

8.5 SARS Service Charter

The SARS Service Charter will be implemented during 2005 and it is envisaged that by the end of 2005/06 financial year SARS will be 85% compliant with its standards. The Charter provides the basis for an improved taxpayer and trader experience and supports the development of an enhanced compliance culture. Through the Charter taxpayers and traders will be informed of the levels of service they may reasonably expect from SARS. These relate to turnaround times, telephone times, process times, waiting times in walk-in centres and standards of privacy and confidentiality. Taxpayers/traders will be able to evaluate SARS on levels of service rendered.

The proposed new SARS Service Charter is intended to ensure that public expectations of service delivery are matched by achievable and measurable performance standards.

The publishing of appropriate service delivery measures, will positively influence the compliance climate in South Africa and will also enable the organisation to benchmark itself against other leading revenue and customs agencies around the world.

The primary business benefits are improved voluntary compliance resulting from adherence to published service delivery standards and at the same time, upholding taxpayer's rights and obligations.



9. SARS TRANSFORMATION



9.1 Transformation: Progress to date

SARS' ability to raise performance levels in meeting the increasing revenue requirements has been a key foundation supporting Government to deliver on its mandate. This performance has been underpinned by strong management and supported, since 2000, by the introduction of the Siyakha Transformation Programme.

The Siyakha Transformation Programme was designed to address the following legacies and inefficiencies:

- Process inefficiencies due to unnecessary handoffs
- A bureaucratic culture
- Virtually no service culture and facilities
- Inadequate understanding of, and attention to, the tax gap
- Inefficient organisation of the various functions
- Historical imbalances in representivity

To date Siyakha has successfully delivered in the following transformation objectives: establishment of a more effective and fresh physical work environment; increased operational efficiencies; A more appropriate organizational structure; enhanced business processes. In addition, the opportunity was also created to address the racial and gender diversity of our work force.

Over the past three years the Siyakha programme has been implemented in:

- KwaZulu Natal: an assessment centre; an enforcement centre; a call centre; five service branches and a customs office at the harbour and airport
- Western Cape: an assessment centre; an enforcement centre; a call centre; two excise; and six service branch offices.
- Gauteng: an enforcement centre in Gauteng West; national enforcement centre, large business centre; and three service branches.



Over the past eighteen months extensive planning has been done for the implementation of the Siyakha programme in Gauteng, Eastern Cape, Free State, Limpopo, North-West and Mpumalanga. This will result in the implementation of the following:

- Assessment centres
- Enforcement centres
- Service branches

This process is due for completion later this year.

In addition to the above, 40 Customs offices have also undergone the transformation process during 2001/2002. Over 2 000 Customs officers have been assigned new roles in the various teams (imports, exports, anti-smuggling and post clearance inspections). In addition a number of technology changes have also been introduced.

This process has, and will, impact upon the working lives (and family lives) of over 10 000 staff. In line with the new process and structural changes a large number of staff have had to apply for newly defined jobs, whilst others have been absorbed into similar jobs. All management positions from heads of offices to team leaders are advertised internally.

Despite the obvious uncertainty created by massive change in a large organisation, the spirit and co-operation of all staff has been laudable. The two trade unions represented in SARS, NEHAWU and PSA, have been extremely valuable partners in this process.

As part of Siyakha, the Kopano Programme has delivered an integrated accounts management solution to significantly enhance internal financial controls and good governance for SARS own expenditure as well as tax and duty revenue administered on behalf of Government.

Siyakha has provided an opportunity to improve race and gender representivity at all levels of the organisation. Since March 2001 Black representation in the organisation has increased from 40% to 53%. At management level Black representation increased from 38% to 54% over the same period. Female representation at management level has increased from 36% to 48%.

9.2 Transformation: next steps

The transformation to date has been geared to the creation of a stable, functioning organisation which will serve as a platform from which greater changes and innovation can be built. The imperative is now to build on the current solid base, to support the sustained efforts of Government to deliver on its broader goals today, and into the future. While SARS has fulfilled its primary mandate in the first decade of democracy, there are a number of areas requiring further improvements that will position SARS to effectively operate in the ever changing environment. Five transformational outcomes have been identified that form the crux of the SARS Transformation Programme.

SARS Transformational Outcomes

- Better taxpayer and trader experience;
- Improved compliance and risk reduction;
- Enhanced human capacity;
- Heightened border security; and
- Greater operational efficiencies.



In achieving these outcomes, SARS continues to strive towards a greater outward looking focus, appropriate automation, increased proactive taxpayer engagement, as well as becoming an agency serving the whole of Government.





