NRA — NATIONAL REVENUE AUTHORITY

STRATEGIC PLAN

2018 - 2022   NATIONAL REVENUE AUTHORITY

TOGETHER, THROUGH OUR TAXES, WE BUILD PROSPERITY

January, 2018

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1.1 Foreword from the Board Chair

On behalf of the people of Sierra Leone, the dedicated workforce of the NRA is accountable for administering the country's tax and customs system fairly, transparently, with utmost integrity, and in a manner that enables our customers to easily understand their obligations and rights, and to access our services in as simple a way as possible.

This strategic plan describes how the NRA will help citizens to understand what is expected of them in respect of the tax and customs systems, and explains how the NRA is aiming to make it easy for people to willingly and properly participate.

In doing so, the NRA and its customers will enable Sierra Leone to meet its public spending requirements and secure progress in economic development.

Over the period of the strategic plan, from 2018-2022, the NRA will focus on mobilizing the revenues the government so direly needs, reinforcing the relationships it has with customers and stakeholders, improving its internal systems and processes, and strengthening the capacity of its staff and of the institution overall.

This document describes in detail how the vision and strategic goals of the NRA will be achieved. It explains the NRA's strategic framework and how its strategic objectives will be packaged into key programs of work and how work will be assigned to departments and staff so that the changes may be embedded within the organization.

The strategic plan represents an ambitious commitment to the people of Sierra Leone. With the commitment of its staff and support of its stakeholders and customers, the delivery of the strategic plan will mark an important step in the development of the NRA.

1.2 Foreword from the Commissioner General

The creation of the Sierra Leone National Revenue Authority (NRA) triggered a new era in the administration of domestic revenues in our beloved country, Sierra Leone. Established by an Act of Parliament in 2002, the NRA is mandated to assess and collect government revenues and help facilitate trade through Customs. In this core function, the NRA has over the past years increased revenue collection to support public spending and reduced delays at customs ports especially for error free declarations. This improvement has been made possible through the implementation of several ICT reforms that have improved business processes, reduced revenue leakages and improved public trust in the Authority by soaring our integrity to the extent that it is recognized by the country's Anti-Corruption Commission. Human capacity has been another important area where the NRA has delivered over the past years with almost all staff of the Authority receiving multiple external and/or internal trainings in recent years.

We could have delivered much more had it not been for the twin economic shocks encountered in 2014 and 2015 where the EVD outbreak and collapse of international commodity prices adversely affected some of the key outputs targeted in the past 2013-2017 Strategic Plan. With the completion of Plan, the need to develop the next strategic plan was obvious to better guide our progress in the medium term.

For the next five years 2018-2022, I envision an Authority that effectively delivers on its revenue collection mandate to levels that conveniently finances the aspiring government expenditures and at levels that will catch up with comparator countries and as well facilitate trade to meet international standards. To deliver on this vision, the Authority will implement state of the art ICT reforms in domestic taxation and customs administration and ensure the support functions are improved to meet the demands of revenue administration. This is what this Strategic Plan is about.

The Plan is a product of deliberations and several workshops by NRA senior management and staff with inputs from stakeholders on what they want the NRA to become in the next

five years. It draws from current challenges and available opportunities, best practice and the broader developmental vision of the country. To achieve what the NRA envisions in this Plan, it will require political commitment, cooperation from stakeholders and partnership from the donor community.

As Chief Executive Office of this institution, I call on all stakeholders including our valuable taxpayers, political leadership, MDAs, donor partners and civil society to support the implementation of this Strategic Plan as we strive to build human capital and promote sustainable development through our taxes.

1.3 Executive Summary

The NRA strategic plan 2018 - 2022 describes how the NRA will deliver on its mandate of administering tax and customs laws in the context of supporting the development agenda of **Sierra Leone as described in 'Sierra Leone's Medium Term National Development Plan (2019-2023), the New Direction Manifesto and the 2018 Presidential Address at State Opening of Parliament.**

The strategic plan sets out five strategic goals that will guide the NRA.

- ✓ **Effective and efficient revenue mobilization to support government fiscal space**
- ✓ **Develop human capital and institutional capacity**
- ✓ **Enhanced trade facilitation**
- ✓ **Automated and integrated modernized business processes and procedures**
- ✓ **Improved Public Trust and Credibility**

Priority initiatives relating to the five strategic goals build upon the progress made over the period of the previous strategic plan.

Central to revenue mobilization efforts will be a strong emphasis on voluntary compliance underpinned by effective risk analysis and enabled by communication and engagement with taxpayers and providing easier access to services whilst at the same time strengthening

audit and enforcement capacity. Focus will continue on the large and medium taxpayer segments as the primary revenue sources and efforts will be extended to assist small taxpayers and those in the informal sector to meet their obligations.

Much emphasis will be placed on developing the human and institutional capacity. Training, recruitment, career path planning and performance management and appraisal systems will focus on strengthening technical and management skills, particularly in areas that are central to the strategic plan. Facilities and infrastructure will be upgraded to provide a modern and professional working environment. Efforts to consolidate accommodation and move revenue staff to a single building will be pursued.

Trade facilitation will be enhanced through systems upgrade to ASYCUDA World, process simplification and data sharing with customs authorities of other systems through electronic interfaces. In addition to trade facilitation, another critical role the NRA will focus on through customs in the course of the strategic plan will be the protection of society through targeting entry of contra-band goods and physical smuggling across the country's porous borders.

Major initiatives to replace obsolete IT systems, automate manual processes and improve the quality of data and management information will be implemented. A new Integrated Tax Administration System will be delivered to support tax processes. An advanced system of accounting and reconciliation with the banks together with the introduction of cash machines to improve compliance in GST collection will represent a landmark to accounting and mobilization of domestic revenues.

Finally, there will be a focus on further entrenching principles of good governance and build on relationships with stakeholders that will improve public trust and credibility and strengthen the position of NRA to deliver on its mandate and meet its strategic goals. We will endeavor to provide quality services to our taxpayers and other clients and deliver on our core mandate of revenue collection to impress on our public image but also help spur economic development.

The strategic objectives and projects set out in this strategic plan are both exciting and ambitious, and the NRA is dedicated and committed to delivering them. The risks identified and mitigation strategies developed will be kept under constant review, and the strategic plan monitoring and evaluation approach and framework will ensure that there is thorough and disciplined oversight of implementation.

Achieving the strategic objectives of the 2018 - 22 strategic plan will represent a major landmark in the progress of the NRA and its support to the development of Sierra Leone.

1.4 List of Acronyms

Acronym	Meaning	Acronym	Meaning
ACC	Anti-Corruption Commission	**MIC**	Ministry of Information and Communication
AfDB	African Development Bank	**MIS**	Management Information System
AHRD	Administration and Human Resource Department	**MoFED**	Ministry of Finance and Economic Development
AIC	Audit Implementation Committee	**MOU**	Memorandum of Understanding
ASSL	Audit Service Sierra Leone	**MRP**	Monitoring Research and Planning
ASU	Anti-Smuggle Unit	**NACS**	National Anti-Corruption Strategy
ASYCUDA	Automated System for Customs Data	**NCTF**	National Committee on Trade Facilitation
BPR	Business Process Re-engineering	**NPPA**	National Public Procurement Authority
CET	Common External Tariff	**NRA**	National Revenue Authority
CG	Commissioner General	**NTR**	Non-Tax Revenue
CGO	Commissioner General's Office	**NTFC**	
CIP	Compliance Improvement Plan	**OARG**	Office of the Administrator and Registrar General
CIT	Corporate Income Tax	**OECD**	Organization for Economic Cooperation and Development
CRF	Consolidated Revenue Fund	**PAC**	Public Accounts Committee
CS	Corporate Services	**PATE**	Public Affairs and Taxpayer Education

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CSD	Customs Service Department	PAYE	Pay as You Earn
CRM		PCA	Post Clearance Audit
DDD	Deter Detect and Deal	PFM	Public Financial Management
DFID	Department for International Development	PFMIC	Public Financial Management Improvement and Consolidation
DM	Debt Management	PIT	Personal Income Tax
DTD	Domestic Tax Department	PLC	Policy and Legislative Committee
DTIS	Domestic Tax Information System	RAB	Revenue Administration Bill
EITI	Extractive Industry Transparency Initiative	RIIU	Revenue Intelligence and Investigation Unit
EIRB	Extractive Industry Revenue Bill	RKC	Revised Kyoto Convention
EIRU	Extractive Industry Revenue Unit	RMC	Risk Management Committee
EVD	Ebola Virus Disease	RPRP	Return Payment Refund Processing
GIS	Geographical Information System	SLEITI	Sierra Leone Extractive Industry Transparency Initiative
GoSL	Government of Sierra Leone	SME	Small Medium Enterprise
GST	Goods and Services Tax	SMT	Senior Management Team
HR	Human Resource	SOP	Standard Operating Procedure
HS	Harmonized System	SWOT	Strength Weakness Opportunities and Threats
ICA	Internal Controls and Audit	TAA	
ICT	Information Communication and Technology	TACOS	Terms and Conditions of Service
IFMIS		TADAT	Tax Administration Diagnostic Assessment Tool
IMF	International Monetary Fund	TBA	
ISO		TFA	Trade Facilitation Agreement
IT	Information Technology	TGA	Tax Gap Analysis
ITAS	Integrated Tax Administration System	TORs	Terms of References
ITIL	Information Technology Infrastructure Library	TPS	Tax Payer Services
JDs	Job Descriptions	TRS	Time Release Study
KPI	Key Performance Indicator	VIPS	VAT Improvement Programs
LAN	Local Area Network	WAN	Wide Area Network

M&E	Measurement and Evaluation	WCO	World Customs Organization
BSC	Balanced Scorecard	SAM	Strategic Assessment Meeting

