



Tax Ombud Annual Performance Plan 2023/24





Vision

To strengthen taxpayers' trust and confidence in tax administration.



Mission

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

Values



Accountability

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



Independence

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



Efficiency

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



Fairness

The Tax Ombud acts in fairness at all times.



Confidentiality

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



Impartiality

The Tax Ombud will review taxpayers' complaints fairly.

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Executive Authority Statement

Enoch Godongwana

Minister of Finance

It is a pleasure to present the 2023/24 Annual Performance Plan for the Office of the Tax Ombud (OTO). South Africa, as a developmental state, requires institutions such as the OTO to provide effective governance and accountability, and intervene to deal with the structural causes of economic and social underdevelopment. The Office marks a decade of providing a channel for taxpayers to resolve tax-related issues by being accountable and responding to the expectations and needs of citizens.

“The National Treasury will continue to support and facilitate the OTO’s vision of strengthening taxpayers’ trust and confidence in tax administration.”

The National Treasury will continue to support and facilitate the OTO’s vision of strengthening taxpayers’ trust and confidence in tax administration.

I would like to thank, the Acting Tax Ombud, Professor Thabo Legwaila and the OTO team as they have an immense task ahead of ensuring that the Office continues to be committed to assisting taxpayers and able to continuously deliver consistently high-quality services.

Enoch Godongwana, MP

Minister of Finance



Statement of the Tax Ombud

Professor Thabo Legwaila

Acting Tax Ombud

This is an exciting year for the OTO, which is marking its 10th anniversary in October 2023. Over the past decade, we have established the Office as an independent brand with skilled employees, dedicated to ensuring fairness in tax administration.

The effective community and stakeholder networks we have built have been pivotal in creating awareness of the OTO brand and mandate through collaboration and engagement opportunities. With limited resources, we have managed to meet the growing taxpayer demand for our services and, in addition, conducted investigations into possible systemic issues that affect significant numbers of taxpayers.

The next decade will be more exacting as we accelerate the achievement of strategic outcomes set out in the Strategic Plan 2020–2025.

“Over the past decade, we have established the Office as an independent brand with skilled employees, dedicated to ensuring fairness in tax administration.”

These are some of the progressive developments we have planned for this year and the coming few years:

- With the OTO reaching a 10-year milestone, we need to re-engineer its path, impact and significance to the taxpayers of South Africa. The OTO is no longer a new organisation, but a maturing one that needs to shift into higher gear to meet the demands of the changing South African and global tax environment.
- Artificial intelligence (AI) applications could save the Office a considerable amount of effort when determining whether a taxpayer's issue falls within our mandate. We therefore plan to digitalise the initial point of contact the taxpayer makes with the OTO so as to optimise the use of our human resources. Comparable organisations within and outside South Africa are using similar applications and we look forward to using AI for the taxpayer's initial contact, as well as to address routine queries and complaints.
- We are exploring working methodologies to make the OTO more flexible and agile, and to build an engaged and inspired workforce equipped to provide the best service and outcomes possible with the available resources. By intensifying efforts to improve the employee experience, the Office seeks to provide a better taxpayer experience.
- One of the major negative impact points of the Covid-19 pandemic was that it further inhibited the physical reach of the OTO. While we have proceeded to use alternative socially distanced ways of reaching out to taxpayers, we will resume physical roadshows to supplement the current remote methods.

The Office's ability to provide services depends upon the available funding levels and our administrative independence. We have been gradually implementing the Strategic Plan 2020-2025 and providing services in line with the expectations of taxpayers and stakeholders, within the constraints of limited resources and a rigid operational and administrative structure that is dependent on the South African Revenue Service (SARS).

Within the tax environment, we have witnessed changes to tax laws, regulatory reforms and the introduction of enhanced information technology capabilities. The pace of change is accelerating and it is incumbent on the Office to respond with agility in supporting and serving taxpayers.

“Artificial intelligence (AI) applications could save the Office a considerable amount of effort when determining whether a taxpayer's issue falls within our mandate.”

I want to acknowledge the support that the National Treasury has provided to the Office in the past decade; the cooperation from SARS in accepting and resolving the OTO's recommendations to improve tax services and administration; and the previous leadership of the OTO in promoting fair, effective and impartial recourse for taxpayers. I trust that the level of support received from stakeholders will continue in the next 10 years.

Lastly, I wish to thank the OTO's employees for their dedication and commitment. They have been pivotal in the progress the Office has made in delivering high-quality, responsive services, and we appreciate it.



Prof. Thabo Legwaila

Acting Tax Ombud



Overview by the Chief Executive Officer

Gert van Heerden

Acting Chief Executive Officer

“We continue to build a successful Office and a brand that has now become synonymous with taxpayer rights and other initiatives contributing to improving the tax administration system.”

Celebrating a 10th-anniversary milestone is a significant achievement. The OTO is going through an exciting phase of innovation to enhance the taxpayer experience.

In a decade, we have successfully manoeuvred through many changes as an Office and adapted to the rapid pace of technological innovation, underpinned by our understanding that keeping up with new technologies is vital to the success of the OTO in delivering on its mandate efficiently. We have also seen modest growth in our workforce and have quickly adapted to new ways of working to create a conducive work environment that is flexible, dynamic and taxpayer-centric.

We continue to build a successful Office and a brand that has now become synonymous with taxpayer rights and other initiatives contributing to improving the tax administration system. We are focused on accelerating the execution of the Strategic Plan 2020–2025, and thus continuing to build and strengthen our brand and service delivery.

This year we look forward to implementing changes in the complaints resolution process, making it quicker and more convenient for taxpayers to lodge their complaints. We have reduced the number of days it takes us

to validate a complaint and are introducing a quality management process to maintain the quality of service. The Office will also enhance the contact centre’s systems to deliver personalised and proactive customer service that is seamless, consistent and delivers real-time feedback.

