BEPS), auditing complex tax matters and VAT refunds.</p>	All SO's	<ul style="list-style-type: none"> » Continuously assess competency levels amongst staff and implement targeted development initiatives to build capabilities and upskill competencies in the 'Internet of Things' (artificial intelligence, super computers, real-time connectivity etc.). » Continue to deepen across-the-board tax and technology skills, and recruit people with the requisite tax skills. » Continue to structure SARS in a way that maximises available skills and core competences. » Step-up on mentoring and coaching programmes, over and above the Junior Board.

Table 3: Key internal environmental factors

PART C: MEASURING OUR PERFORMANCE

Institutional performance information

STRATEGIC INTENT: TO DEVELOP AND ADMINISTER A TAX AND CUSTOMS SYSTEM BASED ON VOLUNTARY COMPLIANCE, AND WHERE APPROPRIATE, ENFORCE RESPONSIBLY AND DECISIVELY						
Key results	Key result indicators	Baselines	Current & MTEF Targets			
			2023/24	2024/25	2025/26	2026/27
Revenue estimates are met and/or exceeded	% Collection of revenue as agreed with the Minister of Finance	2022/23 collection	100% collection of revenue as agreed with the Minister	100% collection of revenue as agreed with the Minister	100% collection of revenue as agreed with the Minister	100% collection of revenue as agreed with the Minister
Overall compliance has increased as measured by a well-defined compliance index	Level of overall tax compliance (%)	2022/23 actual performance	5% points increase on prior year achievement	5% points increase on prior year achievement	5% points increase on prior year achievement	5% points increase on prior year achievement
Enhanced Trade Facilitation	Trade Facilitation Index (%)	To be determined in March 2023	2.00% increase on baseline	2.00% increase on prior year achievement	2.00% increase on prior year achievement	2.00% increase on prior year achievement

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
Revenue estimates are met and/or exceeded	% collection of revenue as agreed with the Minister of Finance	100% collection of revenue as agreed with the Minister	100% of Q1 target	100% of YTD Q2 target	100% of YTD Q3 target	100% of YTD Q4 target
Overall compliance has increased as measured by a well-defined compliance index	Level of overall tax compliance (%)	5% points increase on prior year achievement	-	-	-	5.00% increase on prior year achievement
Enhanced Trade Facilitation	Trade Facilitation Index (%)	2% increase on baseline	-	-	-	2% increase on baseline

STRATEGIC OBJECTIVE 1: PROVIDE CLARITY AND CERTAINTY FOR TAXPAYER AND TRADER OF THEIR OBLIGATIONS						
Key results	Key result indicators	Baselines	Current & MTEF Targets			
			2023/24	2024/25	2025/26	2026/27
Majority of taxpayers and traders surveyed perceive the guidance SARS provides as clear, unambiguous and easy to follow	% of taxpayers and traders surveyed are satisfied with the clarity and certainty provided by SARS	2022/23 performance	77.00%	79.00%	81.00%	83.00%
Expanded enrolment of Economic Operators to the AEO Programme	Number of AEO accreditations	111	128	130	135	140

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
Majority of taxpayers and traders surveyed perceive the guidance SARS provides as clear, unambiguous and easy to follow	% of taxpayers and traders surveyed are satisfied with the clarity and certainty provided by SARS	77.00%	-	-	-	77.00%
Expanded enrolment of Economic Operators to the AEO Programme	Number of AEO Accreditations	128	32	32	32	32

STRATEGIC OBJECTIVE 2: MAKE IT EASY FOR TAXPAYERS AND TRADERS TO COMPLY WITH THEIR OBLIGATIONS						
Key results	Key result indicators	Baselines	Current & MTEF Targets			
			2023/24	2024/25	2025/26	2026/27
Increased number of taxpayers and traders using digital and self-help platforms	% of taxpayers and traders using digital and self-help platforms to interact with SARS	2022/23 performance	90.00%	95.00%	95.00%	95.00%
Standard taxpayers are auto assessed by SARS	% of standard taxpayers' returns auto assessed by SARS (individual taxpayers)	2022/23 performance	93.00%	95.00%	95.00%	95.00%
A focused compliance programme for the SMME segment is developed and implemented	An approved SMME Compliance Programme	New measure	The SMME compliance programme is approved	Track the SMME Compliance Improvement per Programme	Track the SMME Compliance Improvement per Programme	Track the SMME Compliance Improvement per Programme

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
Increased number of taxpayers and traders using digital and self-help platforms	% of taxpayers and traders using digital and self-help platforms to interact with SARS	90.00%	90.00%	90.00%	90.00%	90.00%
Standard taxpayers are auto assessed by SARS	% of standard taxpayer's returns auto assessed by SARS (individual taxpayers)	93.00%	-	-	-	93.00%

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
A focused compliance programme for the SMME segment is developed and implemented	An approved SMME Compliance Programme	The SMME compliance programme is approved	Commence work on compiling a robust SMME Compliance Programme	-	-	The SMME compliance programme is approved

STRATEGIC OBJECTIVE 3: DETECT TAXPAYERS AND TRADERS WHO DO NOT COMPLY, MAKING NON-COMPLIANCE HARD AND COSTLY

Key results	Key result indicators	Baselines	Current & MTEF Targets			
			2023/24	2024/25	2025/26	2026/27
Extent to which SARS enables the NPA to successfully prosecute criminal cases referred by SARS (in line with the coverage model)	% of cases successfully prosecuted by the NPA	2022/23 performance	90.00%	90.00%	90.00%	90.00%
Increased compliance through the accurate detection of risk	% risk detection rate	2022/23 performance	95.00%	95.00%	95.00%	95.00%

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
Extent to which SARS enables the NPA to successfully prosecute criminal cases referred by SARS (in line with the coverage model)	% of cases successfully prosecuted by the NPA	90.00%	-	-	-	90.00%
Increased compliance through the accurate detection of risk	% Risk detection rate	95.00%	95.00%	95.00%	95.00%	95.00%

STRATEGIC OBJECTIVE 4: DEVELOP A HIGH PERFORMING, DIVERSE, AGILE, ENGAGED AND EVOLVED WORKFORCE

Key results	Key result indicators	Baselines	Current & MTEF Targets			
			2023/24	2024/25	2025/26	2026/27
Improved engagement of SARS employees	Employee Engagement Index score is achieved, based on survey of employees	2022/23 performance	Develop plan to address shortcomings identified in last engagement survey	Top quartile (top 25%) in the market (Schedule 3A government entities)	Develop plan to address shortcomings identified in last engagement survey.	Top quartile (top 25%) in the market (Schedule 3A government entities)
Attainment of Employment Equity Plan targets	% Attainment of targets as per Employment Equity Plan	2022/23 performance	Racial Equity = 80.94% Gender Equity = 51.54% Disability Equity = 2.67%	Racial Equity = 81.96% Gender Equity = 51.82% Disability Equity = 3.39%	Racial Equity = 82.98% Gender Equity = 52.09% Disability Equity = 4.11%	Racial Equity = 84.01% Gender Equity = 52.37% Disability Equity = 4.84%
A SARS Career Progression Framework is developed and implemented	The SARS Career Progression Framework is established	New measure	Develop and approve the career progression framework (Service Consultants, Audit & Investigations, Customs and Legal).	Implement the Career Progression Framework	Implement the Career Progression Framework	Implement the Career Progression Framework

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
Improved engagement of SARS employees	Employee Engagement Index score is achieved based on survey of employees	Develop plan to address shortcomings identified in last engagement survey	-	-	-	Develop plan to address shortcomings identified in last engagement survey
Attainment of Employment Equity Plan targets	% attainment of targets as per Employment Equity Plan	Racial Equity = 80.94% Gender Equity = 51.54% Disability Equity = 2.67%	-	-	-	Racial Equity = 80.94% Gender Equity = 51.54% Disability Equity = 2.67%
A SARS Career Progression Framework is developed and implemented	The SARS Career Progression Framework is established	Develop career progression framework (Service Consultants, Audit & Investigations, Customs and Legal).	Develop the Service Consultants Career Progression Framework	Develop the Audit & Investigations Career Progression Framework	Develop the Customs and Legal Career Progression Framework	Approve the SARS Career Progression Framework

STRATEGIC OBJECTIVE 5: INCREASE AND EXPAND THE USE OF DATA WITHIN A COMPREHENSIVE KNOWLEDGE MANAGEMENT FRAMEWORK TO ENSURE INTEGRITY, DERIVE INSIGHTS AND IMPROVE OUTCOMES

