



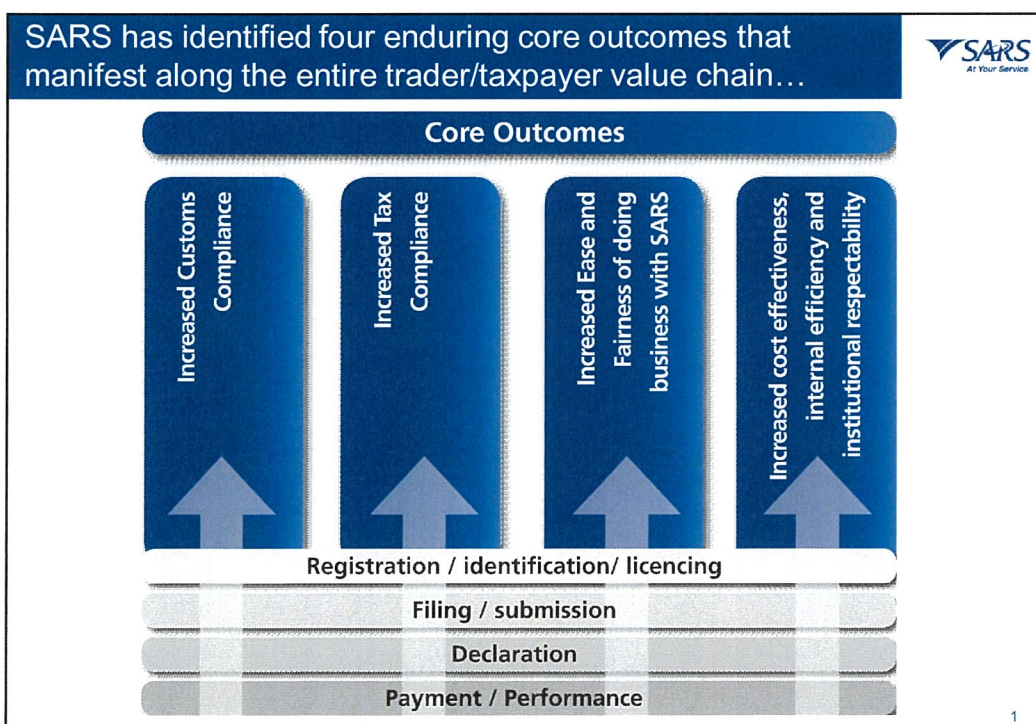
South African Revenue Service