As an Office, we are enthusiastic about the journey ahead and truly believe the best is yet to come. I want to thank the employees of the Office of the Tax Ombud for their patience, dedication and support in strengthening this Office. The first Tax Ombud, Judge Bernard Makgabo Ngoepe, who served for nine years, and the Acting Tax Ombud, Prof. Thabo Legwaila, have made invaluable contributions in ensuring the Office remains on track in achieving its strategic outcomes. We are grateful to them.

Gert van Heerden

Acting Chief Executive Officer

Official Sign-Off

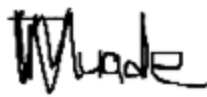
It is hereby certified that this Annual Performance Plan:

- was developed by the management of the Office of the Tax Ombud under the guidance of the Minister of Finance;
- takes into account all the relevant policies, legislation and other mandates for which the Office of the Tax Ombud is responsible; and
- accurately reflects the outcomes and outputs that the Office of the Tax Ombud will endeavour to achieve in the period 2023/24.



Pearl Seopela

Senior Manager: Communications and
Stakeholder Relations



Talitha Muade

Senior Manager: Operations



Francois Viljoen

Acting Senior Manager: Legal Services and
Systemic Investigations



Mmamelao Malakalaka

Senior Manager: Office Enablement and
Support Services



Gert van Heerden

Acting Chief Executive Officer



Prof. Thabo Legwaila

Acting Tax Ombud



TAX

Part A:

Our Mandate

1. Updates to the relevant legislative and policy mandates

There are no updates to the OTO's legislative and policy mandates, which remain as follows:

Constitutional mandate

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

Legislative and policy mandates

The mandate of the Tax Ombud in terms of the Tax Administration Act is to:

- a) review and address any complaint by a taxpayer regarding a service matter or a procedural or administrative matter arising from the application of the provisions of a tax Act by SARS;
- b) review, at the request of the Minister or at the initiative of the Tax Ombud, with the approval of the Minister, any systemic and emerging issue related to a service matter or the application of the provisions of this Act or procedural or administrative provisions of a tax Act.

2. Updates to institutional policies and strategies

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

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

3. Updates to relevant court rulings

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



Part B: Our Strategic Focus

1. UPDATED SITUATIONAL ANALYSIS

Overview

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

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

Therefore, the Office's ability to provide services to taxpayers in line with their expectations is limited by the resources available, including the level of funding and current office structure. The Office aims to manage available internal resources appropriately to provide the highest quality service.

The Office strives to achieve seven main pillars:

- ensuring a balanced and fair application of the tax administration process and contributing to a culture of tax compliance;
- providing a consistently high-quality service that is taxpayer-centric and delivered at a minimal cost;
- independence, both structurally and operationally, to limit the risk of perceived bias;
- continuously addressing the evolving threats associated with ensuring that all information, data and communications remain confidential;
- providing tax complaints-resolution services that are of the highest quality;
- using the knowledge and insight obtained from taxpayers and stakeholders to improve complaints handling by the OTO and to positively impact its services;

- being accountable for authentic content and efficient feedback; and
- deepening our relationship with members of the Recognised Controlling Bodies (RCBs) and key stakeholders.

Table 1: Tax register as of 31 March 2021

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

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

1.1. External environment analysis - PESTEL

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

1.1.1. Political factors

- Ombud institutions – both local and international – promote an open government concept and mainly seek to improve the public sector's transparency, accountability and responsiveness. However, they also serve to increase trust, fight corruption, improve citizen participation and improve the effectiveness and efficiency of the public sector. With individuals and entities conscious of and sensitive to corruption, it is essential that the OTO actively demonstrates ethical leadership.
- In general, support and guidance from the Minister of Finance and the government are essential for the OTO to achieve its mandate successfully.

- Frequent changes in the Ministry of Finance might negatively impact the business continuity within the OTO due to difficulty in relationship-building and decision-making on organisational objectives.

1.1.2. Economic factors

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

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

1.1.3. Social factors

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

- The general levels of corruption in the country impact how society behaves towards or perceives compliance with tax laws. This societal perception of corruption and the obligation to pay taxes results in lower standards of tax morality and more complaints for the OTO.
- Taxpayers who lack knowledge and understanding of the processes and procedures that must be followed before lodging a complaint with the OTO require a personal approach that will help build understanding, trust and confidence in the tax administration system.
- Organisations in both the private and public sectors offer employees a value proposition that often includes a hybrid work environment, which is a flexible approach that combines working in an office with working from home. In adapting to hybrid work, the OTO should ensure that there is support for work-life balance among its employees and that it can continue to deliver on its mandate without compromising the quality of service. The Office requires flexible resource plans to continue to meet the taxpayer's expectations.
- The decentralisation of the SARS Complaints Management Office (CMO) to the regions and business units within SARS could, in the long term, improve the complaints resolution rate.

1.1.4. Technological factors

- Taxpayers are becoming increasingly comfortable engaging electronically via multiple channels, creating opportunities to extend access via eChannels.
- The Office plans to adopt a hybrid work environment as part of its employee value proposition, using information technology (IT) systems and related resources to enable employees to provide services away from the office. Changes will include technology that enables taxpayer-centric service delivery that enhances the taxpayer experience.
- Social media allows customers to report unsatisfactory service immediately, and bad brand publicity can go viral almost instantly. The OTO will need to be equipped to maximise the positive impact of social media and have strategies to manage adverse publicity.
- The growing use of eChannels is also increasing the opportunities for cybercrime, and this will require the OTO to respond by ensuring appropriate levels of electronic security.

- The introduction of new digital channels will improve taxpayers' access to the OTO's services and allow for innovative working practices among employees. These services would enable increased operational flexibility, such as extended operating hours, and face-to-face services provided via eChannels.
- SARS is continuously improving its IT systems, which might be a challenge for taxpayers who are less technologically proficient or not proficient. Technologically challenged taxpayers are more likely to raise complaints prematurely against SARS and subsequently to the Office of the Tax Ombud.
- Inadequate technology resources limit the OTO's engagement opportunities with taxpayers, tax practitioners and RCBs, among others.