Key results	Key result indicators	Baselines	Current & MTEF Targets			
			2023/24	2024/25	2025/26	2026/27
Risk detection, assessment and profiling is largely automated, data-driven and substantively informs case selection for standard matters. (Manual risk profiling and case selection is only used for complex matters.)	% utilisation of automated risk assessment for taxpayers and traders	2022/23 performance	100.00% standard	100.00% standard	100.00% standard	100.00% standard
			70.00% complex	75.00% complex	80.00% complex	80.00% complex
More data sources are utilised to improve service and/or respond to compliance risks	A data sourcing plan is developed and implemented	New measure	Develop and approve a comprehensive data sourcing plan	Implement the data sourcing plan	Implement the data sourcing plan	Implement the data sourcing plan

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
Risk detection, assessment and profiling is largely automated, data-driven and substantively informs case selection for standard matters. (Manual risk profiling and case selection is only used for complex matters.)	% utilisation of automated risk assessment for taxpayers and traders	100.00% Standard	100.00% Standard	100.00% Standard	100.00% Standard	100.00% Standard
		70.00% Complex	70.00% Complex	70.00% Complex	70.00% Complex	70.00% Complex

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
More data sources are utilised to improve service and/or respond to compliance risks	A data sourcing plan is developed and implemented	Develop and approve a comprehensive data sourcing plan	Commence work on the data sourcing plan	-	Finalise the data sourcing plan	Approve the comprehensive data sourcing plan

STRATEGIC OBJECTIVE 6: MODERNISE OUR SYSTEMS TO PROVIDE DIGITAL AND STREAMLINED ONLINE SERVICES

Key results	Key result indicators	Baselines	Current & MTEF Targets			
			2023/24	2024/25	2025/26	2026/27
Digital platforms availability for taxpayers and traders	% of planned capacity to be available for mission critical systems	2022/23 performance	99.00%	99.00%	99.00%	99.00%
Security of taxpayer and trader information and interactions via digital platforms	Number of security breaches on digital platforms from known risks	2022/23 performance	Nil	Nil	Nil	Nil

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
Digital platforms availability for taxpayers and traders	% of planned capacity to be available for mission critical systems	99.00%	99.00%	99.00%	99.00%	99.00%
Security of taxpayer and trader information and interactions via digital platforms	Number of security breaches on digital platforms from known risks	Nil	Nil	Nil	Nil	Nil

STRATEGIC OBJECTIVE 7: DEMONSTRATE EFFECTIVE STEWARDSHIP OF OUR RESOURCES TO ENSURE EFFICIENCY AND EFFECTIVENESS IN THE DELIVERY OF QUALITY OUTCOMES AND PERFORMANCE EXCELLENCE

Key results	Key result indicators	Baselines	Current & MTEF Targets			
			2023/24	2024/25	2025/26	2026/27
A reconfigured SARS' cost structure that aligns with international peers	ICT investment as % of total allocation	2022/23 performance	2.00%	2.00%	2.00%	2.00%
Unqualified audit opinion received from the Auditor-General on both Own Accounts and Revenue Accounts	Unqualified audit opinion	2022/23 audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion
Demonstrate effective resource stewardship through the appropriate spending of the budget allocation received from National Treasury	% Deviation between SARS' spending for the year and the allocation SARS received from National Treasury	2022/23 performance	5.00%	5.00%	5.00%	5.00%

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
A reconfigured SARS' cost structure that aligns with international peers	ICT investment as % of total allocation	2.00%	0.25%	0.50%	1.00%	2.00%
Unqualified audit opinion received from the Auditor-General on both Own Accounts and Revenue Accounts	Unqualified audit opinion	Unqualified audit opinion	-	-	-	Unqualified audit opinion
Demonstrate effective resource stewardship through the appropriate spending of the budget allocation received from National Treasury	% Deviation between SARS' spending for the year and the allocation SARS received from National Treasury	5.00%	-	-	-	5.00%

STRATEGIC OBJECTIVE 8: WORK WITH AND THROUGH STAKEHOLDERS TO IMPROVE THE TAX ECOSYSTEM						
Key results	Key result indicators	Baselines	Current & MTEF Targets			
			2023/24	2024/25	2025/26	2026/27
Intermediaries surveyed are satisfied with SARS' cooperation and collaboration	% of intermediaries surveyed that are satisfied with SARS' cooperation and collaboration	2022/23 performance	73.00%	76.00%	79.00%	83.00%
Partnerships with identified government departments to leverage platforms on educational programmes	Number of programmes launched with identified government departments	New measure	1	2	2	2

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
Intermediaries surveyed are satisfied with SARS' cooperation and collaboration	% of intermediaries surveyed that are satisfied with SARS' cooperation and collaboration	73.00%	73.00%	73.00%	73.00%	73.00%

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
Partnerships with identified government departments to leverage platforms on educational programmes	Number of programmes launched with identified government departments	1	Sign off the MoA with National School of Government (NSG)	Implement the programme via NSG	Implement the programme via NSG	Receive feedback and sign-off, and launch one (1) programme

STRATEGIC OBJECTIVE 9: BUILD PUBLIC TRUST AND CONFIDENCE IN THE TAX ADMINISTRATION SYSTEM						
Key results	Key result indicators	Baselines	Current & MTEF Targets			
			2023/24	2024/25	2025/26	2026/27
Public opinion survey results reflect high trust and confidence in SARS	% score per public opinion survey	2022/23 performance	76.00%	76.50%	77.50%	78.50%
Adherence to Service Charter commitments	% Service Charter performance score	2022/23 performance	85.00%	88.00%	90.00%	90.00%

Annual and quarterly targets:

Key results	Key result indicators	Annual targets	Q1	Q2	Q3	Q4
Public opinion survey results reflect high trust and confidence in SARS	% score per public opinion survey	76.00%	-	-	-	76.00%
Adherence to Service Charter commitments	% Service Charter performance score	85.00%	85.00%	85.00%	85.00%	85.00%

Resource considerations

Expenditure estimates over the medium term

The Estimates of National Expenditure (ENE) is a culmination of engagements during the course of the year, intended to formalise the request for medium term funding requirements. As part of the 2023 Medium Term Expenditure Framework (MTEF) submission, SARS positioned an additional requirement of R23,4bn over the medium term, against the MTEF allocation provided at the time.

Subsequently, multiple engagements followed at the highest levels to further discuss the funding shortfall, and the Minister announced further funding allocation to SARS amongst other entities in the MTBPS. A preliminary ENE allocation was issued by National Treasury, providing no increase in operational funding over the 3-year period, and a R500m capital project allocation per annum over the 3-year period. This still resulted in a R21,6bn shortfall, taking the R1,5bn over the 3-year period and further adjustments, as part of SARS forecast cycle projected over the 3-year period. SARS therefore remains significantly constrained to deliver on its mandate but will continue to aim in delivering more with less.

In the current global economic environment, budgetary constraints continue to impact tax administrations, and SARS is no exception. The key pressures are on keeping up with the pace of technological changes, as well as obtaining the requisite capacity and capabilities, whilst preparing existing staff to better cope with the intricacies of a global and digitised economy as an imperative to continue to ensure optimal compliance with Tax and Customs laws.

The Tax Administration 2022 comparative information on OECD and other advanced and emerging economies state that the largest reported component of tax administration operating budgets is staff costs, with salary alone accounting, on average, for 73% of operating budgets annually. This is followed by ICT operating costs at between 10% and 20%. SARS' benchmark reflect that we are in line with Tax Administrations cost allocation globally, where approximately 92% of SARS costs are contractual as follows: salary costs is +/- 70%; ICT operating costs is +/- 12% and physical facilities and related costs is +/- 10%.

SARS, as a service industry, and in line with all OECD Tax administrations, relies heavily on skills, as the workforce is one of the key levers to increase revenue collection. As a matter of existential necessity, SARS must transition to the future workforce, which mainly comprises knowledge workers, as well as preparing existing staff to better cope with the intricacies of a global and digitised economy. The 2021/22 allocation towards critical resources was the first requirement to address the exodus of skills and capacity over the last number of years, and is by far not addressing the full requirement.