SECTION 2: HISTORICAL CONTEXT AND ACHIEVEMENTS OF 2013 – 2017 STRATEGIC PLAN

The NRA's 2013-2017 Strategic Plan was built around the Authority's core mandate of revenue collection and trade facilitation with a modest focus on infrastructure, governance, human resources, and institutional development. The core strategies were grouped into four perspectives:

- ➢ The Revenue Perspective

- ➢ The Customer/Stakeholder perspective

- ➢ The Business Process perspective

- ➢ The Growth and Learning perspective

The Plan reflected the priorities of the Authority which strives to establish its foothold in a nation amidst the urge of going automated and of meeting the international standards. In order to achieve its desired vision and ensure overall coordination and control of its goals, the Authority, through its Modernization Plan, translated these key strategic goals into a series of projects, whose management and implementation brought about the following remarkable achievements:

- ✓ Developed the Enterprise-wide Risk Management Policy in 2014, the Risk Management Strategy for Customs Services Department in 2015, and the Risk Management and compliance strategy for Domestic Tax Department; also, the generation of monthly and biannual risk management reports by the Customs and Domestic Tax Department;

- ✓ Administrative cost reduced by Le2.1 Billion in 2014 and Le1.4 Billion in 2015;

- ✓ The Authority contributed to the Finance Acts of 2013, 2015, and 2016, 2017 and 2018 and further developed the NRA Revenue Administration Bill which was enacted in 2017, and the Customs Brokers' Regulation. Also drafted the revision

of the Excise Act of 1982 and the Tariff Act of 1978. The Extractive Industry Revenue Bill was drafted in 2012 and redrafted in 2017 and forwarded to Law Officers' Department for legal drafting;

✓ Two (2) Business Process Re-engineering (BPR) were completed for Customs and DTD with assistance from the World Bank under the PFMIC project at MoFED. SOPS was drafted for Customs, DTD, and support departments;

✓ Extractive Industry Revenue Unit (EIRU) was operationalized, and played an active role in the multi-stakeholder group of SLEITI and completed the 2013 EITI reconciliation. The AFDB also approved capacity building of the Unit, and signed a funding agreement with MoFED as did the German GIZ;

✓ The SME Legislation has been enacted and it is in the Finance Act of 2013; the Taxpayer preparer scheme also legislated in the 2015 Finance Act. Further, the NRA is at an advanced stage in the implementation of Small Taxpayer Preparer scheme to add flexibility in compliance management of the hard-to-tax sector and 858 (cumulative) SMEs assessments undertaken by the end of 2015;

✓ A total of 2,476 taxpayers registered in 2014, and 2,511 registered in 2015;

✓ The NRA made 70% success in handling customer complaints in 2015 as the Call Center project was completed in 2016 and service charters were displayed across the country;

✓ A customer Satisfaction Survey was conducted in 2017 and in which on overall, 74% of our taxpayers and stakeholders reported being satisfied with the services provided by the NRA;

✓ 80% resolution of public complaints was achieved in 2015, and 70% in 2014;

✓ Average clearance time was reduced to one and half (1.5) days for error-free declarations between 2013 and 2015, and 1.09 days in 2016;

✓ ASYCUDA++ is Operational at Lungi and Kambia Customs posts, and the Domestic Tax Information System for Income Tax administration is operational in all Domestic Tax offices in the Western Area;

- ✓ Contract with the UNCTAD as Software provide has been signed for the migration from ASYCUDA++ to ASYCUDA World. Presently stand-alone (silos) systems are being installed in the various operational and supporting departments;

- ✓ In 2015, the NRA reached 80% success in automation (compared to 75% in 2014), after implementing several automation activities and commencing many projects as targeted;

- ✓ A detailed review of our processes reviewed that 60% of NRA operational processes are automated in 2017 representing an increase compared to 48% in 2015;

- ✓ ICT Security and standard Policy evaluated against ISO standards. The Policy has received Management endorsement and Board approval. SOPs are in place for all departments of the NRA. Integrity policies are well defined as is the code of conduct;

- ✓ A staff satisfaction survey was conducted in 2014-2015 and a report circulated to Senior Management, and it emerged that 93% of staff are proud of being associated with the NRA and a further 76% admitted being satisfied with their jobs;

- ✓ Over the period 2015-207, an average of 86% of NRA's managerial and technical staff benefit from trainings; and the annual performance appraisal system was revised in 2015;

- ✓ Encouraged the employment of qualified female staff into the Authority, and continued to promote female employees to take up managerial roles;

- ✓ Collected and collated sex disaggregated data into guide planning; maintained the gender desk established in the Authority to promote gender-mainstreaming issues, and conducted a baseline survey to assess the level of gender mainstreaming at the NRA;

- ✓ Implemented the integrity pact in procurement contracting; tied the code of conduct with both integrity statement and the TACOS; developed and displayed

the Integrity Policy/Pledge in strategic locations around NRA offices, and implemented the whistle-blower policy;

✓ Implemented the biometric staff attendance system for NRA staff; implemented and completed the asset declaration forms; and made notable progress in the rollout of DTIS to the provinces through rehabilitation of NRA offices in the provinces, also installing LAN in preparation for WAN installation and DTIS rollout;

✓ Addressed the late remittance of revenue into the CRF by the transit banks; addressed the high volumes of hanging declarations and assessments in ASYCUDA, and developed the capacity of the Anti-Smuggle Unit (ASU) staff to handle misuse of transit processes at the borders.

SECTION 3: INTERNAL AND EXTERNAL CONTEXT FOR NRA

3.1 The SWOT Analysis

The SWOT analysis upon which the 2018 – 2022 Strategic Plan is built highlights the Strengths, Weaknesses, Opportunities, and Threats of the Authority. Opportunities and threats mainly represent the external environment and its forces, while strengths and weaknesses represent the internal factors.

STRENGTHS	WEAKNESSES
1. Staff commitment	1. Weak data integrity of tax register and taxpayer account
2. Good and committed leadership	2. Inadequate financial resources
3. Solid legal framework	3. Obsolete tax ICT system
4. Organizational structure – based on key taxpayer segment	4. Inadequate physical and office infrastructure
5. Breaking down internal barriers between departments and units	5. Unstructured Debt management
6. A reasonably capable workforce	6. Some manual processes; e.g. reconciliation
7. Strong collaborative relationship with key stakeholders	7. Borders not fully under control
8. Fairly good performance monitoring system	8. Non-standard health and safety measures
	9. Limited technical capacity on international taxation and specialized sector audit

	and reporting	10.	Non-standard filing and payment systems
9.	Strong taxpayer charter	11.	unstructured risk management framework
10.	Creativity of Management staff	12.	Integrity challenges
11.	Dependable government institution	13.	Non-standard supervisory and staff appraisal systems
		14.	
OPPORTUNITIES		**THREATS**	
1. Improving **taxpaying culture** 2. International commitment to minimize tax planning and avoidance 3. Commitment of donors and international organizations to support through capacity-building and financial aid programs 4. Enhanced and improved tax and related legislations through CET and other international trade liberalization schemes 5. Improved external environment in tackling corruption and integrity issues 6. Leverage the benefit from third-party data 7. Improved oversight functions; e.g. ASSL, ACC, PAC, etc.		1. Inadequate funding to finance operations 2. Limited commitment of trade partners in meeting provisions of treaties and other tax arrangements 3. Unpredictability of donor financing 4. Prevalent tax exemption schemes 5. Quality and availability of third-party data 6. Growing informal sector 7. Increased tax evasion and avoidance	

NRA SWOT Analysis

3.2 Implications of the SWOT Analysis for the Strategic Plan

Revenue mobilization remains a fundamental objective of the NRA and will be strengthened by addressing certain aspects of tax administration. The NRA will seek to develop a 'taxpaying culture' through more and better communication and engagement with the public, enhanced filing and payment systems that make it easier for taxpayers to meet their obligations, an improved enforced tax collection, and a debt management regime. These related initiatives that seek to improve voluntary compliance and drive revenue mobilization will be underpinned by the NRA's taxpayer charter. The NRA will aim to assist more small and medium taxpayers to correctly meet their obligations, including those in the informal economy, through targeted assistance schemes. The NRA will seek to leverage the benefits of third party data from external bodies as a means of improving compliance, recognizing the variable quality and availability of such data. The NRA will also champion the limiting of the award of exemptions and waivers to enhance revenue mobilization.

Automation will be at the heart of efforts to improve revenue administration. Obsolete tax systems and manual processes will be replaced with a new ITAS system. The system will support the integrity of taxpayer data and account information.

NRA has strong technical capacity and experienced human resources in several key areas. However, this will be strengthened further through recruitment, training, better career path planning and job rotation in several functions which include: specialized audit, enterprise-wide and compliance risk analysis and management, ICT systems, and international tax matters.

The organizational structure of the NRA is well aligned with major customer segments at the highest levels and then by functions. However, changes to units and team structures will result from certain initiatives. These include the establishment of a single debt management center and complaints and objections teams, re-configuring teams to suit the needs of the new ITAS system, and improving the management of risk. The NRA has been successful in breaking down internal barriers between teams and units and is moving towards a culture

of collaboration and information sharing. However, inadequate physical infrastructure still presents a barrier to internal efficiency, communication, and health and safety. In Freetown, the NRA is housed in several small office buildings across the city. As such, the NRA will pursue funding for a single office building, to be named 'Revenue House', that will be suitable for a modern professional organization.

The tax system benefits from a solid legal framework; however, work will continue to update legislation to ensure it remains appropriate and aligned with external revenue and customs developments, such as international taxation issues and the common external tariff. Additionally, the continuing cooperation of trade partners in meeting the provisions of treaties and other tax arrangements will be sought.

Although the NRA benefits from the commitment of donors and international financial organizations to fund some capacity-building and technical and financial supporting programs, donor funding can be volatile, which puts pressure on budgets and makes investment decision-making difficult. Furthermore, the funding provided by central government has not met expectations over recent years in either timing or amount disbursed. Since it is critical that revenue authorities are properly funded to achieve their mandate, by funding public services and supporting national economic development, the NRA will explore how to bring greater certainty to the transfer of funds to its budget as set out in law, and will pursue a more strategic approach to its relationships with donors.