1.1.5. Environmental factors

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

1.1.6. Legal factors

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

1.2. Internal environment analysis - SWOT

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

Strengths

The OTO is renowned for the following strengths:

- respected and robust leadership;
- growing brand recognition, media presence and stakeholder collaboration;
- competent, skilled and professional employees, with the following occupational levels:
 - top management and senior management comprise 12.82% of the workforce; 60% of top and senior managers are female;
 - professionally qualified, experienced specialists and middle management comprise 64.1%;
 - skilled technical, academically qualified and junior management employees make up 17.95%;
 - 5.13% are semi-skilled;
- a youthful workforce with an average age of 43 indicates the sustainability of skills in the coming years;
- the employee turnover rate is low, with 6.95 years of service being the average among employees in the nine years of the Office's existence.
- commitment to continuous employee development;
- an open-door policy for taxpayers, as no appointment is needed to visit the Office;
- commitment to taxpayer education and raising awareness of the Office and its functions;

- ability to deliver services optimally with minimal resources;
- good relationships and collaboration with major stakeholders, including public and private sector groupings;
- complaints-resolution outcomes that change the lives of ordinary taxpayers and improve SARS's efficiency;
- a steadily improving online brand presence; and
- In addition, effective business continuity plan implementation has enabled employees to deliver service remotely, efficiently and with minimal interruptions.

Weaknesses

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

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

Opportunities

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

- Consumer insights survey results–
 - In 2022, a snap consumer survey was conducted to gain insights into radio listeners' views and awareness regarding where to resolve their tax queries and complaints. The main finding was a general awareness of the Office of the Tax Ombud. However, worryingly, most of those engaged viewed the OTO and the services it provides as a subsidiary of SARS. The survey also showed that of the 5% of the listeners who have used the services of the OTO before, 44% of them found the experience satisfactory.
 - The OTO obtained valuable insight from the survey and will implement the recommendations stemming from it. These include intensifying visibility and community engagements and utilising radio, the most popular and effective medium, to inform and engage stakeholders. Another recommendation, which the OTO will implement, is intensifying activations to raise awareness and continue upgrading the OTO website to make it more customer-centric.
- promote employee engagement;
- advocate for a structurally independent organisation;
- implement a Human Resources Strategy;
- improve the effectiveness of technology by:
 - providing taxpayers with improved access to online lodging of complaints and increasing the number of digital channels; and
 - improving the complaints-management process by pursuing a consolidated technological approach that embraces simplified complaints processes, automation and customer feedback that will enhance the customer experience.
- collaborate with SARS and other external stakeholders on taxpayer awareness, engagement and education;
- continue to engage with SARS on its service charter and compliance with the MoU between the OTO and SARS;
- consistently develop processes and procedures to streamline governance and reporting;
- gauge and improve customer satisfaction with the OTO's services;
- promote international participation with other Ombuds;
- intensify communications and stakeholder relations to reach out to communities;
- appoint an IT specialist for the OTO;
- raise awareness of the OTO's services and improve utilisation;
- share resources and knowledge with other organs of state, stakeholders and Ombuds to improve accessibility to services;
- leverage the OTO's success stories in the media for coverage and interviews;
- maintain and improve the credibility of the OTO and its service delivery;
- continuously advocate for integrity and confidentiality in the Office, especially considering the implementation of POPIA; and
- include energy solutions to enhance the current OTO business continuity plan by minimising the disruptions caused by Eskom load shedding.

Threats

The following threats have been identified:

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



1.2.1. Organisational structure

The total number of employees of the Office is 39, and the total number of female employees is 21 (53.85%), while there are 18 (46.15%) male employees. There are no employees living with disabilities.

In the new financial year, the OTO expects to employ two employee interns in complaints resolution through the graduate programme, a new manager in Customer Service and an Information Technology Specialist. This will bring the total number of employees to 43.

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

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

The current OTO organogram is depicted below



1.2.2. Our core process

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

1. Acknowledge complaint:

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

2. Evaluate and review complaint:

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

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

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

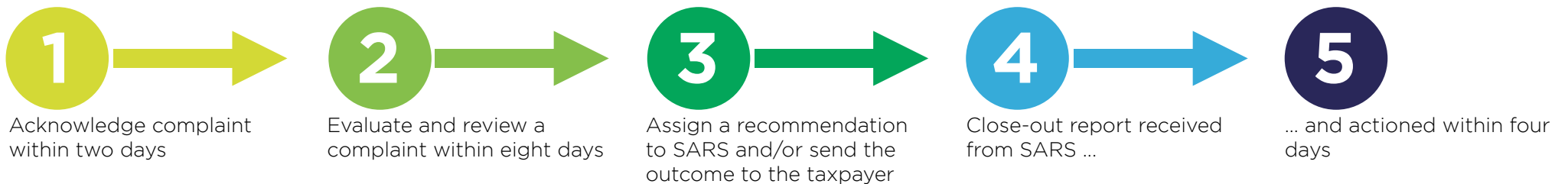
4. Close-out report received:

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

5. Close-out report actioned:

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

Diagram 1: Complaints-resolution process





Part C:

Measuring our Performance

1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

To deliver the OTO mandate effectively and efficiently, the Office organises its activities and priorities according to the following four budget programmes and outcomes:

Programme 1: Accountability

Programme 2: Efficacy

Programme 3: Independence

Programme 4: Security and confidentiality

These outcomes are linked to the outputs as set out in the 2020-2025 Strategic Plan, as detailed below:

Programme	Programme statement	Linked to outputs (Strategic objectives)
Accountability	Ensure a balanced and fair application of the tax administration process and contribute to a culture of tax compliance.	Review and address taxpayer complaints against SARS.
		Contribute to the improvement of the tax administration system and build confidence in the system.
Efficacy	Provide a consistently high-quality, taxpayer-centric service at a minimal cost.	Create an agile organisation that can scale efficiently to meet taxpayer demands.
		Promote stakeholder engagement and collaboration.
Independence	An Office of the Tax Ombud that is independent structurally and operationally, to limit the risk of perceived bias.	Optimise governance structures, risk management and business processes.
		Enhance and strengthen the mandate of the Office of the Tax Ombud.
Security and confidentiality	Continuously address the evolving threats associated with ensuring that all information data and communications remain confidential.	Maintain security and confidentiality of organisational information.