STRATEGIC OBJECTIVES

R'000

Strategic Outcomes (R)	Full Time Equivalents	Budget 2023/24	Budget 2024/25	Budget 2025/26	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Provide Clarity & Certainty of tax obligations	450	552 266	520 387	539 798	138 066	138 066	138 066	138 066
Personnel Expenses		414 305	369 975	373 275	103 576	103 576	103 576	103 576
Goods & Services		137 961	150 412	166 523	34 490	34 490	34 490	34 490
Information Technology		33 382	38 390	44 148	8 346	8 346	8 346	8 346
Land and Buildings		34 383	34 734	36 846	8 596	8 596	8 596	8 596
Audit & Legal Fees		13 029	13 608	14 218	3 257	3 257	3 257	3 257
Administration		42 571	47 657	53 692	10 643	10 643	10 643	10 643
Other Services		14 597	16 022	17 619	3 649	3 649	3 649	3 649
Capex - Business as usual		-	-	-	-	-	-	-
Projects		-	-	-	-	-	-	-
Make it Easy for Taxpayers & Traders to Comply & fulfill their obligations	4835	4 253 709	4 024 438	4 175 220	1 063 427	1 063 427	1 063 427	1 063 427
Personnel Expenses		3 032 884	2 708 372	2 732 527	758 221	758 221	758 221	758 221
Goods & Services		1 116 355	1 211 596	1 338 223	279 089	279 089	279 089	279 089
Information Technology		326 010	374 912	431 148	81 503	81 503	81 503	81 503
Land and Buildings		344 490	348 015	369 175	86 122	86 122	86 122	86 122
Audit & Legal Fees		94 196	98 388	102 795	23 549	23 549	23 549	23 549
Administration		196 319	219 777	247 605	49 080	49 080	49 080	49 080
Other Services		155 339	170 506	187 498	38 835	38 835	38 835	38 835
Capex - Business as usual		-	-	-	-	-	-	-
Projects		104 470	104 470	104 470	26 117	26 117	26 117	26 117
Detect Taxpayers and Traders who do not comply, and make non-compliance hard and costly	3284	3 153 426	2 989 032	3 110 116	788 356	788 356	788 356	788 356
Personnel Expenses		2 272 644	2 029 475	2 047 576	568 161	568 161	568 161	568 161
Goods & Services		880 782	959 557	1 062 540	220 195	220 195	220 195	220 195
Information Technology		212 573	244 459	281 127	53 143	53 143	53 143	53 143
Land and Buildings		237 834	240 267	254 877	59 458	59 458	59 458	59 458
Audit & Legal Fees		63 335	66 153	69 117	15 834	15 834	15 834	15 834
Administration		265 471	297 191	334 822	66 368	66 368	66 368	66 368
Other Services		101 569	111 486	122 597	25 392	25 392	25 392	25 392
Capex - Business as usual		-	-	-	-	-	-	-
Projects		-	-	-	-	-	-	-
Develop a high performing, diverse, agile and engaged workforce towards high value knowledge and service work	525	533 550	502 895	521 797	133 388	133 388	133 388	133 388
Personnel Expenses		399 639	356 878	360 061	99 910	99 910	99 910	99 910
Goods & Services		133 912	146 017	161 736	33 478	33 478	33 478	33 478
Information Technology		33 723	38 782	44 599	8 431	8 431	8 431	8 431
Land and Buildings		34 784	35 140	37 277	8 696	8 696	8 696	8 696
Audit & Legal Fees		9 891	10 331	10 794	2 473	2 473	2 473	2 473
Administration		38 001	42 542	47 929	9 500	9 500	9 500	9 500
Other Services		17 512	19 222	21 138	4 378	4 378	4 378	4 378
Capex - Business as usual		-	-	-	-	-	-	-
Projects		-	-	-	-	-	-	-
Expand and increase the use of DATA to improve integrity, derive insight & improve outcomes	488	647 784	609 414	631 716	161 946	161 946	161 946	161 946
Personnel Expenses		492 703	439 984	443 909	123 176	123 176	123 176	123 176
Goods & Services		147 843	162 191	180 569	36 961	36 961	36 961	36 961
Information Technology		57 880	66 562	76 547	14 470	14 470	14 470	14 470
Land and Buildings		37 082	37 461	39 739	9 271	9 271	9 271	9 271
Audit & Legal Fees		9 216	9 626	10 058	2 304	2 304	2 304	2 304
Administration		28 069	31 423	35 401	7 017	7 017	7 017	7 017
Other Services		15 596	17 118	18 824	3 899	3 899	3 899	3 899
Capex - Business as usual		-	-	-	-	-	-	-
Projects		7 238	7 238	7 238	1 810	1 810	1 810	1 810
Modernize our systems to provide digital & streamlined services	681	1 160 685	1 170 549	1 245 275	290 171	290 171	290 171	290 171
Personnel Expenses		470 395	420 063	423 810	117 599	117 599	117 599	117 599
Goods & Services		514 936	575 131	646 110	128 734	128 734	128 734	128 734
Information Technology		254 958	293 202	337 182	63 740	63 740	63 740	63 740
Land and Buildings		42 615	43 051	45 669	10 654	10 654	10 654	10 654
Audit & Legal Fees		10 481	10 948	11 438	2 620	2 620	2 620	2 620
Administration		38 927	43 578	49 096	9 732	9 732	9 732	9 732
Other Services		167 955	184 353	202 725	41 989	41 989	41 989	41 989
Capex - Business as usual		-	-	-	-	-	-	-
Projects		175 355	175 355	175 355	43 839	43 839	43 839	43 839
Drive greater resource stewardship to ensure the efficient use of resources, and deliver quality outcomes & performance excellence	1572	1 469 840	1 427 621	1 490 042	367 460	367 460	367 460	367 460
Personnel Expenses		790 188	705 640	711 933	197 547	197 547	197 547	197 547
Goods & Services		485 967	528 297	584 424	121 492	121 492	121 492	121 492
Information Technology		93 620	107 663	123 812	23 405	23 405	23 405	23 405
Land and Buildings		141 138	142 582	151 251	35 284	35 284	35 284	35 284
Audit & Legal Fees		24 790	25 893	27 053	6 197	6 197	6 197	6 197
Administration		166 254	186 119	209 686	41 564	41 564	41 564	41 564
Other Services		60 165	66 040	72 621	15 041	15 041	15 041	15 041
Capex - Business as usual		-	-	-	-	-	-	-
Projects		193 685	193 685	193 685	48 421	48 421	48 421	48 421
Work with, and through Stakeholders to improve the tax system	79	142 441	133 569	136 918	35 610	35 610	35 610	35 610
Personnel Expenses		100 900	90 104	90 907	25 225	25 225	25 225	25 225
Goods & Services		22 288	24 212	26 758	5 572	5 572	5 572	5 572
Information Technology		6 166	7 091	8 154	1 541	1 541	1 541	1 541
Land and Buildings		6 666	6 735	7 144	1 667	1 667	1 667	1 667
Audit & Legal Fees		1 646	1 719	1 796	412	412	412	412
Administration		4 368	4 890	5 509	1 092	1 092	1 092	1 092
Other Services		3 441	3 777	4 154	860	860	860	860
Capex - Business as usual		-	-	-	-	-	-	-
Projects		19 253	19 253	19 253	4 813	4 813	4 813	4 813
Build public trust and confidence in the tax administration system	372	621 362	596 884	623 841	155 340	155 340	155 340	155 340
Personnel Expenses		412 310	368 194	371 478	103 078	103 078	103 078	103 078
Goods & Services		209 051	228 690	252 363	52 263	52 263	52 263	52 263
Information Technology		29 449	33 867	38 946	7 362	7 362	7 362	7 362
Land and Buildings		27 753	28 037	29 742	6 938	6 938	6 938	6 938
Audit & Legal Fees		7 002	7 314	7 641	1 751	1 751	1 751	1 751
Administration		22 136	24 781	27 919	5 534	5 534	5 534	5 534
Other Services		122 710	134 691	148 114	30 678	30 678	30 678	30 678
Capex - Business as usual		-	-	-	-	-	-	-
Projects		-	-	-	-	-	-	-
Total	12286	12 535 062	11 974 788	12 474 723	3 133 765	3 133 765	3 133 765	3 133 765

Table 4: Expenditure estimates over the medium term

Headcount projection over the medium term

Employee Group	December 2022	2022/23 Projections	2023/24 Projections	2024/25 Projections	2025/26 Projections
Permanent	12 014	12 740	13 019	13 237	13 312
Contract	8	7	7	7	7
Trainees	249	100	100	0	0
Short Term Contract	15	469	469	469	469
Total Headcount Projections	12 286	13 316	13 595	13 713	13 788
* Short term contractors inclusive of Seasonal Workers					

Table 5: Headcount projection over the medium term

Risks and mitigation

The leadership of SARS has reviewed its internal and external risk landscape to identify those key risks that have a direct effect on its mandate. These are described in the table below. The SARS strategic intent and nine strategic objectives are the responses to managing and mitigating these risks. The table outlines the key actions that SARS will take to mitigate the risk, moulded along its strategic intent and the nine strategic objectives.