Staff and leadership are highly committed to the NRA, its mission, vision, values, and strategic targets. The style and creativity by which the NRA addresses its challenges and opportunities has positioned it as a leading governmental institution. To enable staff to fully embrace and deliver upon the reforms described in the five-year strategic plan, several initiatives will be launched to empower staff further. NRA-wide performance monitoring and reporting systems are strong. However, supervisory and individual performance appraisal systems will be upgraded. Staff integrity will continue to be a focus of attention. An integrity promotion strategy, a whistle-blowing policy, and a complaint unit will be implemented, and a code good of corporate governance will be adopted. The NRA will make the most of improving external environments in relation to corruption, integrity, and good governance by further strengthening relationships with the Anti-Corruption Commission,

the Audit Service Sierra Leone, the Ombudsman, and the Public Accounts Committee of Parliament. More generally, the NRA will build on the strong collaborative relationship it enjoys with key stakeholders.

As Sierra Leone's parliamentary situation is such that the opposition outnumbers the ruling government, the NRA recognizes the importance of a strong and unwavering political support as it seeks to maintain its commitment to revenue mobilization, trade facilitation, and border security.

3.3 The Business Model Canvas

What is the Business Model Canvas?

The Business Model Canvas or BMC model is a graphic representation of a number of variables that show the value creation of an organization. The Business Model Canvas was deployed to analyze the current and the desired business model of the NRA.

The Business Model Canvas defines nine categories for the Business Model Canvas, which are the building blocks of the Authority.

The building blocks are:

1. **NRA's Customer segments**

2. **NRA's Value propositions**

3. **NRA's Channels**

4. **NRA's Customer relationships**

5. **NRA's Revenue streams**

6. **NRA's Key resources**

7. **NRA's Key partners**

8. **NRA's Key activities**

9. **NRA's Cost structure**

The objective is to understand how NRA's current business model works and to design a future and desired business model for the Authority. Understanding how we operate today and how we want to operate in the future, together with the SWOT analyses, helped to set up the right strategy for 2018 – 2022.

3.4 The current and the future NRA Business Model

Business Model Canvas
Designorate

Company Name:	Date:
NRA CURRENT BUSINESS MODEL	DECEMBER 5TH, 2017

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
KEY PARTNERS & SUPPLIERS - Telecom Industry - Banks - Donor Partners - Suppliers - MDAs, e.g. SLP, ACC, SLPA, SLAA, MTI, MOFED, NMA, etc. - Clearing Forwarding Agents - ICT Houses - Parliament - Auditing Firms **KEY RESOURCES FROM PARTNERS & SUPPLIERS** - VPN - Virtual Private Network - Internet Connection - Revenue Payment - Funds & Tecnical Assistence from Donor Partners - Funds & Legal Framework from MOF&ED - Security Personel - ICT Systems (Software, Hardware, Infrastructure &		- Simplified, efficient and automated processes - Simplified and efficient tax legal Systems - Taxpayer education of Sensitization - Increased revenues to Government - Provide security to the Public - Provide reliable trade statistics for effective planning - Awareness for effective compliance - Limited fiscal space for public spending - Barriers to doing business - Counter band and smuggling - Complex and obsolete tax legal System	- Relationship of Trust & Confidence - Accountability & Transparancy - Courteos Relationship INTEGRATED: - Publication of the Service Delivery Charter - Publication of Common Custom Tariff - Establishment of Customer	- Taxpayers - Importers - Customs Stakeholders - Citizens - Government Sierra Leone (MDA) - Donor Partners - Banks
	Key Resources - Computers and application systems - Skilled & motivated staff - Legal framework - Funds - Logistics - Capacity building - Telecommunication - ICT infrastructure		**Channels** - Print and electronic media - Website - One-to-one interraction (Taxpayer Call Center, TPS, etc) - Workshops and seminars Works best: - Workshops, Seminars - Radio, TV, SMS Most cost efficient:	

Cost Structure	Revenues Streams
INHERENT COST: - Staff cost (salary, allowances, medical, training) - Rental cost - Fleet cost, fuel cost - ICT cost: Internet, VPN, Infrastruture, Licensings - Office supplies - Constuction & Refurbishment **MOST EXPENSIVE RESOURCES:** - Staff cost - ICT	- Ready to pay for automated processes - Regulatory & Processing fees - Securitized documents METHODS OF PAYMENT: - Banks - 90% - Cash - 10% Preferably banks REVENUE: - Larger Taxpayer -

NRA current business model

Business Model Canvas

Designorate

Company Name:	Date:
NRA FUTURE BUSINESS MODEL	DECEMBER 5TH, 2017

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
GENERAL PUBLIC: - PR Consultancy Taxpayer Services Consultancy - DTI - Direct Trade Input Bureau - Prepares Schemes PTD - Institutes of Chartered Tax Practisioners NRA: - Exceptional transaction reporting - Brand assurance, Management Consultancy - High networth individuals - The ACC/FIU GOVERNMENT: - Civil Society - Local Council incl. Chiefs INTERNATIONAL PARTNERS: - ICTD - International Centre of Tax Development	GENERAL PUBLIC: - Marketing of our activities - E-learning - Pop-up adverts in internet - Pictoriel - Use of local languages (reports & media) NRA: E-activities - Effective resoursce Centres **Key Resources** - Smart Machines - Resourse persons for higher education - Publications	- GENERAL PUBLIC: VALUE: Fairness, Security, Safety, Confidentiality, Trust, Value for money PROBLEMS: Non compliance, Ignorance, Lack of Value for money from government, Lack of Trust NRA & Government SERVICES: Privat & Public Ruling, Education, SD Charter, Interactive Website, Rebates, better bargaining powers for community benefit, intense competition created NEED: Effective & efficient Service delivery NRA: VALUE: High professional workers, enviable Institution/Premier	GENERAL PUBLIC: - Professional - Interactive - Inter-dependent - Effective Communicacion NRA: - Interactive - Effective Communicacion - CSR (Corporate Social Responsability) **Channels** GENERAL PUBLIC - Revenue APPs & Boutiques - Cloud Tecnology - Artificial Inteligence - Web-based systems - Robots - Smart Machines - Drones - Social Media - Audio Media	- General Public - NRA - Government of Sierra Leone - International Partners

Cost Structure	Revenues Streams
INHERENT COSTS: - Staff development - Recruitment - Asset maintenence MOST EXPENSIVE RESOURCES: - ICT, HR Administration, Tax Education, Revenue House, Drones ACTIVITIES: - ICT - Web-based - Digitalization	- Capital Gains Tax - Transfer Pricing - Base Erosion - Treaty Shopping - Inheritance Tax - Stamp Duty - Duty on software, Resource Rent Tax, Congestion Charges, TV License - GST on Casinos & Properties - Excise on luxury goods - High Networth individual taxation (including Political exposed Persons)

NRA future business model

SECTION 4: NRA's STRATEGIC REFERENCES

The strategic references represent the initial stage of the organizational planning, encompassing a set of steps designed to identify the action, mission, future vision, and institutional values. An environmental diagnosis is also elaborated, and it comprehends the analysis of the internal and external factors that can influence the actions of the institution.

4.1 NRA's Mandate

The NRA is charged with the responsibility of assessing and collecting domestic taxes, customs duties, and other revenues specified by law, and of administering and enforcing laws related to these revenues.

4.2 NRA's Mission Statement

The mission statement is the *raison d'être* for the organization. Cognizant of the mandate and functions of the NRA, the Mission of the Authority is:

The effective administration of the Revenue System and facilitation of trade to enhance Government fiscal space for national development.

4.3 NRA's Vision

The vision is the idealization of a desired future for the organization. Built on this, the NRA's vision is coined as follows:

To be an Institution of excellence, a national and regional reference in public and revenue administration.

4.4 NRA's Values

Every institution that wishes to implement its strategic plan should clearly demonstrate the values that guide its strategic management. Values translate beliefs and guide social relationships to transform the strategic thought into concrete reality.

Under this context, the following values are validated for the NRA:

- ✓ **Integrity**

  We are committed to the highest standards of trust and honesty.

- ✓ **Transparency**

  We will ensure full disclosure of information as required by law.

- ✓ **Accountability**

  We will ensure that appropriate mechanisms exist for staff to be held accountable for their decisions and actions.

- ✓ **Equity**

  We value individual differences and treat customers with fairness.

- ✓ **Service Excellence**

  We will provide outstanding service to our customers.

SECTION 5: STRATEGIC MANAGEMENT FOR NRA

5.1 Modernization of Public Management

The trends for the modernization of institutions may be associated with the economic, social, and environmental pressures that drive them to adjust regarding the transparency of their actions and the generation of results for users and citizens. Each day, the perception of the gap between society's demands and the results that public institutions can offer is more and more subtle. Not only that, but it is also possible to relate this imbalance to inadequate management practices, organizational cultures that resist change and adaptation, and low-level institutional communication.

On the other hand, there are many models, tools, and methodologies which aim to mitigate the issues previously mentioned. Great part of these mechanisms propose robust ways for planning and functional organizations; however, in most cases, they prove to be very poorly implemented. Weighing the demand for immediate results and the institutional resistance to change, several methodologies have become outworn in the organizational environment due to demand for great time and effort for the initial elaboration.

The slow pace in the delivery of tangible results inevitably leads people to misbelief and finally to giving up these models, resulting that many institutions that have good planning never actually put them into practice. Due to this fact, we propose a dilemma: how to simplify management models and institutional planning taking into account the high level of complexity of the organizations and the great challenges they face? In fact, the development of this competence goes through continuing transformations every day, generating new learnings, and making this content ever more alive.