1.1. Programme 1: Accountability

Purpose: Ensure a balanced and fair application of the tax administration process and contribute to a culture of tax compliance.

Annual outcomes, outputs, output indicators and targets – Output 1

Outcome	Outputs	Output indicators	Unaudited information	Audited performance information		Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Review and address taxpayer complaints against SARS.	Capture and acknowledge complaints within two days of receipt.	Percentage of complaints acknowledged within two business days of receipt.	94%	86%	85%	95%	96%	100%	100%
	Evaluate and review complaints within eight days of acknowledgment.	Percentage of complaints evaluated and reviewed within eight business days of the date of acknowledgment.	94%	89%	93%	95%	96%	98%	98%
	Communicate the outcome within four business days from the date the close-out report is received from SARS.	Percentage of close-out reports actioned within four business days of date received.	83%	87%	95%	88%	90%	92%	92%

Output indicators: annual and quarterly targets

Input indicators	Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage of complaints acknowledged within two business days of receipt.	96%	96%	96%	96%	96%
Percentage of complaints evaluated and reviewed within eight business days of the date of acknowledgment.	96%	96%	96%	96%	96%
Percentage of close-out reports actioned within four business days of date received.	90%	90%	90%	90%	90%

Annual outcomes, outputs, output indicators and targets – Output 2

Outcome	Outputs	Output indicators	Unaudited information	Audited performance information		Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Contribute to improving the tax administration system and building confidence in the system.	Identify and investigate systemic issues that will improve and promote fairness in the tax administration by being an impartial redress mechanism.	Percentage of systemic issues identified and investigated within five months.	100%	100%	80%	80%	100%	100%	100%
		Time taken to complete systemic investigation report/s approved or requested by the Minister.	Target not planned	20 months after approval	No request from Minister	No systemic investigation is anticipated for 2022/23	12 months from the date of approval	12 months from the date of approval	12 months from the date of approval
		Number of existing systemic issues removed from the systemic issues register after implementation by SARS.	Target not planned	20%	0%	10%	2	2	2
		Develop, promote and update the Tax Ombud's Compilation of Taxpayers' Rights, Entitlements and Obligations.	Target not planned	Research on the tax Compilation was conducted, and the CEO considered the report.	Approval by the Tax Ombud – The Tax Ombud approved the Compilation of Taxpayer Rights, Entitlements and Obligations in March 2022.	Promotion of the tax Compilation – 21 activities	Promotion of the tax Compilation – 20 activities	Promotion of the tax Compilation – 20 activities	Promotion of the tax Compilation – 20 activities
						One annual update (Review)	Review the Compilation of Taxpayers' Rights, Entitlements, and Obligations (Annually)	Review the Compilation of Taxpayers' Rights, Entitlements, and Obligations (Annually)	Review the Compilation of Taxpayers' Rights, Entitlements, and Obligations (Annually)

Output indicators: annual and quarterly targets

Input indicators	Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage of systemic issues identified and investigated within five months.	100%	Progress reporting	Progress reporting	Progress reporting	100%
Time taken to complete systemic investigation report/s approved or requested by the Minister.	12 months from the date of approval	Progress reporting	Progress reporting	Progress reporting	12 months from the date of approval
Number of existing systemic issues removed from the systemic issues register after implementation by SARS.	2	Progress reporting	Progress reporting	Progress reporting	2
Develop, promote and update the Tax Ombud's Compilation of Taxpayer Rights, Entitlements and Obligations.	Promotion of the tax Compilation – 20 activities	Progress reporting	Progress reporting	Progress reporting	Promotion of the tax Compilation – 20 activities
	Review the Compilation of Taxpayer Rights, Entitlements and Obligations (Annually)	Progress reporting	Progress reporting	Progress reporting	Review the compilation (Annually)

1.2. Programme 2: Efficacy

Purpose: Provide a consistently high-quality service that is taxpayer-centric and provided at

Annual outcomes, outputs, output indicators and targets – Output 3

Outcome	Outputs	Output indicators	Unaudited information	Audited performance information		Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Create an agile organisation that can scale efficiently to meet taxpayer demands.	Provide efficient, real-time, quality communication processes that are responsive and promote clarity of information.	Percentage of Digital Communications Framework activities implemented.	Target not planned	15%	40%	20%	100%	100%	100%
		Percentage of Community Outreach Framework activities implemented.	Target not planned	20%	64%	20%	100%	100%	100%
		Employee engagement survey at second quartile.	Target not planned	Target not planned	Target not planned	Target will not be achieved, it is planned for 2023/24	Second quartile	Target not planned	Target not planned
		Net promoter score for taxpayers' brand recognition survey.	Target not planned	Target not planned	0	0	+1	Target not planned	Target not planned

Output indicators: annual and quarterly targets

Input indicators	Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage of Digital Communications Framework activities implemented.	100%	Progress reporting	Progress reporting	Progress reporting	100%
Percentage of Community Outreach Framework activities implemented.	100%	Progress reporting	Progress reporting	Progress reporting	100%
Employee engagement survey at second quartile.	Second quartile	Progress reporting	Progress reporting	Progress reporting	Second quartile
Net promoter score for taxpayers' brand recognition survey.	+1	Target not planned	Target not planned	Target not planned	+1

Annual outcomes, outputs, output indicators and targets – Output 4

Outcome	Outputs	Output indicators	Unaudited information	Audited performance information		Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Promote stakeholder engagement and collaboration.	Create opportunities for and implement stakeholder engagements and collaborations.	Percentage of stakeholder engagement framework activities implemented.	Target not planned	20%	41%	20%	100%	100%	100%

Output indicators: annual and quarterly targets

Input indicators	Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage of stakeholder engagement framework activities implemented.	100%	Progress reporting	Progress reporting	Progress reporting	100%

1.3. Programme 3: Independence

Purpose: An Office of the Tax Ombud that is independent structurally and operationally, to limit the risk of perceived bias.

