LRA INTERIM PLAN 2022

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ACRONYMS

ASYCUDA	**Automated System of Customs Data**
BSC	Balanced scorecard
CBL	Central Bank of Liberia
CMPA	Communication Media & Public Affairs
CSP	Corporate Strategic Plan
DI	Designation Inspection
DRM	Domestic Resources Mobilization
DTD	Domestic Tax Division
EDQARD	Enterprise Design Quality Assurance & Results Division
EMRCD	Enterprise Risk Management Compliance Division
EMT	Executive Management Team
ERP	Enterprise Resource Planning
FID	Fiscal Investigation Division
GDP	Gross Domestic Product
GED	General Service Division
GST	Goods and Service Tax
ISP	Interim Strategic Plan
IAD	Internal Audit Division
ITAS	Integrated Tax Administration system
IT	Information Technology
HRD	Human Resources Division
KPI	Key Performance Indicators
LRA	Liberia Revenue Authority
MISD	Management Information System Division
MoCI	Ministry of Commerce & Industries
OPRS	Office of Professional Responsibilities
PED	Professional Ethics Division
PSSPD	Policy Statistics & Strategic Planning Division
SIGTAS	Standardized Integrated Tax Administrated System
TPSD	Taxpayers Service Division
VAT	Value Added Tax

MESSAGE FROM THE COMMISSIONER GENERAL

In our drive to maximize revenue for the government and people of Liberia, we are delighted to present as the blue print for 2022, the LRA Interim Strategic Plan (ISP). Its primary objective is to serve as the springboard for moving to billions as we embark on a new 5- years Corporate Strategic Plan. The ISP seeks to fulfil outstanding deliverables of the old plan which expired in July 2021.

For the next 12th months (January 01- December 31st 2022), our focus will be on improving where we fell short, determined by our recently held strategy review and re-energize our efforts to ensure that all outstanding initiatives are exhausted.
Our areas of concentration will be on improving our recently deployed excise stamp tax regime, and introducing our new ITAS to ensure the ease of paying taxes, a key to achieving our national revenue envelop for 2022.

Strengthening tax legislation is paramount to identifying, addressing and mitigating contentious issues in the Revenue Code to drive our collection efforts. More revenue generating regulations will be proffered as well as seeking legislative approval for amendments to the Revenue Code.

We will continue to attract, retain and develop new talents and the provision of adequate logistics to foster an efficient people and resources environment. We will also bear in mind that a young, healthy and productive environment is the best option for mobilizing domestic revenue for national development.
Many thanks and appreciation to the Executive Management Team (EMT) and the rest of the staff, for the continuous sacrifices made in contributing to the motherland by raising the necessary revenues. As we embrace ourselves for the implementation of this interim plan, let us remain standfast, integrity driven, and meticulous.

With God above and our commitment to maximizing revenue collection re-invigorated, our national development is assured.