The strategic management methodology which is based on the **Organizational Strategic Planning** and in the **Balanced Scorecard (BSC)** seeks to impact the managerial environment of the institution by focusing on the following principals:

- **TRANSFORMATION:** A management model can be faced as a new way to look at and direct a certain institution. Thus, accomplishing strategic management means, in many cases, to opt for change and, in the short-term, to move people out of their "comfort zones". The intention is to transform, with the people, the decision-making processes of the institution.

- **RESULTS:** The institutions and the people should restrain their attention from the processes and activities and focus on the results. In other words, their attention should be on the delivery of results that meet the expectations and apprehension of the interested parties of the institution.

- **COMMUNICATION:** Communication is a fundamental tool for people's transformation and integration. It must be faced not as a secondary process to assist management, but as the primary factor to promote change. The right information should be at right time and place in order for management to be effective.

- **LEADERSHIP:** All the change processes must be supported by strong leaders. The high administrators, which are usually the ones to start a change process, should know how to manage anxieties, disbelief and conflicts, and lead the institution to the desired future.

- **HUMANIZATION:** Humanization proposes to respect the workers as individuals; this means to see them for their individual objectives, thoughts, and restlessness. The person must be considered in his wholeness and observed beyond his corporate aspects. An ethical behavior must be the life principle of the institution, once that being ethical means to care about personal and collective happiness.

- **ALIGNMENT**: One of the premises for balance is the alignment. Under the corporate environment, this means coordinating people and interested parties through the capacitation of new multipliers, and by defining directives that aim to secure that the strategic panel is implemented and used consistently.

- **ACCOUNTABILITY:** Accountability should be understood as a collective way of participation and support of the learning and management processes developed simultaneously by all parties.

5.2 NRA's Strategy using the Balanced Scorecard

The strategic planning goal is to assess the future implications of the decisions made in the present, so that the strategic decisions are made more rapidly, safely, and efficiently. By systematizing the planning, we are able to reduce the uncertainty that commonly characterizes decision-making processes, thus increasing the possibilities of accomplishing the objectives, the challenges, and the targets established by the institution.

It is a dynamic process through which we define the paths that the institution should follow with a pro-active behavior, taking into account its environmental analysis in accord with its raison d'être in order to build the desired future.

The strategic planning is a management tool used successfully by both public and private institutions all over the world. Its success is due to its natural adaptability to the particular characteristics of any institution, for it contemplates common concepts in a managerial framework designed to create conditions which enable objectives and adjust the strategic direction under environments of change.

Followed by other managerial functions, effective planning is oriented towards obtaining the expected results. For didactical purposes, we will consider the following principles as the foundations for the planning:

- **The planning** should always aim at the objectives of the institution where it is applied.

- **The precedence principle:** planning is a function that precedes others such as organization, direction, and control.

- **The higher pervasion and coverage principle:** planning may lead to significant changes in the organization, both in the managerial system as well as in people's routines, technology information, and communication.

- **The efficiency, efficacy, effectivity principle:** planning aims at maximizing results, minimizing deficiency, and providing efficiency (doing what was planned in the correct manner), efficacy (planning to do the right thing), and effectivity (obtaining the best results at the lowest possible cost).

More than just a strategic plan oriented towards results, the Balanced Scorecard (BSC) is a methodology which aims to develop a culture of strategic management in any institution. In other words, an agenda of core strategic subjects is created for the institution in order to direct the decision-making process to reach the targets. It is also of utmost importance to clearly distinguish the operational themes from the strategic themes.

The BSC balances the set of strategic measures, which translates the understanding of the institution into true results. This way, the choice of indicators to guide an institution seeking to achieve their desired targets is a critical factor for success.

The Balanced Scorecard (BSC) principle aims to ensure success on the implementation of the formulated strategies. This means that it is as important to formulate a good strategy as it is to manage it in a way that we can measure its performance, verify implementation, correct course, and learn from the obtained results. This is why the BSC represents the bridge between the formulated strategies and the day-to-day of the institution.

Within this context, using the BSC methodology to subsidize management at the NRA has the following objectives:

- Clarify and get consent regarding the strategy;

- Communicate it to all the institution;

- Align the organizational and personal targets to the strategy;

- Associate the strategic objectives with targets and budgets;

- Identify and align initiatives, investment programs and strategic actions;

- Have periodic and systematic reviews;

- Perfect the strategy;

- Develop strategic learning.
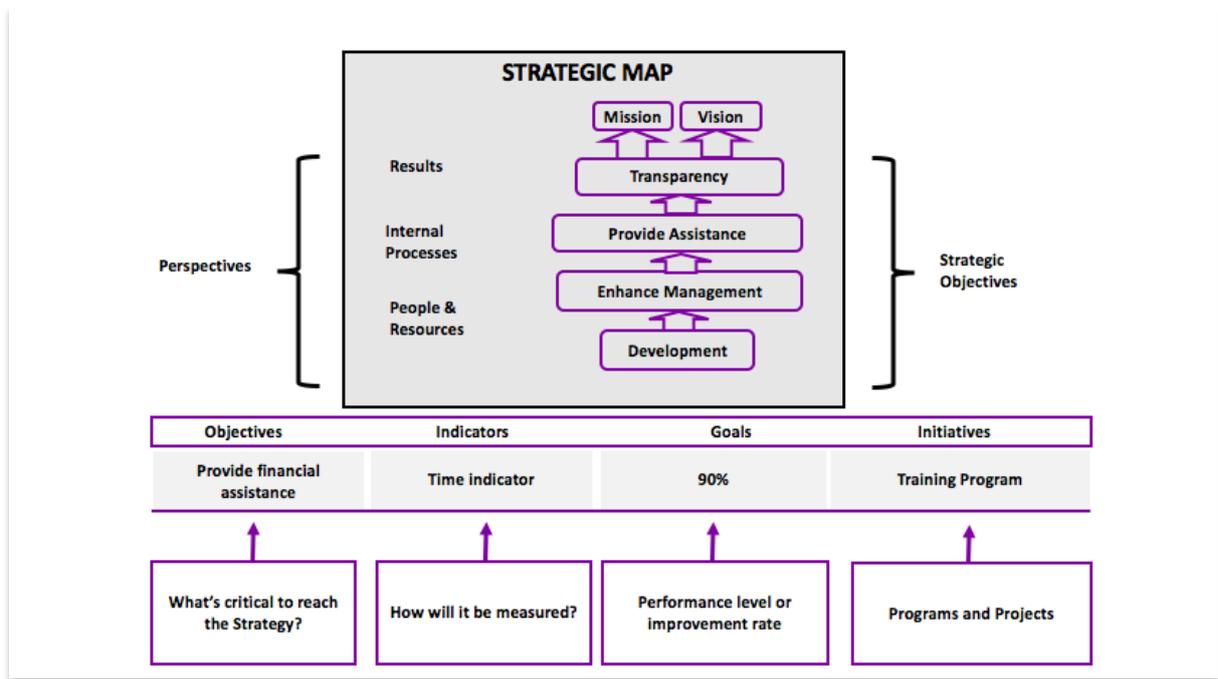
Balanced Scorecard approach for the NRA

This is the essence of the BSC: to balance the perspectives and allocate strategic objectives in the form of challenges, taking into account the cause-and-effect relationship that exists between them. With the BSC, the institution can elaborate its strategic map, which is the orientation reference so that all the units and the people can learn and get involved with it. This is the **strategic alignment.**

The BSC can, as a support system for the decisions, gather the key-elements that enable the accomplishment of the strategy. Additionally, as a communication tool, it can ease the internal communication processes in the implementation of the strategy.

SECTION 6: MATERIALIZING NRA'S STRATEGIC MANAGEMENT 2018-2022

6.1 NRA's Strategic Map

The strategy's implementation demands that employees are aligned and committed to the organizational strategic reference. To ensure such connection, the institution must dispose of an efficient communication process that reveals how the actions are converted into results and that maximizes the fulfilment of the mission and the achievement of the future vision.

The Strategic Map is the tool of the BSC methodology that aims to translate the path (strategy) into the attainment of the future vision (main long-term objective), and the accomplishment of the mission (raison d'être). This is made through the articulation of the strategic objectives laid out in perspectives (society, internal processes, and resources) and connected by cause-and-effect relationships that enable the identification of the actions needed to reach each objective.

The elaboration of the Map consolidates the first step of the methodology for the implementation of the strategic management at the NRA. The map is a simple yet effective tool that visually translates the strategic objectives chosen by the high administration. Additionally, it materializes the vision and the strategy that the organization has to adopt in order to transform that vision into reality, guided by the mission and the values. Through an image that takes up solely one environment (a map), the strategic objectives are grouped in fundamental perspectives. The Strategic Map is elaborated after a process of intense debates with wide participation of all leaderships and employees. Its major virtue is to provide the alignment between all the various strategic objectives, directly translating the adopted strategy.

The purpose of the strategic map is thereby to outline and communicate clearly and transparently to all levels the focus and the action strategy chosen, how the action impacts the attainment of the desired results, as well as to subsidize the allocation of efforts, and avoid the waste of actions and resources.

NRA's Strategic Map presents the following components:

- **MISSION:** the institution's raison d'être;

- **VISION:** what it wants to be in the future;

- **VALUES:** what really is important for us;

- **PERSPECTIVES:** dimensions of analysis;

- **OBJECTIVES:** long-term challenges to be achieved.

NRA's Strategic Map also reflects the 5 Strategic Goals coherently established with Sierra Leone's Government:

- ✓ **Effective and efficient revenue mobilization to support government fiscal space**

- ✓ **Develop human capital and institutional capacity**

- ✓ **Enhanced trade facilitation**

- ✓ **Automate and integrate modernized business processes and procedures**

- ✓ **Improve Public Trust and Credibility**

The NRA's Strategic Map that was validated by the leaderships on December 2017, for the 2018-2022 horizon, presents the translation of the strategy into action so that, afterwards, it becomes possible to convert the action into concrete results for the society.