	Strategic Risks	Impact on SARS operations	Mitigating Strategic Objective (SO)	SARS Mitigation actions
1.	The Prevalence of crime, corruption and other forms of non-compliance in the country caused by: <ul style="list-style-type: none"> Delays in prosecution, prolonged prosecution of perpetrators Lack of trust in the government system Prevalent socio- economic challenges 	<ul style="list-style-type: none"> Not collecting all revenue due Drop in compliance levels (across the registration, filing, declaration and payment value chain), not achieving voluntary compliance Reducing facilitation of legitimate trade (as illegitimate trade would increase) SARS employees susceptible to crime and corruption The decline in the reputation and credibility 	<ul style="list-style-type: none"> SO3, 8 and 9 	<ul style="list-style-type: none"> Visible and swift enforcement – publication of convictions and convicted (Quarterly report on non-compliance – customs & taxpayer similar to crime / trade stats) Continue to provide clarity and certainty on the consequences of non-compliance (education and awareness) Advocate for financial prudence at relevant government structures (including the Fusion Centre) Intensify and strengthen the implementation of the Anti-corruption programmes Improve quality of data for detection.

	Strategic Risks	Impact on SARS operations	Mitigating Strategic Objective (SO)	SARS Mitigation actions
2.	<p>Rapid changes in technology caused by:</p> <ul style="list-style-type: none"> • Changes in taxpayers needs and requirements • Changes in the evolution of technology, including digitalization required to become a more agile organisation 	<ul style="list-style-type: none"> • Vulnerable to cybersecurity • Not keeping up to pace with our taxpayers • Capability challenges to adapt to the rapid changes in technology 	<ul style="list-style-type: none"> • SO6 	<ul style="list-style-type: none"> • Provide a seamless registration, filing, declaration and payment experience for standard taxpayers and traders, to ensure simplicity and ease of adoption by taxpayers (e.g. Auto Assessment) • Expanding secured digital platforms that host digital offerings and data, which are available 24/7 • Formulate a process and product modernization plan that anchors technological innovation across the value chain • Cost configuration for the purposes of increasing expenditure on the modernization of targeted systems to keep in line with the rapid technological changes • Benchmark the deployment of technological solutions based on the latest market solutions in other peer jurisdiction • Implement technological enhancements scans to identify technological gaps and processes to implement gap closing interventions

	Strategic Risks	Impact on SARS operations	Mitigating Strategic Objective (SO)	SARS Mitigation actions
3.	<p>Erosion of the tax base caused by:</p> <ul style="list-style-type: none"> • Lack of trust in government on the use of revenue collected • Perception by taxpayers that SARS is ineffective, inefficient, and does not have adequate capability • Incomplete and inaccurate tax and trade registers • Lack of integration with other government entities or third parties 	<ul style="list-style-type: none"> • Missed opportunities to collect revenue from taxpayers that should be registered • Increase of non-compliance by law abiding taxpayers, as no visible efforts by SARS to collect revenue from taxpayers that are deemed not yet registered (e.g. taxi association) 	<ul style="list-style-type: none"> • Strategic Intent • SO1-9 	<ul style="list-style-type: none"> • Execution of the Tax gap minimisation programmes, through adopting tax broadening strategies, and developing a full understanding of the economy to improve the tax collections from a wider base of taxpayers • Conduct outreach and education to people (natural and juristic) who are eligible to be registered e.g. identified 26 000 missing global taxpayers – (Registration risk) • Payment non-compliance - Implement the new debt strategy, outreach programmes, improve data analytics to detect fraud risks, and build up transfer pricing skills • Develop a coherent and technology - based enforcement action plan across the SARS value chain • Design a scientific based understanding of the tax gap

	Strategic Risks	Impact on SARS operations	Mitigating Strategic Objective (SO)	SARS Mitigation actions
4.	Inability to retain and compete for scarce and specialized skills caused by: <ul style="list-style-type: none"> • Ineffective recruitment processes • Inadequate financial resources • Public Sector environment not appealing to potential candidates. 	<ul style="list-style-type: none"> • Delays in achieving SARS vision and objectives • Increase in service inefficiencies 	<ul style="list-style-type: none"> • SO4 	<ul style="list-style-type: none"> • Implement the revised Employee Value Proposition • Embed the Employee Rights Charter - clarifying 5 employee rights • Improve the recruitment process • Upskill operational managers • Create meaningful roles and define career progression - commencing with Service Consultants • Facilitate a culture of continuous professional development within the organisation • Institutionalise the retiree coaching and mentoring programme
5.	Insufficient SARS Resources caused by: <ul style="list-style-type: none"> • Rigid government budget allocation • Ineffective capacity and capability • Underfunding of SARS strategic programmes 	<ul style="list-style-type: none"> • Delays in achieving the SARS vision and objectives • Low staff morale • System failures (ageing infrastructure) 	<ul style="list-style-type: none"> • SO7 	<ul style="list-style-type: none"> • Continue to request the Minister of Finance and the National Treasury to address funding shortfall • Effective and efficient deployment of SARS resources • Procure in line with Government's transformation imperatives • Build capability within SARS to improve efficiencies • Effective implementation of the new EVP • Develop a differentiated hybrid funding model • Explore other revenue streams for SARS

	Strategic Risks	Impact on SARS operations	Mitigating Strategic Objective (SO)	SARS Mitigation actions
6.	Weaknesses in Leadership Capability caused by: <ul style="list-style-type: none"> • Resistance to learn and grow • Inadequate Change Management 	<ul style="list-style-type: none"> • Unconducive working environment • Sub-optimal strategy execution • Poor quality of engagement with employees 	<ul style="list-style-type: none"> • SO4 	<ul style="list-style-type: none"> • Embed the SARS leadership model • Adopt a dedicated mentoring programme for senior leadership • Create a conducive environment for SARS leaders to flourish • Conduct Employee Engagement survey
7.	Unstable and uncertain Economy caused by: <ul style="list-style-type: none"> • External forces – unemployment, geo-political challenges, environmental challenges, socio-economic challenges • Global economic challenges 	<ul style="list-style-type: none"> • Threats to SARS' ability to achieve its mandate 	<ul style="list-style-type: none"> • SO1-9 	<ul style="list-style-type: none"> • Adopt tax broadening strategies and develop a full understanding of the economy to improve tax collections from a wider base of taxpayers • Implement a revenue recovery programme that is aimed at raising 5-10% of overall revenue from compliance activities • Increase investigative and audit capacity and capability, as a deterrent to possible non-compliant taxpayers • Improve the operationalisation of the SARS Compliance Programme • Active participation in the national fiscal and monetary framework in which SARS participates, to inform reviews and changes in direction

	Strategic Risks	Impact on SARS operations	Mitigating Strategic Objective (SO)	SARS Mitigation actions
8.	Erosion of social contract between government and the people of SA caused by: <ul style="list-style-type: none"> • Delays in prosecutions (No deterrence / punishment) • Low enforcement (lawlessness) • Lack of trust and confidence in government • Socio-economic challenges 	<ul style="list-style-type: none"> • Inability to collect all revenue due • The decline in compliance levels (registration, filing, declaration, payment) • Compromised voluntary compliance • Damage to SARS' reputation and credibility • Reduction in facilitation of legitimate trade • Demotivated and high staff turnover • Increase in fraud and corruption • Non corruptible employees targeted 	<ul style="list-style-type: none"> • SO3, 8 and 9 	<ul style="list-style-type: none"> • SARS must build Public Confidence by: <ol style="list-style-type: none"> i. Acting with visible independence - without fear, favour and prejudice ii. Demonstrating professionalism beyond reproach iii. Showing measurable success on tax non-compliance and crime • SARS must play an Advocacy role by: <ol style="list-style-type: none"> i. Demonstrating exemplary Stewardship within Government ii. Appealing to the rest of Government to demonstrate resource stewardship iii. Work with and through all intermediaries to strengthen the Tax eco-system

Table 6: Strategic risks and their mitigations

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDs)