Annual outcomes, outputs, output indicators and targets – Output 5

Outcome	Outputs	Output indicators	Unaudited information	Audited performance information		Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Optimise governance structures, risk management and business processes.	Achieve a clean audit outcome on performance information from the Auditor-General of South Africa	Performance audit outcome achieved.	Target not planned	Target not planned	Not achieved. The governance framework has been developed and is currently under review.	Unqualified audit conclusion by Auditor-General	Clean audit	Clean audit	Clean audit

Output indicators: annual and quarterly targets

Input indicators	Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Performance audit achieved.	Clean audit	Progress reporting	Progress reporting	Progress reporting	Clean audit

Annual outcomes, outputs, output indicators and targets – Output 6

Outcome	Outputs	Output indicators	Unaudited information	Audited performance information		Estimated performance	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Enhance and strengthen the mandate of the Office of the Tax Ombud.	Ensure that the Office of the Tax Ombud is structurally and operationally independent.	Tax Administration Act amendment proposals sent to National Treasury for consideration.	Target not planned	0%	Achieved - one proposal/decision was submitted to the National Treasury in December 2021	One proposal/decision	One proposal/decision	One proposal/decision	One proposal/decision

Output indicators: annual and quarterly targets

Input indicators	Annual targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Tax Administration Act amendment proposals were sent to National Treasury for consideration.	One proposal/decision	Progress reporting	Progress reporting	One proposal/decision	No target

1.4. Explanation of planned performance over the medium-term period

Programme 1: Accountability

The main priority of the APP 2023/24 is to ensure the OTO is taxpayer-centric and can deliver improvements to streamline the handling of queries and complaints and provide a more proportionate service focused on early resolution. The Office will build on the significant progress made in 2022/23 in delivering new and more effective ways of working to achieve the early and proportionate resolution of complaints to stabilise performance and support the OTO's employees. This streamlining will be implemented through the Digital Communications Framework and introducing an integrated customer service management system with a set of applications used to store, organise and process customer information, interactions and services.

The system will also include using artificial intelligence (AI) driven technology to provide taxpayers with unique recommendations tailored to their individual needs and preferences. The AI-driven technology will include the use of automated virtual assistants that can handle basic customer queries, such as frequently asked questions (FAQs), more efficiently and cost-effectively than traditional customer service methods. This will save time for both the taxpayers as customers and the support agents and Complaints Resolution Specialists, freeing them up to handle more complex queries and complaints that fall within the Office's mandate.

The Office will also implement a formal process for identifying and utilising conciliation and mediation processes in resolving complaints. The Office understands, through previous engagements, that its involvement in conciliation and mediation is another proactive alternative process to give taxpayers and SARS an opportunity to resolve disputes in a mutually agreeable, convenient and efficient way.

The second priority is to improve employee capacity through support to employees to perform at their best. The Office will also continue to deliver on the Human Resources (People Management) Strategy and conduct a comprehensive review of frameworks to ensure that the OTO has the tools to be a great place to work, and to be seen as such. The frameworks will ensure that the Office builds capacity within the Contact Centre and Complaints Resolution, focusing on technically astute employees with the acumen to continually analyse conditions and act accordingly to achieve positive desired outcomes.

The third priority is for the Office to develop insight mechanisms to increase the impact of work and support improvements in the tax administration system. The mechanisms for this will be a proactive systemic investigation and systemic investigation specialists who are able to apply the latest modelling capabilities for advanced analytics. This will improve decision-making in the complaints-management process and enable research to improve processes within the Office and tax administration.

Programme 2: Efficacy

The fourth priority to enhance stakeholder relations and collaborations is to cultivate mutually beneficial partnerships and formalise them through MoUs and SLAs. The partnerships will enable the OTO to maximise awareness. The aim is to enhance the community outreach initiatives to impact more taxpayers through various platforms such as thought leadership engagements, presentations, advertising campaigns, media broadcasts, newsletters and social media. The aim is to impact on taxpayers whom we have not previously reached.

The Office will also continue with the implementation of the Digital Communications Framework. The intention is to mainstream the benefits of the framework, continue to implement other innovations and improvements and conduct regular process reviews to enable transformative change and new technologies.

The Office will therefore continue investing in technology in the coming year and beyond, focusing on reaching and maintaining a sustainable level of performance that meets customers' expectations within acceptable timeframes.

The OTO has rolled out a Customer Perception Survey to gauge taxpayers' perceptions of the service experience in their interaction with the OTO. The study provides the OTO with invaluable insight into its standing as a service brand and what it needs to do to further promote brand awareness, carry out high-quality interaction with taxpayers, assess the quality of the taxpayer journey within the OTO and promote a customer-centric environment.

Programme 3: Independence

Corporate governance

The Office has begun to implement governance structures, including internal and external assurance processes. It will establish a Governance Committee in 2023/24 to oversee the monitoring of the implementation of combined assurance from all the assurance providers, and to monitor performance information and related internal controls.

The Office will also proactively ensure that internal audits are conducted to assist in highlighting areas of improvement that can enhance Office performance. Internal audits will check that the Office's policies and procedures are being followed and alert management to any gaps in policy implementation.

The implementation of assurance measures and governance oversight thereof will improve and promote an effective internal control environment that will support the achievement of the OTO's strategic objectives and provide reliable performance information against predetermined objectives. This will further provide a strong foundation towards promoting transparency in the organisation. Across the MTEF period, the Office will prioritise the effectiveness of governance structures, which will in turn contribute to improved operations.