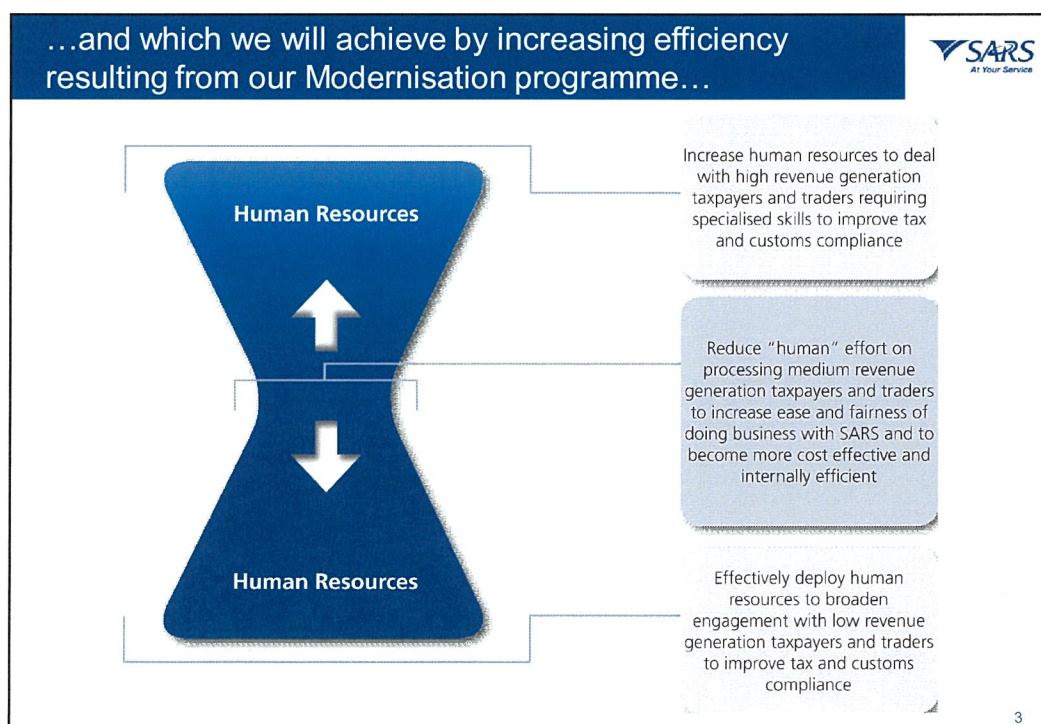
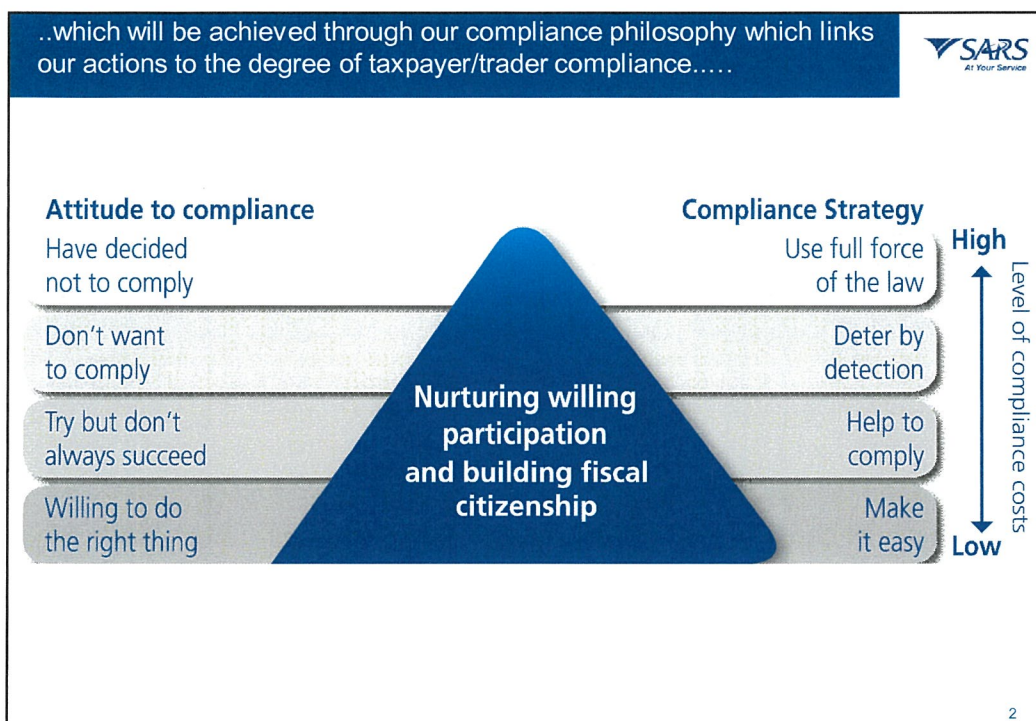