STRATEGIC MAP – NRA 2018-2022

MISSION: The effective administration of the Revenue System and facilitation of trade to enhance Government fiscal space for national development.

VISION: To be an Institution of excellence, a national and regional reference in public and revenue administration.

INTEGRITY I TRANSPARENCY I ACCOUNTABILITY I EQUITY I SERVICE EXCELLENCE

RESULTS

- Maximize revenue collection in a sustainable manner
- Enhance the institutional image
- Strenghten international trade facilitation and society protection

INTERNAL PROCESSES

- Broaden risk analysis application in tax and customs control
- Promote integrated quality service and taxpayer education
- Guarantee security and agility in the international flow of goods and persons
- Increase compliance of tax, non tax and customs obligations

- Promote result-oriented management
- Get to know our taxpayers full profile
- Strengthen integrity, internal control and risk management
- Enhance participation in revenue policy formulation and implementation
- Reinforce communication and institutional relations

PEOPLE & RESOURCES

- Develop a culture favorable to integration and change
- Promote staff capacity building and retention
- Modernize institutional infrastructure and ICT systems
- Timely and adequate funding

NRA's Strategic Map

6.2 Description of the Strategic Objectives

It was necessary to elaborate a description for each of the strategic objectives to communicate in the same way the meaning and the complexity of each of these objectives.

1. **Maximize revenue collection in a sustainable manner:** the effective implementation of the strategy will yield maximum and sustainable returns.

2. **Enhance the institutional image before society:** this entails the delivery of the NRA on our mandate, provides quality service for our customers by being transparent and accountable in our administration and ensuring we promote professionalism in the execution of our functions.

3. **Strengthen international trade facilitation and society protection:** NRA to be compliant in all international treaties, protocols, and conventions as tools in facilitating treat.

4. **Broaden the risk analysis application in tax and customs control:** the development and rolling out of a comprehensive and effective risk management strategy for core tax and custom system.

5. **Promote integrated quality service and taxpayer education:** NRA to ensure that service delivered meets customers' expectations in time and also that customers are informed about NRA's activities using various channels.

6. **Guarantee security and agility in the international flow of goods and persons:** NRA to ensure there is simple and transparent clearance process of goods and persons that will reduce costs of doing business and of turnaround time.

7. **Increase compliance of tax, non-tax, and customs obligations:** maximizing filing and voluntary payments of revenues (tax, non-tax, and costs) and minimizing stop and non-filing and enforcement.

8. **Promote result-oriented management:** this is about the development and implementation of Monitoring and evaluation mechanisms to track performance.

This includes staff performance and KPIs of the NRA. Target should be accurately defined and monitored to ensure we uphold high performance standards and meet institutional objectives.

9. **Get to know our taxpayers full profile:** detailed information of the taxpayers. The information should be complete, accurate, updated, and reliable.

10. **Strengthen integrity, internal control, and risk management:** the strengthen of integrity, internal controls, and risk management systems in the Authority is very critical in the achievement of the objectives of the strategy. The internal controls put in place will help to address the risks that may constrain the achievement of corporate objectives.

11. **Enhance participation in revenue policy formulation:** for NRA to have a more active role in the formulation to revenue policy and to have this role formalized.

12. **Reinforce communication and institutional relations:** to review and revise agreements and treaties made with external institutions and countries and showing that they are in the best interest of the Authority. Create a link within and outside the Authority for the dissemination of information.

13. **Develop a culture favorable to integration and change:** create an organizational culture of cohesive participation and build a sense of adaptation to change.

14. **Promote staff capacity building and retention:** the objective concerns with improving staff capacity and assisting them perform their assigned tasks effectively and efficiently. It also deals with developing a sense of belonging and loyalty to the NRA.

15. **Modernize institutional infrastructure and ICT systems:** requires the construction/rehabilitation of physical buildings to host NRA staff and facilities, the automation of NRA processes, and the infrastructure (super highway) to support the automation.

16. **Timely and adequate funding:** the provision of timely and adequate funding is highly crucial for the achievement of the objectives of the strategy which to a very large expense will impact on revenue collection.

6.3 Strategic Indicators

Aiming to strengthen and transform the efforts of the institution into a systematic process of strategic management, institutional objectives are chosen by concentrating the measurement efforts in a few yet crucial indicators in order to make the leadership decisions.

The strategic objectives are the end-objectives for the institution to pursue in order to fulfill the institutional mission and reach the future vision. They consist of the link between the organization's directives and strategic reference, and they translate – after considering the demands and expectations of the interested parties – the challenges to be faced by the institution in a certain period of time.

The performance indicators have the purpose of assessing the progress of the institution towards the strategic objectives. It's a simple principle: if there's no measurement, there's no control, and if there's no control, there's no management. This means that strategic indicators reveal the relationship within the strategic objectives and represent a permanent test to validate the strategy. This is the spirit of the performance indicators: to measure what is being executed and manage it adequately for us to meet the proposed targets.

The great challenge of every institution that implements a measurement system is in setting a limited number of indicators that are able to communicate the organizational performance. Each indicator is detailed in attributes in order to guarantee comprehension and operationalization.

To assure that the indicator is properly managed and the objectives attained, we define targets that communicate the level of the desired performance (value) for a certain period of time. A strategic goal is supposed to communicate a future challenge that promotes a leap in the performance of an indicator. That is, the strategic targets cannot be limited to represent, in the future, an incremental projection of the historic performance.

The performance indicators are "communication vehicles", in the sense that they allow the managers of an institution to communicate to their employees how efficient a process is and how their performance is during a certain period of time. With all information in hand, it is up to the managers and the team to outline action plans to reach the chosen targets or even to know whether they are on the right track.

STRATEGIC OBJECTIVE	INDICATOR	CALCULATION FORMULA	UNIT	FREQUENCY	SOURCE	DEPT..
1. Maximize revenue collection in a sustainable manner	1.1 Actual Revenue / Target	Revenue collected / Target	%	Monthly	Finance & Budget (FB) Operations MRP	DMRP
	1.2 Revenue to GDP ratio	Revenue collected / Nominal GDP	%	Quarterly	FB Operations Monitoring Research and Planning Department (MRP)	DMRP
2. Enhance the institutional image	2.1 Public perception ratings	% of the public reported to be satisfied with NRA	%	Biennial	Outsourced Survey	DMRP
3. Strengthen international trade facilitation and society protection	3.1 Average customs clearance time	Time taken from lodgments of Single Custom Declaration (SCD) at ingate to customs release	days	Monthly	Customs Service Department (CSD) ASYCUDA	CCSD
	3.2 Proportion of manned border posts	Number of customs manned posts / Number of borders expected to be manned	%	Quarterly	CSD	CCSD
4. Broaden risk analysis application in tax and customs control	4.1 Proportion of risk-based audits conducted / Total risk-based audits identified	Actual number of risk-based audit selected	%	Quarterly	CSD Domestic Tax Department (DTD)	CCSD CDTD
	4.2 Proportion of declarations selectively processed through the lanes	Number of Declarations processed through each selectively lane / total number of customs declarations processed	%	Monthly	CSD ASYCUDA	CCSD
5. Promote integrated quality service and taxpayer education	5.1 Proportion of taxpayer education events	Number of taxpayer events realized / events planned	%	Monthly	Corporate Service Public Affairs and Tax Education (PATE)	DLCS
	5.2 Proportion of taxpayer notifications sent	Number of taxpayer notification sent / number planned	%	Monthly	DTD CSD	CDTD CCSD
	5.3 Customer satisfaction ratings	% of taxpayers reported to be satisfied with NRA	%	Biennial	Outsourced survey	DMRP
6. Guarantee security and agility in the international flow of	6.1 Proportion of declarations concluded in less than 24 hours	Number of SCDs released in 24 hours / total number of SCDs lodged	%	Monthly	CSD ASYCUDA	CCSD

goods and persons	6.2 Proportion of irregularities detected	Number of irregularities detected / total number of declarations	%	Monthly	CSD ASYCUDA Flexible Anti-Smuggling Team (FAST)	CCSD
7. *Increase compliance of tax, non-tax and customs obligations*	7.1 Proportion of taxpayers filing and paying on time	7.1.1 Number of taxpayers filing on time / number of taxpayers expected to file 7.1.2 Number of taxpayers who paid on time / Number of taxpayers expected to pay	%	Monthly	DTD	CDTD
	7.2 Proportion of large importers admitted to the gold card scheme	Number of large importers admitted to the scheme / total number of large importers	%	Monthly	CSD	CCSD
	7.3 Proportion of audits completed	Total number of audits completed / planned audits	%	Monthly	CSD DTD	CCSD CDTD
	7.4 Compliance Tax gap ratio	Actual collection / potential collection	%	Annually	MRP	DMRP
	7.5 Proportion of SMEs businesses registered that are compliant	Total number of compliant new SMEs registered / Total number of registered SMEs cases	%	Quarterly	DTD	CDTD
	7.6 Proportion of fraudulent tax cases investigated	Number of fraudulent tax cases investigated / number of fraudulent tax cases identified	%	Monthly	Revenue Intelligence and Investigation Unit (RIIU)	ADRIIU
8. *Promote result-oriented management*	8.1 Proportion of strategic targets achieved (KPIs)	Number of strategic targets achieved / total number of strategic targets	%	Quarterly	MRP	DMRP
	8.2 Proportion of approved appraisal based on recommendations implemented	Number of approved appraisal based recommendations implemented / total number of approved appraisal based recommendations	%	Quarterly	Administration and Human Resource Department (AHRD)	DHRD