Structural independence

Enhancing the OTO mandate allows the Office to operate optimally; therefore, it will continue to engage the National Treasury on new proposals to laws, regulations, policies and Ministerial directives. Using local and international comparisons, the OTO can provide thought leadership on ways to improve the country's tax administration laws.

Programme 4: Security and confidentiality

Commitment to security and confidentiality cuts across all programmes. The Office plans to ensure all systems and processes have the highest security and confidentiality mechanisms.

1.5. Programme resource considerations

1. Overview

Since its establishment, the Office has seen a significant increase in the demand for its services, resulting in an increasing number of queries and complaints. SARS implements most of the OTO's non-binding recommendations, which is testimony to the quality of recommendations made and the effectiveness of the OTO employees in resolving taxpayers' complaints.

The OTO strives to provide the highest-quality standard of service to taxpayers, in the interest of resolving their tax complaints fairly and impartially. During the MTEF period, the focus will be on prioritising and improving accessibility to the Office, as well as on introducing technological tools to improve efficiency and agility. Structural and operational independence from SARS remains an important strategic milestone and is vital for the organisation's credibility in the eyes of taxpayers and other stakeholders.

The OTO is currently implementing the Digital Communications Framework and has already completed the migration of the OTO website to WordPress, which has more features and a user-friendly interface. The website is now being hosted on Azure, a cloud-based product, and has the functionality for online submission of complaints.

The Office has also completed the SharePoint online-OTO intranet/workspace, enabling us to operate an intranet with a central platform to improve employee collaboration and communication and increase internal knowledge sharing. Part of the OTO Strategic Plan 2020-2025 is to increase internal communication lines by reducing reliance on institution-wide email.

In addition, the Office is developing a fully automated electronic complaints management system solution, with the capability to determine whether a complaint is new or a follow-up query about an existing case.

2. Expenditure analysis

The budget allocation for the 2021/22 financial year is R49.3 million, including the retained surplus of R4.4 million accrued during the 2020/21 financial year. Some 90% (R44.3 million) of the budget has been spent during the 2021/22 financial year; 87% was spent on employee costs and 3% on goods and services.

Changes to the SARS IT infrastructure impacted the implementation of the OTO's Digital Communications Framework and resulted in a 10% budget variance.

The current estimate for the 2022/23 financial year is R51,4 million including the 2021/22 retained surplus amounting to R4,9 million. The Office is anticipating spending 90% of the budget on employee costs and 10% on goods and services. The baseline allocation will increase by R4.7 million (10%) in the 2023/24 financial year. The main driver of costs is employee cost, which on average, will represent 87% of the total costs over the MTEF period. The budget allocation for the 2023/24 financial year is R51.2 million. The baseline allocation is R53.6 million and R55.9 million for the 2024/25 and 2025/26 financial years respectively. There will be an increase of R4.7 million (10%) in the baseline allocation in the 2023/24 financial year, an increase of R2.3 million (4%) in the 2024/25 financial year and an increase of R2.3 million (4%) million in 2025/26 financial year (Table 1).

Table 1: Expenditure estimates

Cost element (R Thousand)	Audited outcomes			Current estimates	ENE allocation		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Personnel Expenditure	36,145	37,291	38,775	39,013	42,929	44,840	46,849
Information & Communication Technology	645	181	1,797	7,408	3,204	3,750	3,919
Physical Facilities & Related Cost	451	54	0	50	40	366	382
Revenue Collection Related Cost	3,425	3,276	2,834	3,024	3,717	3,435	3,569
Statutory Related Cost	0	0	397	308	400	456	456
Other Variable Support Cost	210	530	622	1,404	850	446	466
Capital Expenditure	40	1,442	0	217	100	250	300
Total operational and CAPEX	40,916	42,774	44,425	51,424	51,241	53,542	55,941

3. Personnel expenditure

Tax complaints resolution requires expert, professional employees and constant training and development as it is important to remain up-to-date with tax legislation. These skills are relatively scarce and, as a result, the main driver of costs is employee costs. The personnel expenditure on average over the MTEF period represents 87% of the total costs.

The OTO has developed a Human Resources (People Management) Strategy that identifies the programmes and projects the Office will implement to build a workforce able to deliver on the vision, mission and objectives set out in the Strategic Plan 2020–2025. The Human Resources Strategy promotes an institution-wide approach to management issues and seeks to embed the culture of the Office as a crucial element of people management.

The strategy's employee engagement mechanisms include reward, recognition and development opportunities through the value-based employee recognition programme, Anser Indicus. Ideal employee attributes are commitment to delivering an excellent service to taxpayers; adaptability to change; and championing equality, diversity and inclusion.

The Office has identified key positions and capacity required to achieve the set targets in the APP for 2023/24. These include a position for an IT specialist to set and lead the Office's technology strategies and take responsibility for its IT systems, ensuring they support and integrate with supplier and taxpayer networks

Furthermore, graduate programmes will be designed to offer graduates a stimulating, rewarding learning and growth experience, with rigorous practical experience-based training and leadership development opportunities.

4. Communications and stakeholder relations approach

The Office will continue to implement its extensive five-year stakeholder engagement framework and a community outreach activity framework to build public awareness and education about the services and mandate of the Office.

The stakeholder engagement framework promotes optimal engagement and collaboration to ensure efficient interaction between the OTO and its stakeholders, and to strengthen relationships. During the MTEF period, the Office will re-establish the face-to-face community outreach programmes. The intention is to enable effective and multi-dimensional communications and engagement activities among taxpayers broadly, as this is critical to increasing awareness, education and understanding of the OTO mandate.

The Office will continue to build relationships through stakeholder engagements/collaborations as it has experienced an increase in unrepresented taxpayers utilising the Office, with similar growth among tax practitioners and other types of taxpayers.