10. PROGRAMMES

In order to conform to the format requirements of the Estimates of National Expenditure the outputs derived from the strategic objectives have been grouped into the following programmes:

- 10.1 Administration;**
- 10.2 Operational management;**
- 10.3 Trade administration and border control;**
- 10.4 Service;**
- 10.5 Taxpayer and trader education (developing fiscal citizenship)**
- 10.6 Enforcement;**
- 10.7 Large Business;**
- 10.8 Legal;**
- 10.9 People development;**
- 10.10 Technology; and**
- 10.11 Strategy and transformation.**

PROGRAM	MEASURABLE OBJECTIVE	OUTPUT	STRATEGIC OBJECTIVE
10.1 Administration	To provide strategic leadership, administrative and management support services to SARS.	<p>Implement a comprehensive governance framework which addresses all the internal requirements of SARS and the external stakeholder relationship.</p> <p>Implement the appropriate governance controls in terms of committees, approval, verification disclosure, procedures and practices.</p> <p>Strengthen the internal and external risk identification and assessment capability through continuous environmental scanning and research.</p> <p>Institute contingency planning and mitigating actions to counter and reduce risk.</p> <p>Improve quality assurance and quality control mechanisms across the organisation in order to provide a better service to our taxpayers and traders.</p> <p>Improve the SARS planning process, including production planning and capacity planning for divisions and offices.</p> <p>Migrate to Generally Accepted Accounting Practice (GAAP) which supports the accrual basis of accounting for administered revenue.</p> <p>Re-align staffing activities to be more service and enforcement orientated ("community tax-helpers", field audits, small business assistance).</p>	<p>7.7 Promoting good governance</p> <p>7.7 Promoting good governance</p> <p>7.3 Improved compliance and risk reduction</p> <p>7.3 Improved compliance and risk reduction</p> <p>7.3 Improved compliance and risk reduction</p> <p>7.6 Greater operational efficiency</p> <p>7.6 Greater operational efficiency</p> <p>7.2 Better taxpayer and trader experience</p>



PROGRAM	MEASURABLE OBJECTIVE	OUTPUT	STRATEGIC OBJECTIVE
10.2 Operational management	Ensure organisational efficacy in terms of the most appropriate capabilities and cost effective delivery of products and services and ensure measurable efficiency of SARS operations.	Ensure optimum collection of monies due by developing a thorough understanding of the probable tax base and undertaking a focused compliance approach. Optimise organisational throughput through establishing appropriate standards, implementing standardised processes and introducing technological innovations. Accurate forecasting from different segments, including the first and second economies. Ensure progressive reduction of the debt book. Implement an environment that facilitates small business development: <ul style="list-style-type: none"> • An improved tax framework for small business; • Reduce the compliance burden of small business; • Simplification of registration; • Extended hours of availability; • Increased points of presence; • Provision of accounting, planning and payroll software packages; • Implement the VAT Small Retailer VAT package; and • Provide specialised advisory services. 	7.1 Optimise revenue collection 7.6 Greater operational efficiency 7.1 Optimise revenue collection 7.1 Optimise revenue collection 7.2 Better taxpayer and trader experience
	Develop an effective and robust processing engine so as to free resources in the future for redeployment to service/education and enforcement areas.	Increased pre-population of returns and development of simpler forms. Re-align staffing activities to be more service and enforcement orientated ("community tax-helpers", field audits, small business assistance).	7.6 Greater operational efficiency 7.2 Better taxpayer and trader experience



PROGRAM	MEASURABLE OBJECTIVE	OUTPUT	STRATEGIC OBJECTIVE
10.3 Trade administration and border control	As the primary border protection agency, the Customs Division will provide an integrated border service to facilitate trade administration and border control efficiency.	<p>Establish a border control framework that includes designated areas under customs control. Develop memoranda of understanding with other stakeholders at ports of entry.</p> <p>Implement visible border policing and proactive deterrence through an enhanced customs presence and deployment of deterrence tools and systems, including an appropriate risk management program.</p>	<p>7.5 Improved trade administration and border security</p> <p>7.5 Improved trade administration and border security</p>
10.4 Service	Implementation of a "citizen relationship management" philosophy that will allow for a better understanding of the South African taxpaying and trading communities.	<p>Implement the SARS Service Charter and the required systems to measure organisational performance and the behavioural shifts that deliver to charter Service Level Agreements.</p> <p>Develop and implement a "channel management" strategy that is based on a thorough understanding of the client base and will provide taxpayers and traders with appropriate choices for interaction:</p> <ul style="list-style-type: none"> - Expanded eFiling services; - Small business service desks; and - LBC service. <p>Actively promote the registration and regulation of tax practitioners.</p> <p>Undertake cyclical campaigns e.g. focusing on filing season.</p> <p>Develop specific enterprise-wide campaigns focusing on economic sectors.</p>	<p>7.2 Better taxpayer and trader experience</p> <p>7.3 Improved compliance and risk reduction</p> <p>7.3 Improved compliance and risk reduction</p> <p>7.3 Improved compliance and risk reduction</p> <p>7.3 Improved compliance and risk reduction</p>