Thomas Doe-Nah
Commissioner General

1.0 CSP REVIEW

The LRA 5-years Corporate Strategic Plan (FY 16/17-20/21) has expired. In order to determine its level of progress in tends of its implementation for the past three years (FY18/19-FY20/21), there was a need to conduct a holistic review through the Balanced Scorecard Methodology. It is important to note that in the   first two years (FY 16/17& FY17/18), only a partial qualitative review of the CSP was done, thereby prompting the introduction of the Balance Scorecard Methodology to address the questions as to whether the institution's goals are well articulated, communicated, and achieved. The CSP   review also covered an assessment of the LRA Project Portfolio, derived from the BSC Methodology.
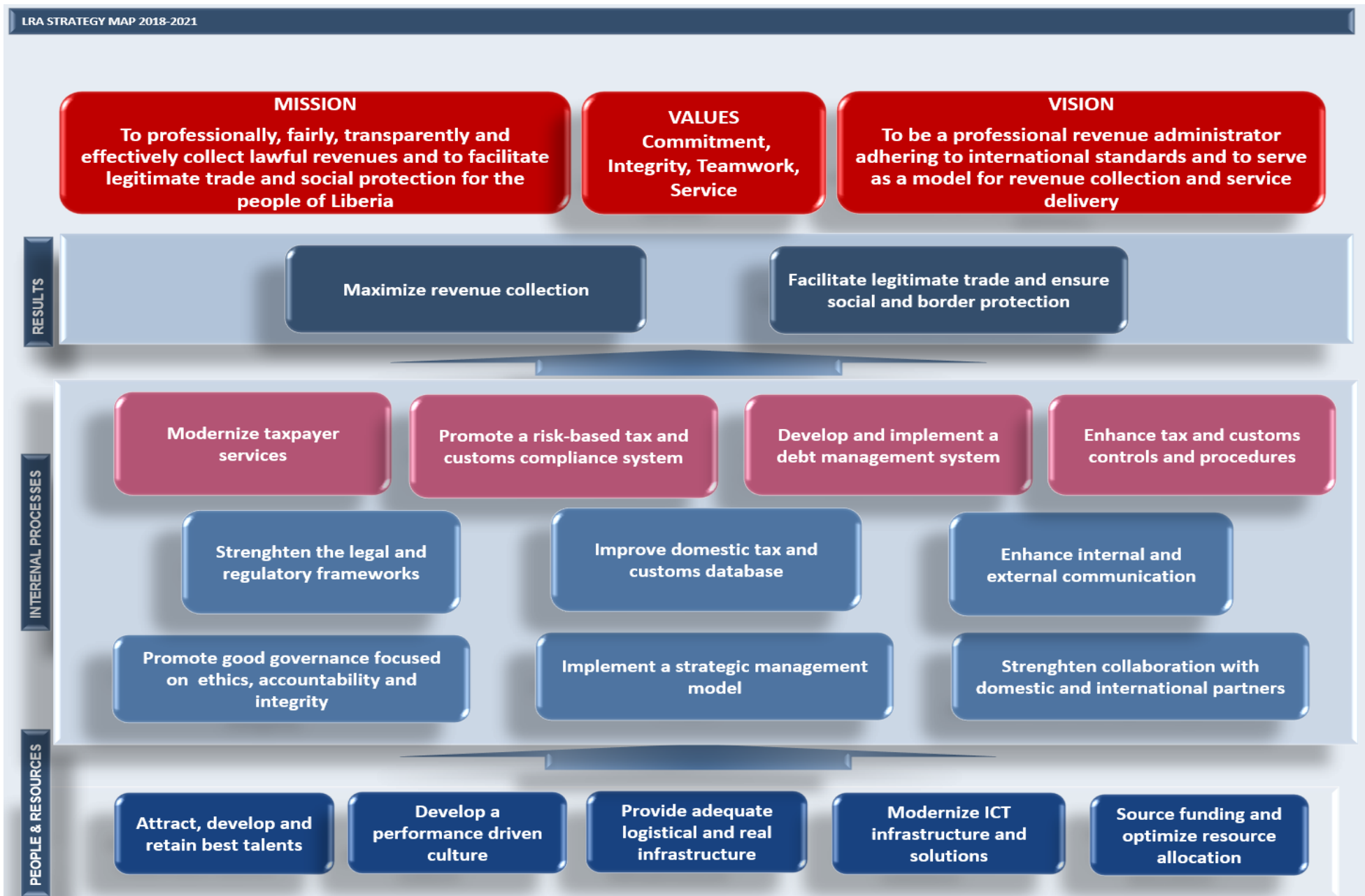
1.1   The BSC Methodology

The Balance Scorecard Methodology to a significant extent, has optimized our strategic management system. With clearly defined strategic objectives customized from 16 objectives and 64 outcomes of the CSP, the institutions 4 main goals are effectively translated. These strategic objectives are codified into the LRA Strategic Map (Figure 1.) They are grouped into three main perspectives, namely, People and Resources, Internal processes and Results. Their point of focus is to accomplish the LRA Mission and actualize its Vision with 4 clearly articulated core values. The strategic objectives are structured in such a way that they have a cost and effect propensity to enable their operational diagnosis.