5. IT and digitisation

Digital delivery channels play an increasingly important role in the Office, which has outlined its comprehensive digital communications framework and objectives as part of the implementation of the Strategic Plan 2020–2025. This provides for efficient, real-time, quality digitalised communication that is responsive and promotes clarity of information.

As already mentioned, the Office is implementing a five-year Digital Communications Framework, which details how new technologies will be introduced to provide a taxpayer-centric experience that integrates the human element with consistently evolving digital channels. The implementation of the framework will depend on the availability of SARS IT and project management teams.

2. UPDATED KEY STRATEGIC RISKS AND MITIGATIONS FROM THE STRATEGIC PLAN

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

Key risks	Impact of the risk materialising	Mitigating measures
Non-adherence by SARS to the turnaround times for resolving and/ or implementing recommendations of the OTO could impact taxpayers' trust and confidence in the OTO and the tax administration system.	Taxpayers lose confidence and trust in the tax administration and in the OTO's ability to execute the mandate.	<ul style="list-style-type: none"> Implement the complaint review MoU/SLA with SARS to resolve turnaround times. The Tax Ombud is to have quarterly meetings with the SARS Commissioner to discuss non-compliance by SARS in terms of the MoU and the Tax Administration Act. Bi-monthly meetings with SARS employees will be held.
A lack of structural independence might result in taxpayers perceiving the OTO as lacking objectivity and independence.	OTO is perceived as biased and not objective due to its association with SARS.	<ul style="list-style-type: none"> Review the MoU/SLA with SARS to ensure that the OTO maintains operations that are independent of SARS. OTO to continue engaging the Finance Ministry regarding the independence of the Office.
Lack of financial resources to optimally review and address complaints might impact the outcome of complaints and lead to taxpayers losing confidence in the OTO's ability to address their complaints.	Delays in reviewing and resolving complaints. SLA turnaround times not achieved.	<ul style="list-style-type: none"> Undertake constant engagement with National Treasury to ensure that the Office is adequately funded.
Delays in the process of reviewing and addressing complaints, due to the lack of improved IT systems, will result in non-adherence to turnaround times.	Dependency on SARS to implement the Digital Communications Framework.	<ul style="list-style-type: none"> Establish an internal digital committee to monitor the implementation of the Digital Communications Framework and engage SARS on issues relating to the framework. Engage National Treasury to provide funding for Digital Communications Framework activities.
The lack of understanding of the OTO mandate and its limitations creates unrealistic expectations and casts doubt on the OTO's ability to review and address complaints.	Reputational damage to the OTO.	<ul style="list-style-type: none"> Implement a five-year communication and outreach plan that will further promote taxpayer awareness of the OTO mandate and services. Implement a feedback plan that will assist taxpayers to understand the outcome of their complaints. Continue taxpayer awareness and monitor the customer satisfaction survey.
Leadership uncertainty might result in a destabilised working environment.	Changes in the working environment might affect the outcomes and outputs.	<ul style="list-style-type: none"> Conduct change management initiatives and induction of new executives.



Part D:

Technical Indicator Descriptions (TIDs)

TID NO: 1

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

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

TID NO: 2

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

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

TID NO: 3

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

TID NO: 4

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

TID NO: 5

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

TID NO: 6

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

TID NO: 7

Required field	Description
Indicator title	Promote and update the Compilation of Taxpayers' Rights, Entitlements and Obligations.
Short definition	<ul style="list-style-type: none"> Promote the Compilation of Taxpayers' Rights, Entitlements, and Obligations. Review and update the Compilation on Taxpayers' Rights, Entitlements and Obligations to refine or comply with recent changes in the tax environment or legislation.
Purpose/importance	To provide taxpayers with further information regarding their tax rights and obligations. An informed taxpayer base will result in a more efficient and compliant taxpayer.
Source/collection of data	<ul style="list-style-type: none"> Number of tax Compilation communications campaign activities embarked on to promote the Compilation – 20 activities (including social media campaigns, presentations, interviews, etc.). Reviewed and updated the Compilation of Taxpayers' Rights, Entitlements and Obligations.
Method of calculation	<ul style="list-style-type: none"> Promotion activities - simple count Simple count of the reviewed and updated Compilation of Taxpayers' Rights, Entitlements and Obligations.
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Existing
Desired performance	To promote and update the Compilation of Taxpayers' Rights, Entitlements and Obligations.
Indicator responsibility	Senior Manager: Legal Services and Systemic Investigations

TID NO: 8

Required field	Description
Indicator title	Percentage of Digital Communications Framework implemented.
Short definition	A five-year Digital Communications Framework will improve the OTO's efficiency and brand presence and promote the accessibility of its services to all taxpayers.
Purpose/importance	To communicate and promote accessibility and awareness of the services of the OTO through digital platforms.
Source/collection of data	Digital Communications Framework. Implementation progress reports and/or final reports.
Method of calculation	<p>The Office plans to do 100% of the Digital Communications Framework activities as stipulated below; these activities are planned for 2023/24. Previously, the planned target was based on the activities over five years, and the targets were 20% per year. Activities planned as per the digital framework 2023/24:</p> <ol style="list-style-type: none"> 1. Digital Complaints Management system - 20% 2. Develop Chatbot / Live Service Agent interaction on website - 20% 3. Growth of 10% per annum on established social media channels - Twitter, Facebook, Instagram, LinkedIn - through organic and paid campaigns 4. 15 paid campaigns per year - SARS Tax Season, OTO Anniversary and Annual Report launch, SARS Revenue Drive. Integrated communications with media engagements 5. Continuous Organic campaign to promote OTO activities.
Data limitations	None
Type of indicator	Activity
Calculation type	Cumulative year-end.
Reporting cycle	Annually
New indicator	Existing
Desired performance	Improved accessibility, efficiency and awareness about the OTO.
Indicator responsibility	Senior Manager: Communications and Stakeholder Relations