A. Strategic Intent

i. Revenue estimates are met and/or exceeded

Indicator Title	% Collection of revenue as agreed with the Minister of Finance
Definition / Purpose	The purpose of this indicator is to track the revenue collected by SARS emanating from tax, customs and excise activities, and is one of the proxies for measuring tax compliance. This indicator considers all debt collected.
Source/Collection of data	SARS core systems.
Method of calculation	Tax and customs revenue from all types of tax-generating activities net of refunds.
Data limitations / assumptions	Targets are set by the Revenue Analysis Working Committee (RAWC), and susceptible to economic performance, as well as a change in tariffs set by the dti in accordance with International Trade Agreements. The numbers reported are preliminary until the AG audit is finalised.
Type of indicator	Output
Calculation type	Cumulative (Year-to-date)
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target
Indicator responsibility	Revenue Management

ii. Overall compliance has increased as measured by a well-defined compliance index

Indicator Title	Level of overall tax compliance (%)
Definition / Purpose	The aim is to have an approved index to measure the level of compliance of the tax base. The index will aggregate the four tax compliance clusters (registration, declaration, filing and payment) to give a composite score.
Source/Collection of data	Research work on compliance indexes. Methodology of measuring compliance now in place, has been tested and ready for use.
Method of calculation	Compliance index; $= 0.05R + 0.41F + 0.15D + 0.39P$ <p>Where the prefixes represent the percentage weights and R = Registration compliance, D = Declaration compliance, F = Filing compliance and P = Payment compliance. The calculations of the base indicators (registration, filing, declaration, and payment) are in operational documents.</p> <p>Note: The yearly targets are currently determined by simply adding 5 percentage points to the prior year achievement.</p>
Data limitations / assumptions	Refer to detailed methodology document.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Compliance Programme Unit

iii. Enhanced trade facilitation

Indicator Title	Trade Facilitation Index (%)
Definition / Purpose	The aim is to track the extent to which SARS is facilitating trade using a trade index.
Source/Collection of data	Customs systems and Internal working documents.
Method of calculation	The calculation methodology leading to a baseline determination will be finalised in March 2023
Data limitations / assumptions	Not applicable
Type of indicator	Output
Calculation type	Qualitative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Customs Border Operations

B. STRATEGIC OBJECTIVES INDICATORS

STRATEGIC OBJECTIVE 1: PROVIDE CLARITY AND CERTAINTY FOR TAXPAYERS AND TRADERS OF THEIR OBLIGATIONS

1.1 Majority of taxpayers and traders surveyed perceive the guidance SARS provides as clear, unambiguous, and easy to follow.

Indicator Title	% of taxpayers and traders surveyed are satisfied with the clarity and certainty provided by SARS
Definition / Purpose	The purpose of this indicator is to gauge taxpayer's satisfaction with the clarity and certainty of guidance offered by SARS as they conduct their tax business.
Source/Collection of data	Tax Certainty Survey
Method of calculation	<p>The calculation is based on determining the sample proportion of respondents that agree or strongly agree with question statements. If there are N respondents and X of them responded with agree or strongly agree, then the proportion is X/N (X divided by N). The respondents' answers to various questions will be aggregated into either one of the two positions as a final answer, strongly disagree, disagree and neutral will be collectively viewed as a negative answer (Position 1), strongly agree and agree will be collectively viewed as positive answer (Position 2), all respondents with position 2 will be counted in determining X.</p> $\% = \frac{\text{\# of respondents who agree or strongly agree}}{\text{total number of valid responses}} \times 100$
Data limitations / Assumptions	Not enough responses from each stratum. If not large enough, some strata will be combined.

Type of indicator	Efficiency
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Taxpayer and Trader Education

1.2 Enrolment of Economic Operators to the AEO Programme

Indicator Title	Number of AEO accreditations
Definition / Purpose	This indicator measures the number of economic operators (AEO-C and AEO-S) that receive accreditation status from the Accreditation Committee, as a result of new applications and renewal applications.
Source/Collection of data	Accreditation Committee Register for the period under review
Method of calculation	A count of qualifying economic operators that have received accreditation during the reporting period.
Data limitations / Assumptions	<ul style="list-style-type: none"> The yearly target is spread over the four quarters. To avoid double counting, the opening cumulative balance will exclude the total renewal cases for the financial year. When a trader is accredited as an AEO-C and subsequently approved as an AEO-S, such a trader will only be counted once using their highest level of accreditation to avoid double counting. Although actual performance is tracked monthly, external reporting will be done quarterly and annually as achievement is cumulative. This is to ensure consistency and accuracy of reporting.
Type of indicator	Activity
Calculation type	Cumulative(year-end)
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement of the target
Indicator responsibility	Accreditation & Licensing: Customs Operations

STRATEGIC OBJECTIVE 2: MAKE IT EASY FOR TAXPAYERS AND TRADERS TO COMPLY WITH THEIR OBLIGATIONS

2.1 Increased number of taxpayers and traders using digital and self-help platforms

Indicator Title	% of taxpayers and traders using digital and self-help platforms to interact with SARS
Definition / Purpose	This measures the number of taxpayers and traders who use any of the digital platforms to interact with SARS. It effectively gauges the migration from physical platforms to online platforms. This includes self-service, and excludes assisted utilisation of digital platforms.
Source/Collection of data	SARS core systems

Method of calculation	<p>% of taxpayers and traders using digital and self-help platforms to interact with SARS =</p> $\frac{\text{\# of unique taxpayers and traders interactions on digital and self-help platforms}}{\text{\# of unique taxpayers and traders on digital and assisted platforms}} \times 100$ <p>Unique taxpayer and trader means a taxpayer or trader distinguishable by their identity, passport, registration number or SARS defined identity, from which an interaction can be detected.</p> <p>Interactions mean transactions and/or enquiries made by taxpayers and traders on SARS' platforms to comply or maintain their tax and customs obligations.</p> <p>Digital platform / self-help platform means a SARS online domain that facilitates interactions between SARS, taxpayers and traders. These are SARS transactional and/or enquiry touchpoints used by taxpayers and traders to interact with SARS without being assisted. An example is the eFiling platform.</p> <p>Assisted platforms mean the SARS transactional and/or enquiry touchpoints used by taxpayers and traders to interact with SARS, where assistance from a SARS official is required to complete the request. An example is transactions or enquiries completed by the SARS Branch or Contact Centre.</p>
Data limitations / assumptions	Defined in the business rules document
Type of indicator	Output
Calculation type	Cumulative (year to date)
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target
Indicator responsibility	Technology & Solutions Delivery

2.2 Standard taxpayers are auto assessed by SARS

Indicator Title	% of standard taxpayers' returns auto assessed by SARS (individual taxpayers)
Definition / Purpose	The purpose of this measure is to determine the extent to which SARS can use data and information to accurately file and assess tax returns automatically, making it unnecessary for taxpayers and traders to file tax returns themselves. This indicator measures the proportion of tax returns of individual taxpayers that are filed and assessed automatically by SARS.
Source/Collection of data	SARS core systems.
Method of calculation	<p>% Tax returns auto assessed =</p> $\frac{\text{\# of standard PIT auto-assessed returns accepted}}{\text{\# total of standard PIT returns filed from AA population}}$ <p>Auto-assessed returns accepted include taxpayers who are issued with an auto estimated assessment, and do not file an amended return thereafter, as well as taxpayers who choose to edit the return but make no changes.</p>

Data limitations / assumptions	In determining the target AA population, the provisional taxpayers as well as taxpayers for whom SARS does not have 3rd party information e.g. taxpayers who have business income and taxpayers who claimed other expenses such as travel and home office, are excluded. Taxpayers whose status change based on their latest return are excluded at the time of doing the calculation for performance. Detail included in the business rule document.
Type of indicator	Output
Calculation type	Cumulative (year to date)
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Enterprise Data Management

2.3 A focused compliance programme for the SMME segment is developed and implemented

Indicator Title	An approved SMME Compliance Programme
Definition / Purpose	The purpose of this key result (and KPI) is to have a concerted programme in place that will have a two-fold effect, (i) spotlight non-compliant SMMEs on the tax register, and (ii) put in place systems that will make it easy for these identified SMMEs to comply with their tax obligations.
Source/Collection of data	SARS core systems for data input, and Research documents for developing the programme
Method of calculation	The programme will be developed using available data and external research.
Data limitations / assumptions	None
Type of indicator	Qualitative
Calculation type	Non-cumulative
Reporting cycle	Quarterly and Annually
Desired performance	Actual performance above set target
Indicator responsibility	SMME segment

STRATEGIC OBJECTIVE 3: DETECT TAXPAYERS AND TRADERS WHO DO NOT COMPLY, AND MAKE NON-COMPLIANCE HARD AND COSTLY

3.1. Extent to which SARS enables the NPA to successfully prosecute criminal cases referred by SARS (in line with the coverage model)

Indicator Title	% of cases successfully prosecuted by the NPA
Definition / Purpose	The purpose of this measure is to track the percentage of cases submitted by SARS that are successfully prosecuted by the NPA.
Source/Collection of data	SARS / NPA records
Method of calculation	Number of all convictions (found guilty/not guilty) measured as a percentage of total convictions.