PROGRAM	MEASURABLE OBJECTIVE	OUTPUT	STRATEGIC OBJECTIVE
10.5 Taxpayer and trader education (developing fiscal citizenship)	Inculcate the behaviour that will sustain voluntary compliance by building an attitude of willing tax payments.	<p>Develop and implement education and awareness programmes to increase voluntary compliance through increased and focused campaigns for selected segments</p> <p>Increase citizen awareness and understanding of rights and obligations regarding taxpaying.</p> <p>Publication of offenders that were prosecuted to demonstrate the negative consequences of non-compliance.</p> <p>Engage in tax base broadening aimed at including economic participants in the second economy.</p>	<p>7.3 Improved compliance and risk reduction</p> <p>7.3 Improved compliance and risk reduction</p> <p>7.3 Improved compliance and risk reduction</p> <p>7.3 Improved compliance and risk reduction</p>
10.6 Enforcement	To build compliance through enforcement activities, shape taxpayer behaviour through deterrence action and to enforce compliance with the Legislation and payment of Revenues due by those who do not comply voluntarily.	<p>Implement an audit assurance program using both risk based and business intelligence activities to scan the tax base. Coverage of tax base and the results will indicate where risk of non-compliance is prevalent.</p> <p>Engage in highly focused enforcement activities aimed at creating maximum impact in segments and sectors where non-compliance is most prevalent. Outcomes of such actions will be punitive by nature e.g. additional taxes and penalties, forfeiture and criminal prosecutions.</p>	<p>7.3 Improved compliance and risk reduction</p> <p>7.3 Improved compliance and risk reduction</p>
10.7 Large Business	Build productive relationships with stakeholders based on the principles of reliability, mutual trust within the high yield revenue sector.	<p>Extend the taxpayer relationship concept to all sectors within the Large Business segment.</p> <p>Expand the Large Business capability to provide specialist services across defined industry sectors and geographic regions.</p> <p>Extend eFiling services for information sharing purposes as well as integrating data links with Large Business taxpayers and traders.</p> <p>Develop regional points of presence.</p>	<p>7.2 Better taxpayer and trader experience</p> <p>7.2 Better taxpayer and trader experience</p> <p>7.2 Better taxpayer and trader experience</p> <p>7.2 Better taxpayer and trader experience</p>



PROGRAM	MEASURABLE OBJECTIVE	OUTPUT	STRATEGIC OBJECTIVE
10.8 Legal	To assist in the development of Tax Policy and to formulate and maintain an appropriate Tax Framework for South Africa, and to ensure effective application and resolution of disputes in respect of the law regarding revenue and customs.	Building legal capacity in order to better develop and interpret tax policy and legislation (understand the impact and yield from changes). Development of a single Tax Administration Act. Develop mechanism to provide advance private rulings on request. Implement and improve current legislation on reportable arrangements. Provide operations with case-by-case support and rulings on demand. Refine risk base management of dispute resolution.	7.1 Optimise revenue collection 7.1 Optimise revenue collection 7.1 Optimise revenue collection 7.1 Optimise revenue collection 7.6 Greater operational efficiency 7.2 Better taxpayer and trader experience 7.1 Optimise revenue collection
10.9 People development	To ensure that SARS source, retain and enhance the right people, skills, competency and capability to support the SARS strategy.	Review and refine processes, practices and support systems to facilitate the implementation of policies to manage human resources. Maintain a skills development plan for SARS. Provision of a recruitment/retention/separation system. Refine and redefine organisational structure, roles, responsibilities and authority to meet the requirements of SARS based on the strategic intent of being outward focused and internally efficient. Rollout the Performance Management and Development Systems. Continue the implementation of the employment equity plan.	7.4 Enhanced human capacity 7.4 Enhanced human capacity 7.4 Enhanced human capacity 7.6 Greater operational efficiency 7.4 Enhanced human capacity 7.4 Enhanced human capacity
10.10 Technology	To provide improvements within the core business and supporting divisions to ensure optimal and efficient use of ICT related infrastructure.	Develop and implement an ICT strategy that is aligned to operations. Provide an appropriate architectural framework, including network infrastructure, application systems that are aligned to current and future business needs. Provide capable ICT system with necessary functionalities for extended eFiling.	7.6 Greater operational efficiency 7.6 Greater operational efficiency 7.6 Greater operational efficiency