SARS Strategic Plan 2011/12 – 2013/14

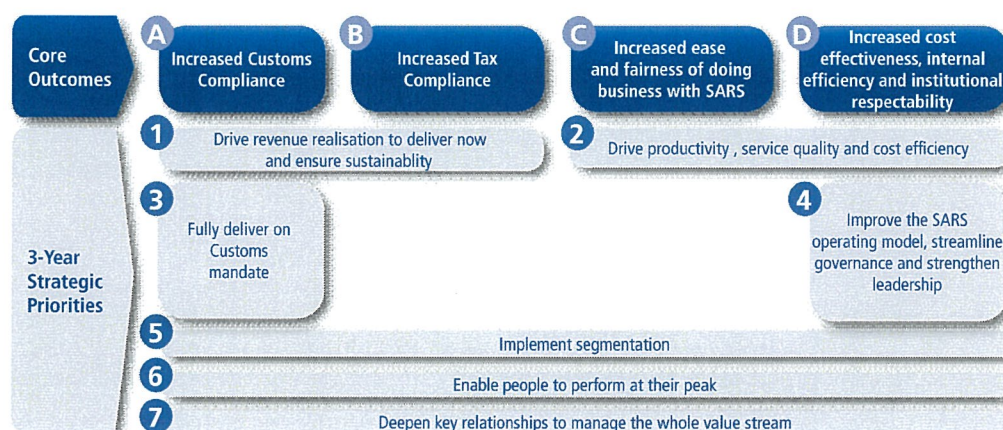
Presentation to the Standing Committee on Finance

Date: 31 May 2011
 Venue: V454
 Presented by: Commissioner of SARS





...this is aligned to our strategic priorities which we have articulated over the past two years



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Our 3-year deliverables for Strategic Priority 1 - "Drive revenue realisation to deliver now and ensure sustainability"



- Growing the taxpayer register through inclusion of individuals/businesses that are eligible to pay tax as well as inclusion of individuals/businesses that are likely to become eligible in the future
- Streamlining the audit and customs inspection processes and strengthening audit capability to deal with complex cases and serious taxpayer and trader non-compliance
- Re-engineering the debt collection processes
- Expanding the administration of penalties for non-compliance
- Expanding the use of third party data, time-series taxpayer history and statistical scoring methodologies to enhance our compliance risk detection and rating capabilities for PIT, PAYE, CIT, VAT and Customs and
- Concluding the voluntary disclosure programme to encourage proactive disclosure of non-payment by non-compliant taxpayers

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Our 3-year deliverables for Strategic Priority 2 - "Drive productivity, service quality and cost efficiency"



- Improve the ease and speed of registration and other interactions for businesses supported by a single view of each taxpayer and trader
- Improve turnaround times and reduced paperwork for transactions and queries (via automation) for priority taxpayer and trader segments and
- Implement a revised service philosophy, service charter and channel strategy that meets taxpayer/trader needs.

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Our 3-year deliverables for Strategic Priority 3 - "Fully deliver on SARS's Custom's mandate "



- A seamless transition to an integrated border management model, developed with other government departments
- An enhanced service offering (reduced paperwork, quicker processing times) to preferred traders comprising 80% of all legal trade entering the country
- Improved ease and speed of declaration processing and inspections, through modernising processes and systems
- A system to prioritise and expedite Customs inspections through use of additional data sources and the continued rollout of non-intrusive inspection capability to vastly improve our ability to inspect the goods crossing our ports of entry
- Enhanced border control detection capability through the Customs Border Control Unit (CBCU) and the Dog Detection Unit (DDU), thereby improving security at ports of entry and
- Enhancement of the traveller experience when entering and leaving the country.

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Our 3-year deliverables for Strategic Priority 4 - "Improve SARS's operating model, streamline governance and strengthen leadership"



- Fully implementing our new operating model, with integrated workforce plan that makes SARS's workforce more empowered, agile and responsive to meet the needs of our taxpayers/traders
- Streamlining our governance framework to reduce unnecessary levels of bureaucracy while still maintaining appropriate levels of oversight and
- Further embed the SARS values-based leadership model with appropriate resourcing and capabilities.