Data limitations/assumptions	Once cases are handed over for prosecution, they are beyond the direct control of SARS.
Type of indicator	Output
Calculation type	Cumulative (year to date)
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Criminal Investigations

3.2 Increased compliance through the accurate detection of risk

Indicator Title	% Risk detection rate
Definition / Purpose	The aim is to apply a systems methodology in the detection and selection of potential non-compliance cases. The methodology will specifically measure how accurate SARS' risk-based case selection is.
Source/Collection of data	SARS Core systems and SARS Quality Management Systems
Method of calculation	Sample of audit cases which indicated a positive response on the risk identified/ total number of cases (in the same sample) selected for audit.
Data limitations / assumptions	Exclusions will be provided in the methodology document.
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	Achievement higher than target.
Indicator responsibility	Enterprise Data Management

STRATEGIC OBJECTIVE 4: DEVELOP A HIGH PERFORMING, DIVERSE, AGILE, ENGAGED AND EVOLVED WORKFORCE

4.1. Improved engagement of SARS employees

Indicator Title	Employee Engagement Index score achieved based on a survey of employees
Definition / Purpose	The purpose of this measure is to monitor the extent to which employees feel valued and involved in their everyday work, which helps to improve their level of commitment and affiliation to the SARS employer brand.
Source/Collection of data	A staff survey through an independent company. The target of "top quartile (top 25%) in market" is defined within the auspices of Schedule 3A entities and other similar government agencies. For the plan, internal working papers will be relevant.
Method of calculation	Connexion survey index conducted approximately every 18 months or twice during a 3-year cycle, by an independent company.

Data limitations / assumptions	<p>Employees on suspension and those whose access has been revoked on the SARS network are excluded.</p> <p>Employees who have not completed a full month in SARS' employment at the point of survey deployment are excluded.</p>
Type of indicator	<p>Survey: Outcome</p> <p>The Plan: Activity</p>
Calculation type	Non-cumulative
Reporting cycle	Conducted every 18 months or twice in 3 years. Quarterly and Annually reported on.
Desired performance	<p>An actual achievement higher than target for survey</p> <p>The Plan: Actual achievement of target</p>
Indicator responsibility	Employee Engagement Unit

4.2 Attainment of Employment Equity Plan targets

Indicator Title	% attainment of targets as per Employment Equity Plan
Definition / Purpose	The purpose of this measure is to gauge how adequately SARS is representing the country's demographics in the workforce, and to promote diversity, gender equality, and create opportunities for people with disabilities.
Source/Collection of data	SARS SAP system
Method of calculation	<ul style="list-style-type: none"> ➤ Racial Equity: Total number of African, Indian and Coloured employees as a percentage of total headcount. ➤ Gender Equity: Total female employees in managerial to executive roles (from Grade 6 to 9B) as a percentage of total employees in those roles (on Grade 6 to 9B). ➤ Disability Equity: Total number of disabled employees (per SARS definition) as a percentage of total headcount. <p>Detailed calculations are contained in the internal business rules document.</p>
Data limitations / assumptions	<p>Disability is defined and measured in line with the provisions laid out in the Employment Equity Act.</p> <p>Excluding foreign nationals and OTO employees</p>
Type of indicator	Equity
Calculation type	Cumulative (year to date)
Reporting cycle	Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	Employee Relations

4.5 A SARS Career Progression Framework is developed and implemented

Indicator Title	The SARS Career Progression Framework is established
Definition / Purpose	SARS is intentional on the career progression of its staff. This key result will look at the rate at which job families or clusters of job families or employees are converted / migrated into a SARS Career Progression Framework that will be developed for this purpose.
Source/Collection of data	Approved Career Progression Framework and HR systems data
Method of calculation	In year 1, the target is to develop and institute a SARS Career Progression Framework. In subsequent years, actual achievement will be determined by a count of employees that converted / migrated into each career stream (Service Consultants, Audit and Investigations, Customs and Legal).
Data limitations / assumptions	Provided in the business rules document
Type of indicator	Output
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly and annually
Desired performance	An actual achievement higher than target
Indicator responsibility	Talent & Career Development

STRATEGIC OBJECTIVE 5: INCREASE AND EXPAND THE USE OF DATA WITHIN A COMPREHENSIVE KNOWLEDGE MANAGEMENT FRAMEWORK TO ENSURE INTEGRITY, DERIVE INSIGHT AND IMPROVE OUTCOMES

5.1 Risk detection, assessment and profiling is largely automated, data-driven and substantively informs case selection for standard matters (manual risk profiling and case selection is only used for complex matters)

Indicator Title	% Utilisation of data-driven, automated risk assessment for taxpayers and traders
Definition / Purpose	<p>Measures the extent to which cases are automatically selected through the automation of risk detection, data-driven profiling and assessment. The purpose is to ensure that cases are selected automatically, and manual case selection only happens in exceptional cases (e.g. for complex tax matters or taxpayer segments). The following definitions apply to the targets included under this indicator:</p> <p><i>Standard matters:</i> risk assessment emanating from the submission of tax returns and customs declarations. SARS interventions are typically limited to verifications and documentary inspections.</p> <p><i>Complex matters:</i> cover risk detection beyond the scope of information contained in return and declaration submissions. SARS interventions include audits and physical or non-intrusive inspections.</p>
Source/Collection of data	SARS core systems

Method of calculation	<p>% of Automated, data-driven risk detection cases =</p> $\frac{1. \text{ \# of standard cases selected automatically for the period}}{\text{Total (automatically + manually selected) \# of standard cases selected for audit}} \times 100$ $\frac{2. \text{ \# of complex cases selected through data-driven processes for the period}}{\text{Total (data-driven, automatically + manually selected) \# of complex cases selected for audit}} \times 100$ <p>Further detailed calculations in support of the above are contained in the internal business rules document.</p>
Data limitations / assumptions	Contained in the internal business rules document
Type of indicator	Output
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target
Indicator responsibility	Enterprise Data Management

5.2. More data sources are utilised to improve service and/or respond to compliance risks

Indicator Title	A data sourcing plan is developed and implemented
Definition / Purpose	The purpose of this key result is to establish more data sources into the SARS environment, in keeping with our Strategic Objective 5 – Increasing and Expanding the use of data.
Source/Collection of data	SARS Third Party Data Register/ Project implementation reports
Method of calculation	In year 1, the target is to develop and institute a data sourcing plan. In subsequent years, the top 5 data sources will be explored to harness and utilise available data in meaningful ways.
Data limitations / assumptions	Third Party Data Register methodology defined in business rule document
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Achievement higher than target.
Indicator responsibility	Enterprise Data Management (Third Party Data)

STRATEGIC OBJECTIVE 6: MODERNISE OUR SYSTEMS TO PROVIDE DIGITAL AND STREAMLINED ONLINE SERVICES

6.1. Digital platforms availability for taxpayers and traders

Indicator Title	% of planned capacity to be available for mission critical systems
Definition / Purpose	The purpose of this measure is to monitor the availability of digital platforms (e-channels) targeted at e-Filing, business-to-business gateway (B2Bi), Declaration Processing Systems (DPS), Cargo Processing Systems (CPS) and Customs EDI. This measure gauges the availability of SARS' digital platforms, which enable taxpayers to transact and submit returns to honour their commitments, and traders to optimally transact.
Source/Collection of data	Remedy system Reports; Projected Systems Availability; Reports; Change Feedback Reports; Release Management Reports; Applicable emails and documents
Method of calculation	<p>Uptime of mission critical systems =</p> <p><i>Actual hours in a specific month - Unplanned Downtime or Outage</i></p> <p>% Availability of mission critical systems =</p> <p><i>(Uptime of mission critical system)/(Uptime of mission critical system + Downtime of mission critical systems) x 100</i></p> <p>Further detailed calculations are available in the internal business rules document.</p>
Data limitations / assumptions	Contained in the internal business rules document.
Type of indicator	Output
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly and Annually
Desired performance	On target
Indicator responsibility	Technology & Solutions Delivery

6.2. Security of taxpayer and trader information and interactions via digital platforms

Indicator Title	Number of security breaches on digital platforms from known risks
Definition / Purpose	<p>This measures the number of security breaches that occur for all known security risks on SARS' digital platforms. The purpose of this measure is to determine the veracity of the employed digital security risk management practices.</p> <p>Detailed definitions of digital platforms (mission critical), known security risks, security breaches and IT security controls are provided in the internal business rules document.</p>
Source/Collection of data	Remedy system reports; Native reports from all 7 technical controls described in Section 2.4 of the internal business rules document; CSOC reports (daily and monthly); IT Contract database.