9. *Get to know our taxpayers full profile*	9.1 Proportion of medium and large taxpayers with full profile	Number of medium and large taxpayers with full profile / total number of medium and large taxpayers	%	Monthly	Taxpayer Databases	DMRP
10. *Strengthen integrity, internal control and risk management*	10.1 Proportion of approved recommendations from internal audit implemented	Number of approved recommendations implemented / Total number of approved recommendations	%	Quarterly	Internal Controls and Audit (ICA)	DICA
	10.2 Proportion of Anti-Corruption Commission recommendations implemented	Number of ACC recommendations implemented / Total number of ACC recommendations for NRA	%	Quarterly	RIIU AHRD	ADRIIU DHRD
11. *Enhance participation in revenue policy formulation*	11.1 Proportion of policy recommendations included in revenue policy formulation	Number of NRA recommended provisions in the FA / Total number of policy provisions in the FA	%	Yearly	CS MRP	DMRP
	11.2 Proportion of policy recommendations included in revenue policy implementation	Number of policy recommendations implemented / Total policy recommendations included in the finance act				
12. *Reinforce communication and institutional relations*	12.1 Number of MoUs / Treaties signed and implemented	Number of MoUs & Treaties implemented / Total of MoU & Treaties signed	%	Yearly	CS	DLCS
	12.2 Level of perception with internal communication	% of the staff who reported to be satisfied	%	Yearly	MRP	DMRP
	12.3 Level of public satisfaction with external communication	% of the public who reported to be satisfied	%	Biennial	Outsourced Survey	DMRP

13. Develop a culture favorable to integration and change	13.1 Number of strategic projects completed	Number of strategic projects (milestones) completed / Number of strategic projects (milestones) planned	%	Quarterly	MRP (Modernization)	Head of Modernization
14. Promote staff capacity building and retention	14.1 Proportion of technical and managerial staff trained	Total number of technical & managerial staff trained / Total number of technical & managerial staff	%	Quarterly	AHR	DHRD
	14.2 Staff turnover	Number of staff leaving / Total number of staff	%	Yearly	AHR	DHRD
15. Modernize institutional infrastructure and ICT systems	15.1 Number of buildings rehabilitated	% completed / % planned	%	Monthly	AHR Procurement	DHRD
	15.2 Proportion of operational processes automated	% completed / % total of operational processes	%	Monthly	Information and Communication Technology (ICT)	DICTD
	15.3. Proportion support & managerial processes automated	% completed / % of support & managerial processes	%	Quarterly	ICT	DICTD
	15.4 Proportion of NRA offices automated	Number of NRA offices automated / total NRA offices	%	Quarterly	ICT	DICTD
16. Timely and adequate funding	16.1 Percentage of budget utilization	Actual spent / actual received	%	Monthly	FB Procurement	DFBD
	16.2 Proportion of commission funding received in time	Total funds received on time / total funds received	%	Monthly	FB	DFBD
	16.3 Proportion of 3% commission funding received	Total funds received / Total funds projected based on revenue target	%	Monthly	FB	DFBD
	16.4 Adequacy of funding	Total funds received / Total expenditure budgeted	%	Monthly	FB	DFBD

6.4 NRA's Strategic Targets 2018 – 2022

STRATEGIC OBJECTIVE	INDICATOR	CALCULATION FORMULA	TARGET					DEPT.
			2018	2019	2020	2021	2022	
1. Maximize revenue collection in a sustainable manner	Actual Revenue / Target	Revenue collected / Target	100%	100%	100%	100%	100%	*DMRP*
	1.2 Revenue to GDP ratio	Revenue collected / Nominal GDP	12.2%	13.8%	15.4%	17%	18.5%	*DMRP*
2. Enhance the institutional image	2.1 Public perception ratings	% of the public reported to be satisfied with NRA	55%	60%	60%	65%	65%	*DMRP*
3. Strengthen international trade facilitation and society protection	3.1 Average customs clearance time	Time taken from lodgments of Single Custom Declaration (SCD) at in-gate to customs release	1.5 d	1.0 d	1.0 d	1.0 d	1.0 d	*CCSD*
	3.2 Proportion of manned border posts	Number of customs manned posts / Number of borders expected to be manned	8/12 (66%)	9/12 (75%)	9/12 (75%)	11/12 (91%)	12/12 (100%)	*CCSD*
4. Broaden risk analysis application in tax and customs control	4.1 Proportion of risk-based audits conducted / Total risk-based audits identified	Actual number of risk-based audit selected	100% 85%	100% 87%	100% 90%	100% 95%	100% 95%	*CCSD* *CDTD*
	4.2 Proportion of declarations selectively processed through the lanes	Number of Declarations processed through each selectively lane / total number of customs declarations processed	70% 25% 03% 02%	60% 28% 07% 05%	55% 29% 10% 06%	50% 30% 12% 08%	40% 30.5% 17% 12.5%	*CCSD*
5. Promote integrated quality service and taxpayer education	5.1 Proportion of taxpayer education events	Number of taxpayer events realized / events planned	20/20 100%	20/20 100%	24/24 100%	24/24 100%	24/24 100%	*DLCS*
	5.2 Proportion of taxpayer notifications sent	Number of taxpayer notification sent / number planned	40	52	64	66	66	*CDTD* *CCSD*
	5.3 Customer satisfaction ratings	% of taxpayers reported to be satisfied with NRA	50%	52%	55%	57%	60%	*DMRP*
6. Guarantee security and agility in the international flow of	6.1 Proportion of declarations concluded in less than 24 hours	Number of SCDs released in 24 hours / total number of SCDs lodged	50%	55%	60%	65%	70%	*CCSD*

goods and persons	6.2 Proportion of irregularities detected	Number of irregularities detected / total number of declarations	4%	3.9%	3.5%	3%	2%	*CCSD*
7. Increase compliance of tax, non-tax and customs obligations	7.1 Proportion of taxpayers filing and paying on time	7.1.1 Number of taxpayers filing on time / number of taxpayers expected to file 7.1.2 Number of taxpayers who paid on time / Number of taxpayers expected to pay	82%	85%	88%	90%	92%	*CDTD*
	7.2 Proportion of large importers admitted to the gold card scheme	Number of large importers admitted to the scheme / total number of large importers	15%	20%	30%	35%	40%	*CCSD*
	7.3 Proportion of audits completed	Total number of audits completed / planned audits	85%	87%	90%	91%	95%	*CCSD CDTD*
	7.4 Compliance Tax gap ratio	Actual collection / potential collection	3.5%	3.5%	3%	3%	2%	*DMRP*
	7.5 Proportion of SMEs businesses registered that are compliant	Total number of compliant new SMEs registered / Total number of registered SMEs cases	20%	25%	30%	32%	35%	*CDTD*
	7.6 Proportion of fraudulent tax cases investigated	Number of fraudulent tax cases investigated / number of fraudulent tax cases identified	35%	37%	38%	40%	41%	*ADRIIU*
8. Promote result-oriented management	8.1 Proportion of strategic targets achieved (KPIs)	Number of strategic targets achieved / total number of strategic targets	36/36 100%	36/36 100%	36/36 100%	36/36 100%	36/36 100%	*DMRP*
	8.2 Proportion of approved appraisal based on recommendations implemented	Number of approved appraisal based recommendations implemented / total number of approved appraisal based recommendations	100%	100%	100%	100%	100%	*DHRD*
9. Get to know our taxpayers full profile	9.1 Proportion of medium and large taxpayers with full profile	Number of medium and large taxpayers with full profile / total number of medium and large taxpayers	80%	85%	88%	90%	95%	*DMRP*

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10. Strengthen integrity, internal control and risk management	10.1 Proportion of approved recommendations from internal audit implemented	Number of approved recommendations implemented / Total number of approved recommendations	100%	100%	100%	100%	100%	**DICA**
	10.2 Proportion of Anti-Corruption Commission recommendations implemented	Number of ACC recommendations implemented / Total number of ACC recommendations for NRA	14/14	25%	50%	75%	100%	**ADRIIU DHRD**
11. Enhance participation in revenue policy formulation	11.1 Proportion of policy recommendations included in revenue policy formulation	Number of NRA recommended provisions in the FA / Total number of policy provisions in the FA	70%	70%	72%	75%	80%	**DMRP**
	11.2 Proportion of policy recommendations implemented	Number of policy recommendations implemented / Total policy recommendations included in the finance act						
12. Reinforce communication and institutional relations	12.1 Number of MoUs / Treaties signed and implemented	Number of MoUs & Treaties implemented / Total of MoU & Treaties signed	100%	100%	100%	100%	100%	**DLCS**
	12.2 Level of perception with internal communication	% of the staff who reported to be satisfied	60%	65%	70%	75%	80%	**DMRP**
	12.3 Level of public satisfaction with external communication	% of the public who reported to be satisfied	74%	75%	75%	80%	80%	**DMRP**
13. Develop a culture favorable to integration and change	13.1 Number of strategic projects completed	Number of strategic projects (milestones) completed / Number of strategic projects (milestones) planned	100%	100%	100%	100%	100%	**OIC MOD**
14. Promote staff capacity building and retention	14.1 Proportion of technical and managerial staff trained	Total number of technical & managerial staff trained / Total number of technical & managerial staff	75%	75%	75%	75%	75%	**DHRD**

	14.2 Staff turnover	Number of staff leaving / Total number of staff	2%	1.5%	1.5%	1.2%	1.2%	**DHRD**
15. Modernize institutional infrastructure and ICT systems	15.1 Number of buildings rehabilitated	% completed / % planned	17%	39%	61%	83%	100%	**DADMIN**
	15.2 Proportion of operational processes automated	% completed / % total of operational processes	65%	78%	100%	100%	100%	**DICTD**
	15.3. Proportion support & managerial processes automated	% completed / % of support & managerial processes	22%	66%	100%	100%	100%	**DICTD**
	15.4 Proportion of NRA offices automated	Number of NRA offices automated / total NRA offices	13/18	15/18	17/18	18/18	18/18	**DICTD**
16. Timely and adequate funding	16.1 Percentage of budget utilization	Actual spent / actual received	100%	100%	100%	100%	100%	**DFBD**
	16.2 Proportion of commission funding received in time	Total funds received on time / total funds received	100%	100%	100%	100%	100%	**DFBD**
	16.3 Proportion of 3% commission funding received	Total funds received / Total funds projected based on revenue target	100%	100%	100%	100%	100%	**DFBD**
	16.4 Adequacy of funding	Total funds received / Total expenditure budgeted	100%	100%	100%	100%	100%	**DFBD**

6.5 Strategic Projects Portfolio

The strategic projects portfolio consists of a set or group of projects that NRA has to implement under its strategic plan. It is a landmark of the institutional strategic planning, and it materializes through time allocation of the approved projects for the strategy portfolio.