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Our 3-year deliverables for Strategic Priority 5 - "Implement segmentation to strengthen our business model"



- Delivering tailored services to meet the needs of our five priority segments namely large business, medium-sized businesses, practitioners, traders and individual taxpayers
- Accelerate the development of a small business segment in support of entrepreneurship, economic growth and job creation including the enhancement of the Turnover Tax system

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Our 3-year deliverables for Strategic Priority 6 - "Enable SARS's people to perform at their peak"



- Embedding a workforce planning methodology to inform employee development, redeployment and recruitment
- Enhancing our employee value proposition, to attract and retain the skills SARS needs
- Improving performance management processes to empower managers to effectively manage employee performance
- Improving our organisational culture and employee engagement and
- Building of an external skills pipeline to enable sustainability and employment creation

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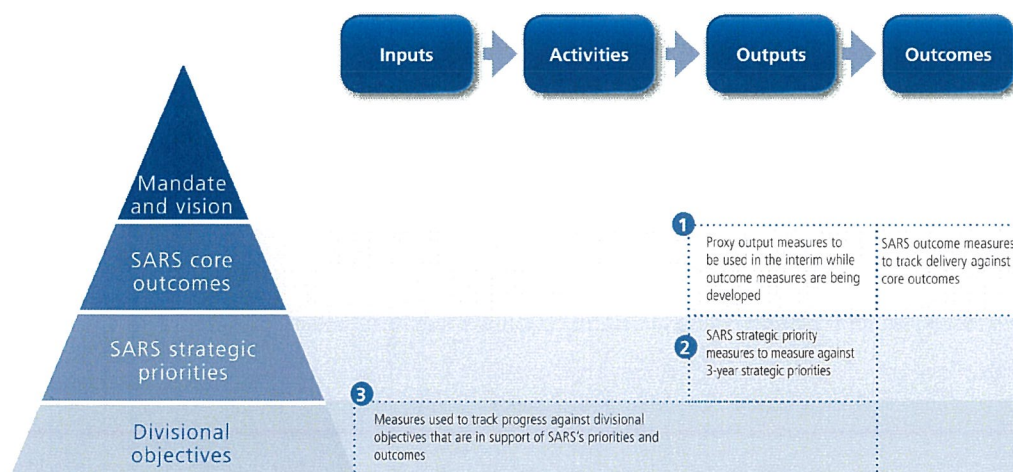
Our 3-year deliverables for Strategic Priority 7 - "Deepen key external relationships to manage the whole value stream"



- Enhance outreach, education, service and enforcement by building collaborative partnerships with private, public and international sector partners and utilising their feedback to improve compliance
- Make a broader societal contribution through targeted, high-impact initiatives and
- Build institutional respectability and service delivery excellence for SARS and its government partners.

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We will now be focused on the achievement of these outcomes in line with Government's outcomes approach



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... through developing and tracking outcomes measures that we will use to track our progress (1/4)...



	Measures	Targets			
		Baseline	2011/12	2012/13	2013/14
Increased Customs compliance	Customs revenue collected (Rbn)	MTBPS Target for 2010/11	As per agreed target with Minister of Finance	As per agreed target with Minister of Finance	As per agreed target with Minister of Finance
	% Trade volume coverage by Preferred Traders [Number of Preferred Traders declarations processed vs total number of declarations processed]	0	5	12	25
	% Of cargo declarations targeted [Number of lines of declarations targeted vs total number of lines of declarations]	14	13	12	11
	% Uptake in electronic manifest submissions (Number of electronic manifest submissions vs. total number of manifest submissions)	0	60	80	95
	% Increase in Customs compliance index	Not defined currently	Develop measure and baseline	Track against baseline	Introduce measure into SARS performance management
	% Decrease in size of illicit economy				
	Achieving progress against identified benchmarks (eg. post clearance audit coverage)	Not defined currently	Develop measure and baseline	Track against baseline	Introduce measure into SARS performance management

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... through developing and tracking outcomes measures that we will use to track our progress (2/4)...