Method of calculation	A simple count of number of breaches for the period.
Data limitations / assumptions	Contained in the internal business rules document.
Type of indicator	Output
Calculation type	Cumulative (year-end)
Reporting cycle	Quarterly and Annually
Desired performance	No security breaches from known risks
Indicator responsibility	Technology & Solutions Delivery

STRATEGIC OBJECTIVE 7: DEMONSTRATE EFFECTIVE RESOURCE STEWARDSHIP TO ENSURE EFFICIENCY AND EFFECTIVENESS IN THE DELIVERY OF QUALITY OUTCOMES AND PERFORMANCE EXCELLENCE

7.1. A reconfigured SARS' cost structure that aligns with international peers

Indicator Title	ICT investment as % of total allocation
Definition / Purpose	This measure seeks to track the portion of the SARS total allocated funds to ICT operational and investment costs. SARS is configuring its cost structure to ensure ICT infrastructure is optimally positioned to give full support to the mandate, and align with its international peers.
Source/Collection of data	SARS accounting systems
Method of calculation	<p>% increase in % ICT investment =</p> $\frac{\text{Current year YTD actual funds invested in ICT infrastructure (R)}}{\text{Current year YTD allocated funds}} \times 100$ <p>Less</p> $\frac{\text{Prior year YTD actual funds invested in ICT infrastructure (R)}}{\text{Current year YTD allocated funds}} \times 100$
Data limitations / assumptions	<p>Funds include software and hardware costs incurred on both infrastructure maintenance and improvements, but exclude staff salaries for both.</p> <p>The numbers reported are preliminary until the AG audit is finalised</p>
Type of indicator	Output
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target.
Indicator responsibility	CFO and Technology & Solutions Delivery.

7.2 Unqualified audit opinion received from the Auditor-General on both Own Accounts and Revenue Accounts

Indicator Title	Unqualified audit opinion
Definition / Purpose	The purpose of this measure is to assess SARS' commitment to maintain and promote good governance in the organisation. It measures compliance levels with all Government's statutory requirements..
Source/Collection of data	Auditor-General reports
Method of calculation	Not Applicable (AG decides on scope and methodology)
Data limitations / assumptions	As per AG reports
Type of indicator	Governance
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	Unqualified audit report
Indicator responsibility	Chief Finance Officer

7.3. Demonstrate effective resource stewardship through the appropriate spending of the budget allocation received from National Treasury

Indicator Title	% Deviation between SARS' spending for the year and the allocation SARS received from National Treasury
Definition / Purpose	This measure seeks to track the variance/deviation between the budget allocation SARS received from National Treasury and the actual expenditure of SARS
Source/Collection of data	SARS accounting systems
Method of calculation	Actual funds spend (including commitments i.e. capital works orders and or purchase orders) as a percentage of total SARS grant allocation from National Treasury. % Expenditure vs Budget deviation = $\frac{\text{YTD budget allocation (R)} - \text{YTD actual expenditure (R)}(\text{R}) \text{ inclusive of commitments}}{\text{YTD budget allocation (R)}} \times 100$
Data limitations / assumptions	The figures in statutory reports are preliminary until the AG audit is finalised
Type of indicator	Efficiency
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	An actual achievement lower than target
Indicator responsibility	Chief Finance Officer

STRATEGIC OBJECTIVE 8: WORK WITH AND THROUGH STAKEHOLDERS TO IMPROVE THE TAX ECOSYSTEM

8.1 Intermediaries surveyed are satisfied with SARS' cooperation and collaboration

Indicator Title	% of intermediaries surveyed that are satisfied with SARS' cooperation and collaboration
Definition / Purpose	The purpose of this measure is to gauge the extent to which intermediaries (including Customs) and tax practitioners are satisfied with SARS' cooperation and collaboration. We seek to ensure that SARS intermediaries and tax practitioners receive timeous empowering and enabling assistance, mainly through on-line digital services.
Source/Collection of data	Internal surveys
Method of calculation	Survey is conducted in-house twice per annum. Further details of the calculation and other aspects of the survey, e.g. questionnaire, are included in the research papers as part of the operational documents.
Data limitations / assumptions	Coverage/sample sizes and response rates
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Survey is done twice per year and reported on half-yearly and annually
Desired performance	An actual achievement higher than target
Indicator responsibility	Stakeholder Relations

8.2. Partnerships with identified government departments to leverage platforms on educational programmes

Indicator Title	Number of programmes launched with identified government departments
Definition / Purpose	The purpose of this measure is to track efforts made by SARS in establishing educational programmes with pertinent government departments in pursuit of the continued imperative of educating taxpayers, existing and potential, of their tax and customs obligations.
Source/Collection of data	SARS Stakeholder database External inter-governmental engagements
Method of calculation	Count of the number of programmes established and launched
Data limitations / Assumptions	Only identified government departments will be approached
Type of indicator	Output
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target
Indicator responsibility	Government Segment

STRATEGIC OBJECTIVE 9: BUILD PUBLIC TRUST AND CONFIDENCE IN THE TAX ADMINISTRATION SYSTEM

9.1. Public opinion survey results reflect high trust and confidence in SARS

Indicator Title	% Score per public opinion survey
Definition / Purpose	The purpose of this measure is to gauge the public's perceptions and attitudes towards tax compliance. This will assist SARS in understanding the public's attitude towards tax compliance, and to obtain feedback to enable SARS to track and monitor tax compliance over time.
Source/Collection of data	External survey
Method of calculation	Survey is conducted by an independent research organisation. Further details of the calculation and other aspects of the survey will be included as part of the research methodology and document.
Data limitations / Assumptions	Degree of reliability is subject to quality of data.
Type of indicator	Efficiency
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	An actual achievement higher than target
Indicator responsibility	Taxpayer and Trader Education

9.2. Adherence to Service Charter commitments

Indicator Title	% Service Charter performance score
Definition / Purpose	This measure seeks to track how SARS is meeting its commitments in the 2022 Service Charter
Source/Collection of data	SARS core systems, Tax Ombud
Method of calculation	The score is derived from the categories in the 2022 Service Charter, and weighted to arrive at a composite score. Further detailed calculations are available in the service charter methodology and business rules documents.
Data limitations / assumptions	The migration from the old Service Charter to the 2022 Service Charter might compromise data quality due to some manual data processing. Continuous improvements will be implemented during the year.
Type of indicator	Output
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly and Annually
Desired performance	An actual achievement higher than target
Indicator responsibility	Taxpayer Service Charter Unit

ANNEXURES

Annexure A: Changes to the 2020/21 – 2024/25 SARS Strategic Plan Key Results, Key Performance Indicators and Targets

The following changes have been made to Key Results, Key Results Indicators and Targets in the current SARS 2020/21 – 2024/25 Strategic Plan, and replace all other changes that were effected in previous years.