TID NO: 9

Required field	Description
Indicator title	Percentage of Community Outreach Framework activities implemented.
Short definition	Activities aimed at educating stakeholders about the OTO and the services offered.
Purpose/importance	Educate taxpayers and create awareness about the existence of the OTO and the services offered.
Source/collection of data	Report on the implementation of the framework.
Method of calculation	<p>Total community outreach activities/initiatives implemented, divided by total community outreach activities/initiatives planned for the year as per community outreach activity framework roadmap, multiplied by 100.</p> <p>Planned activities:</p> <ul style="list-style-type: none"> • Stakeholder presentations, exhibitions and seminars - 60 • Media engagements and interviews - 60 • Email marketing - 16 • Advertising - 6
Data limitations	The OTO will only count on information at its disposal due to the lack of media-monitoring resources.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No, this is an existing indicator from the previous period.
Desired performance	Widespread awareness about the OTO and the services offered.
Indicator responsibility	Senior Manager: Communications and Stakeholder Relations

TID NO: 10

Required field	Description
Indicator title	Employee engagement survey in the second quartile.
Short definition	Build a culture of professionalism and excellence by conducting an employee engagement survey.
Purpose/importance	To build a culture of professionalism and excellence.
Source/collection of data	Survey results
Method of calculation	Simple observation of the survey outcome results <ul style="list-style-type: none"> • Quartile 1: 0 - 2.5 (top quartile) • Quartile 2: 2.6 - 5.0 • Quartile 3: 5.1 - 7.5 • Quartile 4: 7.6 - 10
Data limitations	Employee participation, budget and external service provider.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	Second quartile
Indicator responsibility	Senior Manager: Office Enablement and Support Services

TID NO: 11

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

TID NO: 12

Required field	Description
Indicator title	Percentage of Stakeholder Engagement Framework activities implemented.
Short definition	A five-year Stakeholder Engagement Framework promotes optimal engagement and collaboration to ensure efficient interaction between the OTO and its stakeholders and to strengthen relationships.
Purpose/importance	Promote, educate and create awareness about the OTO's services.
Source/collection of data	Register of collaboration and stakeholder engagement events held.
Method of calculation	<p>The number of stakeholder engagement activities implemented, divided by the number of stakeholder engagement activities planned for the year in terms of the stakeholder engagement framework roadmap, multiplied by 100.</p> <p>Planned activities</p> <ul style="list-style-type: none"> Stakeholder newsletters published – 10 <ul style="list-style-type: none"> Fairness for all – 6 Fair Play – 4 Stakeholder engagements – 30
Data limitations	None
Type of indicator	Activity
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Existing
Desired performance	Promote the OTO to all stakeholders.

TID NO: 13

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

TID NO: 14

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



ANNEXURES **TO THE ANNUAL** **PERFORMANCE PLAN**

The Office of the Tax Ombud has revised the Strategic Plan 2020–2025 to conform with the Revised Framework for Strategic Plans, Annual Performance Plans and National Treasury instruction number 10 of 2020/2021.

Changes to Indicator – Systemic investigation – reduction of existing systemic issues implemented by SARS.

The Office opted to amend the indicator from a percentage basis to a number basis due to the change in the number of open systemic issues. Previously the Office had an excess of 30 open systemic issues, and any reduction was more accurately accounted for in percentage terms. Since then, the open systemic issues have been reduced to only nine at the beginning of the 2022/23 financial year, and the reporting of the reduction is now more accurately accounted for in numbers.

Description	Old information	New information	Reason for change
Changed indicator	Percentage reduction of existing systemic issues implemented by SARS.	Number of existing systemic issues removed from systemic issues register after implementation by SARS.	The indicator changed from a percentage base to a number base for accurate reporting.
Changed target	10%	2	

Changes to technical indicator descriptors – method of calculation

In the first three years of the five-year planning period, the OTO strived to promote awareness about its services due to the high number of rejected complaints, lack of knowledge among taxpayers, and feedback received from the consumer insights survey. The above demand and extra efforts by the OTO led to more activities being implemented, thus increasing awareness. Therefore, the OTO has adjusted its annual targets on the above framework activities to be as realistic as possible and enable the business to continue to deliver on its mandate. Thus, the method of calculation on the technical indicator description has now been adjusted to address challenges posed by overachievement and continuous demands for engagements with stakeholders.

Indicator	Old method of calculation	New method of calculation
Percentage of the community outreach activity framework implemented.	Total community outreach activities/initiatives implemented, divided by total community outreach activities/initiatives planned for the five years as per the community outreach activity framework roadmap, multiplied by 100.	Total community outreach activities/initiatives implemented, divided by total community outreach activities/initiatives planned for the year as per the community outreach activity framework roadmap, multiplied by 100.
Percentage of stakeholder framework implemented.	The number of stakeholder engagement activities implemented, divided by the number of stakeholder engagement activities planned for the five years in terms of the stakeholder engagement framework roadmap, multiplied by 100.	The number of stakeholder engagement activities implemented, divided by the number of stakeholder engagement activities planned for the year in terms of the stakeholder engagement framework roadmap, multiplied by 100.

ABBREVIATIONS

AI	Artificial Intelligence
APP	Annual Performance Plan
CEO	Chief Executive Officer
COVID-19	Coronavirus disease – 2019
ENPS	Employee Net Promoter Score
GDP	Gross Domestic Product
IT	Information Technology
MoU	Memorandum of Understanding
MTBPS	Medium-Term Budget Policy Statement
MTEF	Medium-Term Expenditure Framework
OTO	Office of the Tax Ombud
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
POPIA	Protection of Personal Information Act
RCB	Recognised Controlling Bodies
SARS	South African Revenue Service
SLA	Service Level Agreement
SWOT	Strengths, Weaknesses, Opportunities and Threats
TAA	Tax Administration Act
TID	Technical Indicator Description
VAT	Value Added Tax



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