As fundamental as the Strategic Map itself, its conception started from the needs and demands of the actors of the institution, but also on the grounds that there were already multi-year projects at their conception stage. In choosing the projects, several stages were involved:

a. Proposition of ideas of the project

b. Identifying the strategic project portfolio

c. Validation the strategic project portfolio for the NRA

d. Validation of the strategic projects portfolio for the NRA which aligns the projects the Authority's budget

We must point out, however, that during the implementation of the strategic plan new project proposals might arise from units in the institution and from new necessities. In this case, the model should be adapted and annual review cycles should be created for the strategic plan in order to keep it aligned to the management model adopted by the institution.

Below, we have listed and described all the validated strategic projects:

1. **Implementation of ITAS**

2. **ASYCUDA WORLD**

3. **Revenue Receipting and Reconciliation**

4. **Electronic Cash Register**

5. **Revenue House**

6. **Tax Register**

7. **SME Regime**

8. **Integrated Border Management**

9. **Risk Management**

10. **Excise Tax Stamp**

11. **Audit/Specialized Audit**

12. **PMO – Project Management Office & Change Management**

13. **Integrity Improvement**

6.6 Prioritizing the Strategic Projects

Once having the Portfolio of Strategic Projects, it was important for NRA to understand how to prioritize them. As a tool, NRA chose the BASICO Matrix.

What is the BASICO Matrix?

The BASICO matrix is used to rank problems, solutions, actions or projects to properly address them. The alternative solutions are analyzed according to costs, benefits, and executability (how it will be executed).

The name is an acronym of the processes involved to apply the matrix.:

- ✓ **B**enefit

- ✓ **A**mplitude

- ✓ **S**atisfaction

- ✓ **I**nvestment

- ✓ **C**lient

- ✓ **O**perability

Importance of the BASICO matrix

BASICO is an acronym for Benefit, Amplitude, Satisfaction, Investment required, Client and Operability. Each item of the matrix means:

Benefit: How much of the solution will benefit the organization? Will it cause a large or a small impact?

Amplitude: How many people will benefit by the solution? Will it have a large or small extent?

Satisfaction (of associates): How satisfied are the associates regarding the solution?

Investment required: How much will you need to invest to apply this solution?

Client: How much of the solution will benefit your clients?

Operability: How difficult is it to execute this solution? Does it need any special technology or is it very easily implemented? Are there legal impediments for it to be executed?

Since the BASICO matrix is about prioritizing solutions, and its importance is directly connected to cost reduction, loss decrease, and time saving, which are essential elements for optimizing problem-solving in a organization as the NRA.

Putting the matrix into practice involves several internal and external factors for the National Revenue Authority, thus generating a higher number of accuracies in problem-solving due to the fact that is will be analyzed under the organization's most relevant aspects.

Thereby, the importance of the BASICO matrix can be seen as the demand to make needful choices, and prioritizing an organization's problem-solving process in a way to avoid unnecessary expenses, and to guarantee far better results.

Based on NRA's analysis and rating from 1-5 using the BASICO Matrix, the Authority's Strategic Projects in the next five years have been prioritized as follows:

Prioritization of NRA Strategic Projects

	MATRIX BASICO						
#	STRATEGIC PROJECT	BENFIT	AMPLITUDE	SATISFACTION	INVESTMENT	CLIENT	OPERABILITY	LEVEL OF PRIORIZATION
1	Implementation of ITAS	5	5	4	5	5	4	28
2	ASYCUDA WORLD	5	5	4	5	5	4	28
3	Revenue Receipting and Reconcillation	5	5	4	5	5	4	28
4	Electronic Cash Register	5	3	4	5	3	2	22
5	Revenue House	5	5	5	2	5	4	26
6	Tax Register	5	5	5	3	5	4	27
7	SME Regime	4	3	4	2	5	3	21
8	Integrated Border Management	5	3	5	2	5	1	21
9	Risk Management	5	5	5	2	4	2	23
10	Excise Tax Stamp	4	3	4	2	3	4	20
11	Specialized Audit	4	2	4	2	4	2	18
12	PMO & Change Management	5	5	4	5	4	4	27
13	Integrity Improvement	5	5	4	3	5	4	26

SECTION 7: IMPLEMENTATION AND OVERSIGHT OF THE STRATEGIC PLAN

7.1 Implementation Approach

The NRA strategic plan will be delivered through two mechanisms: operational plans and strategic projects.

The strategic objectives will be broken down into departmental objectives that are included in a five-year departmental plan which will then be further broken down into annual departmental operational plans. Annual performance contracts that include departmental plans will be agreed between the Commissioner General and each departmental head on behalf of their department.

Where it makes sense to do so, strategic projects will be established to deliver results to achieve the strategic objectives. Project teams may be set up to deliver certain projects or results. Project teams may comprise of dedicated or part time NRA staff and staff contracted from other organizations that can provide the required skills and knowledge.

The NRA Monitoring, Research and Planning - MRP department, under the supervision of the Commissioner General and with oversight from the NRA Board has led the process that resulted in the development of the strategic plan. Similarly, MRP will lead the process by which departmental plans and key program and project plans are developed and maintained.

7.2 Monitoring and Evaluation Approach

Effective monitoring and evaluation (M&E) will be an essential part of the successful implementation of the NRA strategic plan 2018 – 2022. MRP will take the lead on conducting M&E work including the preparation, interpretation and communication of relevant progress reports.

The NRA board has ultimate responsibility for providing oversight of the strategic plan and ensuring that it is implemented. The board will provide direction and guidance in this regard to the NRA Senior Management Team (SMT) generally via the Commissioner General. MRP will empower the Board and SMT with periodic progress reports relating to the strategic plan, departmental tactical plans and key programs and projects. In particular, an annual performance report will be shared with the Board and SMT that will cover but not limited to:

- ✓ Strengthening the way NRA conducts business;

- ✓ Evaluating the extent to which objectives have been realized;

- ✓ Developing and managing a risk register; and

- ✓ Ensuring that lessons learnt are incorporated into future work.

MRP will designate focal points for each NRA department who will work with departmental heads to monitor progress against departmental plans. Departmental heads will be responsible for monitoring progress against their own departmental plans continually and for reporting to MRP as requested. SMT will ensure that departmental tactical plans are being implemented effectively.

Within each department, at the level of individual staff members, it will be the responsibility of staff to execute assigned items within departmental plans subject to management supervision and performance appraisal.

The contribution of the Board, SMT, departmental heads and individual staff to self-monitoring, evaluating and measuring the progress made towards achieving the relevant objectives is of paramount importance.

In addition, the MRP department will employ Strategy Assessment Meeting (SAM) as an additional tool to understand the actual environment, monitor the strategic indicators, establish the strategic paths, and do the strategic re-analysis.

7.3 Monitoring and Evaluation

The following schematics illustrates the responsibilities of key levels and groups within the NRA in respect of providing oversight of the implementation of the NRA strategic plan. It shows how the activities in the strategic plan are cascaded through the NRA via departmental plans and key programs and projects to activities and targets of staff.

It also demonstrates a 'line of sight' from the board to staff members, illustrating how performance at each level is monitored, aggregated and visible to the next hierarchical level. The MRP department is responsible for facilitating the operation of the monitoring and evaluation framework.
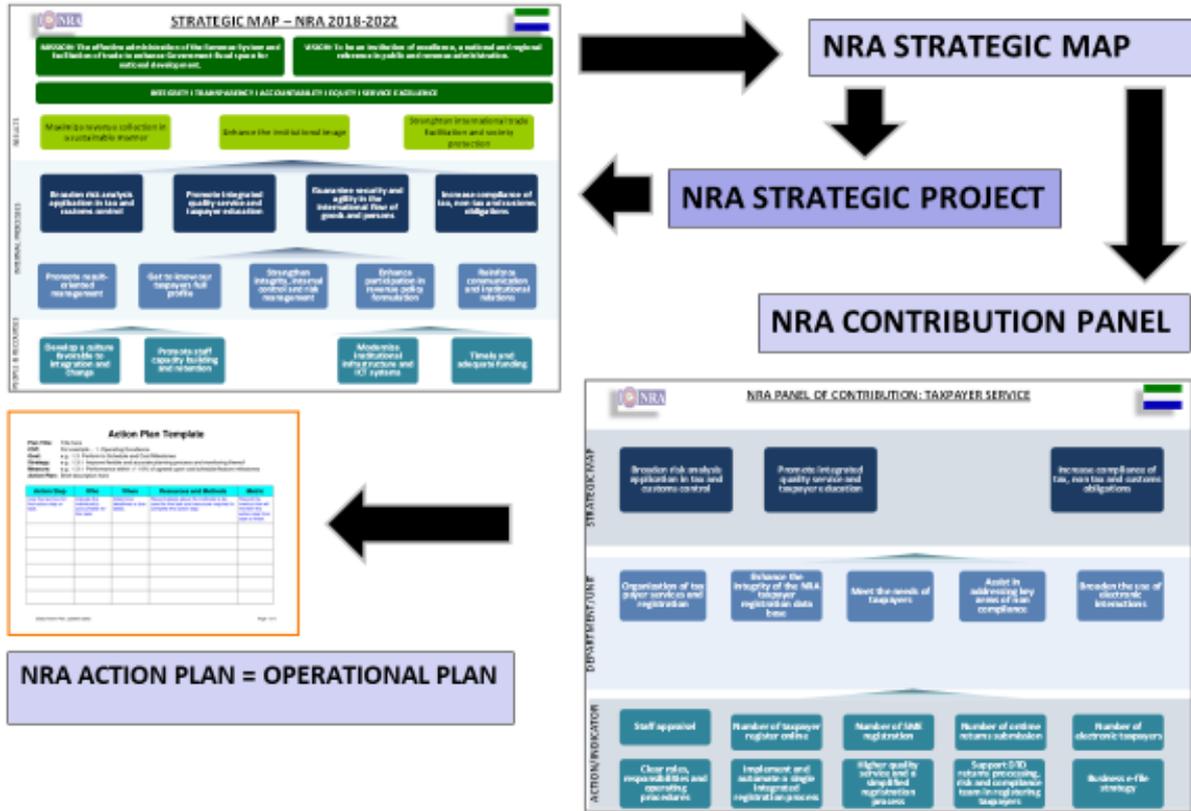
NRA's approach for strategy breakdown of strategic projects, contribution panels, and operational panels