	Measures	Targets			
		Baseline	2011/12	2012/13	2013/14
Increased Tax compliance	Total revenue (excluding Customs revenue) collected (Rbn)	MTBPS Target for 2010/11	As per agreed target with Minister of Finance	As per agreed target with Minister of Finance	As per agreed target with Minister of Finance
	% PIT filing compliance [Number of PIT returns submitted in tax year due vs. Total number of PIT returns required in tax year]	79	79	80	81
	Cash recovered from debt book (Rbn)	8.8	11	11	11
	% Audit coverage of registered taxpayers (PIT, CIT, VAT/Excise and PAYE) above the threshold	3	4	5	6
	% Increase in the Small Business register Debt book as a % of tax revenue*	Not defined currently	Develop and measure baseline	Track against baseline	Introduce measure into SARS performance management
	% CIT and VAT filing compliance [Number of CIT and VAT returns submitted in tax year due vs Total number of CIT and VAT returns required in tax year]				
	Tax compliance index for each tax product				
	Achieving progress against identified benchmarks (eg. audit performance)	Not defined currently	Develop and measure baseline	Track against baseline	Introduce measure into SARS performance management

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... through developing and tracking outcomes measures that we will use to track our progress (3/4)...



	Measures	Targets			
		Baseline	2011/12	2012/13	2013/14
Increased ease and fairness in doing business with SARS	% Uptake in electronic filing, declaration and payment submissions for all tax products [No. of electronic filing, declaration and payment submissions vs total filing, declaration and payment submissions]	80	80	81	82
	% Uptake in electronic customs bills/ declarations (EDI)	70	80	90	95
	Average processing turnaround time for PIT returns (working days)	1.7	1.7	1.7	1.7
	Average processing turnaround time for CIT returns (working days)	2.85	2.85	2.6	2.1
	Average processing turnaround time for VAT refunds (working days)	21	15	10	<5
	Average processing time for VAT registrations (working days)	Not defined currently	Develop measure and baseline	Track against baseline	Introduce measure into SARS performance management
	% First contact resolution in contact centre and branches				
	% Reduction in escalated service queries				
	Taxpayer and trader compliance burden	Not defined currently	Develop measure and baseline	Track against baseline	Introduce measure into SARS performance management
	Achieving progress against identified benchmarks (eg. complaints resolution)				

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... through developing and tracking outcomes measures that we will use to track our progress (4/4)



	Measures	Targets			
		Baseline	2011/12	2012/13	2013/14
Increased cost effectiveness and internal efficiency	Treasury allocation to revenue percentage	1.3	1.2	1.2	1.2
	Unqualified report by Auditor-General	Unqualified report	Unqualified report	Unqualified report	Unqualified report
	% Of files digitised within SARS	Not defined currently	Develop measure and baseline	Track against baseline	Introduce measure into SARS performance management
	Unit cost per process				
	Productivity per employee				
	Achieving progress against identified benchmarks (eg. cost per process)	Not defined currently	Develop measure and baseline	Track against baseline	Introduce measure into SARS performance management

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Expenditure estimates over the medium term



Expenditure Estimates (R'000)	2011/12	2012/13	2013/14
Total funds available	8,910,573	9,512,723	10,037,482
National Treasury Grant	8,653,573	9,244,374	9,757,215
Interest Income	30,000	30,000	30,000
Other Income	227,000	238,349	250,267
Funding allocation	8,910,573	9,512,723	10,037,482
Modernisation and initiatives	896,700	957,296	1,010,105
Enforcement	2,395,300	2,557,167	2,698,231
Service	3,934,700	4,200,595	4,432,317
Support	1,683,873	1,797,664	1,896,830

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Projected Human resource capacity



	2010/11	2011/12	2012/13	2013/14
Permanent employees	15 034	15 330	15 434	15 635
Temps	862	650	550	400
% Net Growth Excl temps	1.9%	1.9%	3.0%	4.0%
Total	15 896	15 980	15 984	16 035

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Thank you

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