STRATEGIC INTENT: TO DEVELOP AND ADMINISTER A TAX AND CUSTOMS SYSTEM BASED ON VOLUNTARY COMPLIANCE, AND WHERE APPROPRIATE, ENFORCE RESPONSIBLY AND DECISIVELY			
Key results	Old 2024/25 Targets	New 2024/25 Targets	Comments
We have reduced the tax gap significantly – total tax gap as a percentage of total revenue due	Between 10% - 15% (OECD 11% - 13%)	No changes to targets	Key result will be tracked and reported internally
Enhanced Trade Facilitation - Trade Facilitation Index (%)	Not Applicable	2.00% increase on prior year achievement	New Key result

STRATEGIC OBJECTIVE 1: PROVIDE CLARITY AND CERTAINTY FOR TAXPAYER AND TRADER OF THEIR OBLIGATIONS			
Key results	Old 2024/25 Targets	New 2024/25 Targets	Comments
The majority of taxpayers, traders and public surveyed perceive the guidance SARS provides as clear, unambiguous and easy to comply with – % of taxpayers and traders that are satisfied with the clarity and certainty of the guidance provided by SARS based on an annual survey (clarity survey)	80.00% of taxpayers and traders	79.00% of taxpayers and traders	Target changed from 80.00% to 79.00%
There are fewer taxpayers and traders that need SARS to help them resolve their tax and customs queries – reduction in the number of taxpayer and traders requiring to visit a SARS branch office (% of base)	60.00% reduction in inbound volumes relative to base	No changes to targets	Key result will be tracked and reported internally

We have a continuous downward trend in overall disputes - % reduction in the number of disputes lodged with SARS	<ul style="list-style-type: none"> • Simple taxpayers (PIT) disputes to largely disappear by 2024/25 • Provisional taxpayer disputes to significantly decrease by 2024/25 • VAT disputes to significantly decrease by 2024/25 	No changes to targets	Key result will be tracked and reported internally
Enhanced enrolment of Economic Operators to the AEO Programme - Number of AEO accreditations	Not Applicable	130	New Key result

STRATEGIC OBJECTIVE 2: MAKE IT EASY FOR TAXPAYERS AND TRADERS TO COMPLY WITH THEIR OBLIGATIONS

Key results	Old 2024/25 Targets	New 2024/25 Targets	Comments
Increase in the number of taxpayers and traders using digital platforms - % of taxpayers and traders using digital platforms to interact with SARS	85.00%	95.00	Target increased from 85.00% to 95.00%
All standard taxpayers are auto registered without the need for them to come to SARS - Proportion of standard taxpayers auto-registered	95.00% auto-registration of taxpayers and traders by SARS	No changes to targets	Key result will be tracked and reported internally
Significant improvements in the ease of doing business with SARS - upward movement in the ranking by the World Bank Study	Top quartile ranking in the World Bank Study	No changes to targets	Key result was dropped due to challenges in measurement
When taxpayers and traders are satisfied with SARS as evidenced by the Net Easy Score	Net Easy Score of greater than 70.00%	No changes to targets	Key result was dropped in favour of Public Opinion Survey at a strategic level
A focused compliance programme for the SMME segment is developed and implemented - An approved SMME Compliance Programme	Not Applicable	Note: Programme to be put in place in 2023/24	New Key result

STRATEGIC OBJECTIVE 3: DETECT TAXPAYERS AND TRADERS WHO DO NOT COMPLY, MAKING NON-COMPLIANCE HARD AND COSTLY			
Key results	Old 2024/25 Targets	New 2024/25 Targets	Comments
SARS interventions achieve intended outcomes - % of interventions that yield the intended results	90.00% overall success	No changes to targets	Key result will be tracked and reported internally
We achieve a high success rate in the number of cases we take to court (via NPA) for prosecution – % success (conviction) rate of cases referred for prosecution	95.00%	See below	Key result amended as shown below
Extent to which SARS enables the NPA to successfully prosecute criminal cases referred by SARS (in line with the coverage model) - % of cases successfully prosecuted by the NPA	Not Applicable	90.00%	Key result will measure SARS' direct efforts

STRATEGIC OBJECTIVE 4: DEVELOP A HIGH PERFORMING, DIVERSE, AGILE, ENGAGED AND EVOLVED WORKFORCE			
Key results	Old 2024/25 Targets	New 2024/25 Targets	Comments
Employee Engagement Index	Top Quartile in market	See below	Key result amended as shown below
Improved engagement of SARS employees	Top quartile in the market	Top quartile (top 25%) in the market	Key result was reworded
Employer Brand (Employer of Choice Rating)	Top Tercile in the market (top 10 %)	No changes to targets	Key result will be tracked and reported internally
Diversity and Employment Equity: <ul style="list-style-type: none"> i. Racial Equity ii. Gender Equity iii. Disability 	Racial equity – 84.00% Gender Equity – 53.46% Disability Equity – 4.75%	Racial Equity = 81.96% Gender Equity = 51.82% Disability Equity = 3.39%	Key result reworded as “Attainment of Employment Equity Plan” and targets revised
A SARS Career Progression Framework is developed and implemented - The SARS Career Progression Framework is established	Not Applicable	Develop and approve the career progression framework (Service Consultants, Audit & Investigations, Customs and Legal).	New Key result

STRATEGIC OBJECTIVE 5: INCREASE AND EXPAND THE USE OF DATA WITHIN A COMPREHENSIVE KNOWLEDGE MANAGEMENT FRAMEWORK TO ENSURE INTEGRITY, DERIVE INSIGHT AND IMPROVE OUTCOMES			
Key results	Old 2024/25 Targets	New 2024/25 Targets	Comments
Risk detection, assessment and profiling is largely automated and substantively informs case selection for standard matters. Manual risk profiling and case selection is only used for complex matters	100.00% utilization of automated risk assessment for standard taxpayers and traders; 80.00% utilisation automated risk assessment for complex taxpayers and traders	100.00% standard 75.00% complex	Target for complex taxpayers revised from 80.00% to 75.00%
Accurate and complete register of taxpayers	Register which reliably reflects all taxpayers, their inter-relationships and their respective statuses. 90% accurate tax registers	No changes to targets	Key result will be tracked and reported internally
More data sources are utilised to improve our service and/or respond to compliance risks - <i>A data sourcing plan is developed and implemented</i>	Not Applicable	Develop and approve a comprehensive data sourcing plan	New Key result

STRATEGIC OBJECTIVE 6: MODERNISE OUR SYSTEMS TO PROVIDE DIGITAL AND STREAMLINED ONLINE SERVICES			
Key results	Old 2024/25 Targets	New 2024/25 Targets	Comments
All SARS service offerings are made available digitally - <i>% of SARS taxpayer and trader service offerings made available online</i>	95.00%	No changes to targets	Key result will be tracked and reported internally

STRATEGIC OBJECTIVE 7: DEMONSTRATE EFFECTIVE STEWARDSHIP OF OUR RESOURCES TO ENSURE EFFICIENCY AND EFFECTIVENESS IN THE DELIVERY OF QUALITY OUTCOMES AND PERFORMANCE EXCELLENCE			
Key results	Old 2024/25 Targets	New 2024/25 Targets	Comments
Reconfigured cost structure - ICT investment as percentage of total grant	ICT investment of between 13.00% of total grant	2.00%	Key result reworded as “A reconfigured SARS cost structure to align with international peers” and target revised accordingly
Revenue is collected at a level in line with comparable international peers’ cost – Cost to Revenue Ratio	1.00%	No changes to targets	Key result will be tracked and reported internally
Demonstrate effective resource stewardship through the appropriate spending of the budget allocation received from National Treasury - % Deviation between SARS’ spending for the year and the allocation SARS received from National Treasury	Not Applicable	5.00%	New Key result

STRATEGIC OBJECTIVE 8: WORK WITH AND THROUGH STAKEHOLDERS TO IMPROVE THE TAX ECOSYSTEM			
Key results	Old 2024/25 Targets	New 2024/25 Targets	Comments
We have a high number of intermediaries that are satisfied with our cooperation and collaboration – % of our intermediaries that are satisfied with our assistance	70.00%	76.00%	Key result reworded as “Intermediaries surveyed are satisfied with SARS’ cooperation and collaboration” and target increased
Multilateral bodies peer review assessment of our administration and engagements – peer review score based on current multilateral agreements (example, TADAT, WCO, Global Forum on Tax Transparency and EOI, ATAF)	Top quartile ranking	No changes to targets	Key result was split into separate parts and will be tracked and reported internally
Partner with identified government departments to leverage educational platforms – Number of programmes launched with identified government departments	Not Applicable	2	New Key result

STRATEGIC OBJECTIVE 9: BUILD PUBLIC TRUST AND CONFIDENCE IN THE TAX ADMINISTRATION SYSTEM			
Key results	Old 2024/25 Targets	New 2024/25 Targets	Comments
Public opinion survey results reflect high trust and confidence in SARS	75.00%	76.50%	Target increased from 75.00% to 76.50%"
Sentiment analysis continuously reflects high trust and confidence in SARS	Top 3 words the public associates with SARS are all positive	Not Applicable	Key result dropped due to measurement challenges
Adherence to Service Charter commitments - % <i>Service Charter performance score</i>	Not Applicable	88.00%	New Key result

Notes

Notes



Lehae la SARS Building, 299 Bronkhorst Street
Nieuw Muckleneuk, Pretoria
Private Bag X923, Pretoria, 0001
Tel: +27 (12) 422-4000, Fax: +27 (12) 452-9685
www.sars.gov.za