The Management Model has established the way in which the decisions about changing and upgrading the strategic plan should be done. The model includes both the strategic management process as well as the instances and actors involved. Its implementation was done in tune with the institution's culture and structure, combined with the impressions and the hypotheses accumulated during the technical assistance process. At NRA, the Strategic Management is operated by a group of actors comprised in the following manner:

ACTORS	MEMBERS	ATTRIBUTIONS
BOARD	• a Chairman • Financial Secretary, Ministry of Finance and Economic Development • Governor, BSL • a Tax Specialist • an Economist • a Legal Practitioner; and • Commissioner-General	• ENDORSE STRATEGIC PLAN; • OVERSEE PROGRESS AGAINST STRATEGIC PLAN; • APPROVE STRATEGIC ASSESSMENT MEETING - SAM AGENDA
SENIOR MANAGEMENT TEAM	• Commissioner General • Deputy Commissioner General • Commissioners/Directors • Other members can be summoned in accordance to the needs of the agenda and they shall have the right to speak.	• DELIVER STRATEGIC PLAN • OVERSEE DELIVERY OF DEPARTAMENTAL PLANS • OVERSEE DELIVERY OF CHANGE PLANS INTO OPERATIONS • SUMMON PARTICIPANTS FOR THE SAM; • HOLD THE SAM.
MONITORING, RESEARCH AND PLANNING DEPARTMENT	• ALL MRP STAFF • Service Staff who took part in the elaboration of the material for the SAM.	• COLLECT THE DATA FOR THE STRATEGIC INDICATORS AND OPERATIONAL PLANS; • ASCERTAIN THE DATA FOR THE STRATEGIC INDICATORS AND OPERATIONAL PLANS; • ELABORATE THE PERFORMANCE REPORT FOR THE INDICATORS AND OPERATIONAL PLANS; • ANALIZE PROJECTS AND INDICATORS PERFORMANCE; • ELABORATE THE PRELIMINARY REPORT FOR THE STRATEGIC ANALYSIS; • ELABORATE AN AGENDA PROPOSAL FOR THE SAM; • ELABORATE THE FORWARD SUMMARY FOR THE SAM.
DEPARTMENTS	• HEAD OF DEPARTMENTS	• DELIVER DEPARTAMENTAL PLANS; • MONITOR PROGRESS AGAINST DEPARTAMENTAL PLANS • SUBMIT OPERATIONAL PLAN UPDATE TO MRP DEPARTMENT
PROJECT LEADERS	• NRA's employees.	• COORDINATE PROJECT EXECUTION / ACTIONS; • MAKE AVAILABLE ALL INFORMATION REGARDING PROJECT PROGRESS / ACTIONS; • ARTICULATE PROJECTS / ACTIONS INTEGRATED WITH OTHER INSTITUTIONS; • ANALIZE PROJECTS / STRATEGIC ACTIONS PERFORMANCE;

- **Coordinate the execution of the projects:** this activity can be executed by any of NRA's employees. It represents the action of the leaders of the project by implementing the envisaged activities for the proper execution of the projects under their management.

- **Make the information about the ongoing actions available:** the project leaders should pass on, monthly, to the Monitoring, Research and Planning Department - MRPD, the consolidated information regarding the ongoing activities related with the projects or actions to both secure and inform the interested parties. Such information should be delivered through the Project Report Model that is to be made available.

- **Articulate actions with other institutions:** consists in having the Project Leaders articulate the activities or resolutions of the issues and actions of the projects which depend on other institutions according to the nature of the project.

- **Analyze the performance of the strategic actions:** consists in the analysis and periodical review of the performance of the projects and strategic actions to make available updated information for the participation of the Project Leaders in the Strategy Assessment Meetings – SAM´s.

- **Gather the data of the indicators and the strategic targets:** consists in gathering the information related with the strategic indicators to compare them with the established targets for the period under analysis.

- **Assess the results of the strategic indicators:** after assessing the information of the strategic indicators, the results must be consolidated in accordance to their own calculation methods by the Monitoring, Research and Planning Department - MRPD.

- **Elaborate the performance report of the indicators:** with the results of the assessed strategic indicators in hand, then the performance report of the strategic indicators

can be elaborated so that it can be distributed and analyzed by the NRA's Strategy Management Committee.

- **Analyze the performance of projects and indicators:** based on the information passed on by the Project Leaders and the elaborated Indicator Performance Report, the Planning and Cooperation Service should do the preliminary analysis and the assessment of the performance of the targets and results.

SECTION 8: IMPLEMENTATION RISKS AND MITIGATION STRATEGY

The NRA faces a range of risks relating to the delivery of the 2018-22 strategic plan. These have been categorized as **financial**, **operational**, **human capacity**, **customer/compliance,** and **external risks**. The intention is to manage NRA risks via an enterprise risk management framework. Specific risks such as compliance risks will also be managed using particular approaches established for the purpose. Several of the highest priority risks and mitigation strategies are described below.

8.1 Financial/Budgetary Risks

Inadequate and untimely disbursement of collection commission. There is a risk that NRA funding for operations and investment does not reach the level required as set out in law, and/or that payments are received in an unpredictable manner. This may impact operational and program effectiveness and could reduce the amount of revenue that the NRA can collect and the pace of institutional development. As mitigation, the NRA will seek to put in place a mechanism to receive automatic up-front payments of the proportion of revenues specified in law. Changes to legislation to underpin the process will be pursued and parliamentary intervention may be sought.

Volatile and unpredictable donor and financial institution support may impact NRAs ability to close the funding gap. NRA is pleased to partner with donors in the delivery of its

strategic plan. However, it is recognized that sometimes the timing and focus of donor support may difficult to predict. A lack of transparency in respect of donor policies, and delays within donor processes may cause surprises in the type and levels of support received. As mitigation, the NRA aims to form more strategic relationships with key donors and international financial institutions that will lead to better understanding and closer support across a range of programs within the NRA strategic plan.

8.2 Human Capital Risks

Limited capacity in some key technical areas may impact the successful achievement of some strategic objectives and key programs. Delivery of the strategic plan will require deeper technical skills in certain areas that include: data analysis for risk based compliance; specialist audit; ICT; forecasting, project management, intelligence analysis and international taxation issues. In some of these areas staff numbers may need to be increased. Also, inadequate management and leadership skills will place the plan at risk. As mitigation, a competency development framework will be implemented that will track staff competency needs in various functions and underpin a training and development strategy and recruitment approach. At the same time the NRA will need to ensure that staff retention is adequate through implementation of relevant aspects of the HR strategy. In some cases, such as in risk analysis and forecasting, upgraded IT systems and better data will improve the capacity of staff to do their work.

8.3 ICT /Business Process Risks

Unreliable ICT infrastructure may reduce the effectiveness of ICT systems implementation and upgrade. As mitigation, support will be provided to ensure that investments are made in quality infrastructure, routine maintenance is adequate, redundancy is built in and delivered infrastructure is signed off.

System security protocols and standards may not adequately deal with security threats. Cyber-security and data integrity standards need to be adequate to protect the data held by the NRA as an increasing amount of its business is conducted online. To mitigate the risk of NRA ICT systems and processes falling short on this the NRA will implement the

requirements of ISO 27000, sign up to the Information Technology Infrastructure Library and conduct regular ICT audits.

Developed systems may not be fit for purpose and/or may not be used appropriately or fully by staff. As mitigation, major ICT implementations and upgrades will be subject to appropriate governance and oversight frameworks. NRA operational end-users will be involved in the design and development of systems, thorough training will be provided and systems will have to pass rigorous user-acceptance testing before the NRA formally signs off of the system prior to handover.

8.4 Customer / Compliance Risks

Voluntary compliance objectives may be endangered by NRA and taxpayer limitations. Inconsistent communication from the NRA to taxpayers, complex and often manual taxpaying procedures and the limited geographic coverage of NRA may combine with a poor culture of compliance, limited understanding that taxpayers have of their obligations, and high illiteracy levels to undermine efforts to drive up voluntary compliance. As mitigation, all aspects mentioned will be addressed within the voluntary compliance program which will include: outreach and taxpayer education campaigns; an integrated and coherent communication strategy that uses multiple channels; a taxpayer preparer scheme for SMEs; automated tax payment and filing systems; and an increased presence in provincial areas.

8.5 External Risks

To achieve its objectives, the NRA political support for the tax policies it administers and administrative approaches it uses. The upcoming election may introduce instability into political commitment levels and the support for tax policy. Exemptions and waivers may undermine revenue mobilization and tax policy in return for unclear and uncertain gains. As mitigation, the NRA will continue to focus on the delivery of its mandate, close loopholes in the law, continue to engage with parliament including with the legislative committee and with the public on the effect of tax policy.

Economic risks may undermine revenue collection. These include instability in international commodity prices which may impact revenue collections from the extractives sector, which the NRA will mitigate by diversifying its tax base so not to focus on extractives.