PROGRAM	MEASURABLE OBJECTIVE	OUTPUT	STRATEGIC OBJECTIVE
10.11 Strategy and transformation	To complete the implementation of Siyakha 1 and refine the current change model to include the enhanced strategic orientation (Siyakha 2/ SARS Transformation) in conceptual, design and development terms.	Complete implementation of Siyakha 1 – Process and People.	7.6 Greater operational efficiency
		Develop an integrated design and governance framework which facilitates the continuous improvement of SARS via an agreed series of programmes.	7.6 Greater operational efficiency
		Provide seamless integration between front office and back office processes by implementing Business Process Management Systems.	7.6 Greater operational efficiency
		Development of relevant automated processes with integrated images and third party information.	7.6 Greater operational efficiency
		Implement a single registration system which is geared towards becoming increasingly automated.	7.6 Greater operational efficiency
		Develop and implement an integrated business solution across legislation, process, people and technology.	7.6 Greater operational efficiency
		Ensure integrity throughout the operation, and support for government agencies and clients – single window concept.	7.6 Greater operational efficiency
		Increase channel availability by roll-out of field assistance workers and taking services to the taxpayers and traders.	7.2 Better taxpayer and trader experience
		Provide more points of presence.	7.2 Better taxpayer and trader experience
		Ensure that better information and risk capability is provided for in all sectors and tax types through the Enterprise Data Warehouse and Risk Differentiation Mechanism.	7.2 Better taxpayer and trader experience



11. RESOURCE PLAN

In 2004/05 SARS is expected to collect an amount of R345 billion in total tax revenues. The budget allocation for the same period was R4.037 billion representing 1.17% of the total revenue collected.

The following table indicates the resourcing requirements for the period 2005-2008 and are in agreement with the 2005 ENE document submitted after MTEF:

MTEF PROGRAM	2005/6	2006/7	2007/8
1. Administration	285,420	302,628	318,053
2. Operations management	1,026,055	1,087,914	1,143,369
3. Trade admin and Border Control	23,238	24,639	25,895
4. Service Strategy	564,350	598,374	628,875
5. Large Business Centre	212,912	213,166	223,188
6. Promoting Fiscal Citizenship	53,130	56,333	59,205
7. Enforcement	492,658	522,360	548,986
8. Transformation	897,588	964,284	1,014,281
9. Policy and legislation	55,131	58,455	61,434
10. People Development	324,176	343,720	361,240
11. Technology	511,791	542,646	570,306
Grand total	4,446,449	4,714,518	4,954,832

12. CONCLUSION

SARS will be embarking on a course for the 2005/08 period to achieve the fiscal and trade deliverables that Government has set to enable the urgent response to underdevelopment and poverty in a modernised and fast moving global economy. SARS imperative is to become an integrated tax and customs authority that delivers on the set objectives within the mandate granted in terms of the SARS Act. In order to deliver on the stated vision; i.e. "enabling SARS to serve the country better", SARS will:

- Achieve and exceed targets set by the Government;
- Streamline and automate core processes to leverage technology where applicable to maximise further improvements and efficiency gains;
- Further enhance human capacity by entrenching a performance driven culture in a learning environment that is receptive to change, service orientated and ethical. People will be empowered to make informed and pro-active decisions; and
- Consolidate the Income Tax Act to close tax loopholes and enable simplified administration.

The SARS team will be enabled to maintain it's current levels of performance and deliver the capability and capacity necessary to provide a sustainable organisation for the future in what is seen as the most challenging times in the history of SARS through a program of continual stabilisation, enhancement and where necessary, transformation of the operating environment. SARS can realise the dream of being "Proudly South African", where the strategic goals manifest as a smarter, more efficient and responsive SARS that provides a sustainable platform for greater revenue collection, lower costs of compliance, and higher levels of compliance.

"We must use our human and material resources and the genius of our people to build an economy that addresses their needs, that gives us the means to end the wretchedness that continues to define some as being less human than others"

President Thabo Mbeki

1.1. CONCLUSION

SARS will be embarking on a series of projects in the 2002/03 financial year. The focus of these projects will be to improve the efficiency of the tax administration and to enhance the quality of service to taxpayers. The projects will be implemented in a phased manner and will be subject to regular monitoring and reporting. The projects will be implemented in a phased manner and will be subject to regular monitoring and reporting. The projects will be implemented in a phased manner and will be subject to regular monitoring and reporting.

- Review and enhance the quality of service to taxpayers.
- Improve the efficiency of the tax administration.
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