At the core of the institution overall performance are the SMART Key Performance Indicators (KPIs), aligning targets, and historical benchmarks.

For the last three years, the methodology, in the context of the strategic review has clearly presented the institution's assessments and results not only on current deliverables but how far it is from where it began. It shows areas of exceptional improvements as well as thematic areas as shown in the Strategic objectives and KPIs performance rating.

1.2 LRA Strategy Map (Figure 1)

LRA STRATEGY MAP 2018-2021

MISSION
To professionally, fairly, transparently and effectively collect lawful revenues and to facilitate legitimate trade and social protection for the people of Liberia

VALUES
Commitment, Integrity, Teamwork, Service

VISION
To be a professional revenue administrator adhering to international standards and to serve as a model for revenue collection and service delivery

RESULTS

Maximize revenue collection

Facilitate legitimate trade and ensure social and border protection

INTERENAL PROCESSES

Modernize taxpayer services

Promote a risk-based tax and customs compliance system

Develop and implement a debt management system

Enhance tax and customs controls and procedures

Strenghten the legal and regulatory frameworks

Improve domestic tax and customs database

Enhance internal and external communication

Promote good governance focused on ethics, accountability and integrity

Implement a strategic management model

Strenghten collaboration with domestic and international partners

PEOPLE & RESOURCES

Attract, develop and retain best talents

Develop a performance driven culture

Provide adequate logistical and real infrastructure

Modernize ICT infrastructure and solutions

Source funding and optimize resource allocation

1.3 Strategic Objective and KPIs Performance Rating

Perspective	Strategic objective	KPI/Criteria	Performance Rating Per Fiscal year		
			18/19	19/20	20/21
Result	1. Maximize Revenue Collection	Revenue collection performance	Green	Green	Green
	2. Facilitate Legitimate Trade and Ensure Social and Border Protection	1. Average Clearance Rate		Light green	Red
		2. Red/Yellow Lane Index	Light green		Red
		3. Average Clearance Time			
Internal processes (Core functioning Areas)	3 Modernize taxpayer Service	Taxpayer Services Index (TSI)	Red	Red	Red
		1. Registration	Red	Red	Red
		2. On-time filing	Red	Red	Red
		3. On-time payment	Red	Red	Red
		4. Customer service satisfaction	Red	Red	Red
		5. Electronic payment usage	Red	Red	Red
	4. Promote a Risk-based Tax and Customs Compliance	1. Compliance rate on reporting, filing and payment		Red	Red
		2. Audit Capacity and Coverage Index	Red	Cream	Cream
		3. Audit Recovery Efficiency Rate	Red	Red	Red
		4. Audit Plan Adherence	Red	Red	Red
		5. Enhanced efficiency of Audit Program	Red	Red	Red
	5. Develop and Implement a Debt Management System	1. Debt recovery efficiency	Red		
		2. Arrears Balance Index			
		3. Old Debt Ratio	Light green		

Perspective	Strategic objective	KPI/Criteria	Performance Rating Per Fiscal year		
			18/19	19/20	20/21
Administrative functioning areas	6. Enhance Tax and Customs Controls and Procedures	1. SOP redesigning rate	Green	Light green	Red
		2. SOP approval rate	Green	Red	Red
	7. Strengthen the Legal and Regulatory Frameworks	1. # Of legislative and regulatory proposals for closure of loopholes	Green	Green	White
		2. % Reduction in time it takes to resolve tax dispute	Red	Red	White
	8. Improve Domestic Tax and Customs Database	1. Active Taxpayer population growth	Green	Green	Green
		2. Tax data base Integrity Index (TDII)	Green	Green	Green
	9. Enhance Internal and External Communications	Communication Performance Index	Red	Red	Red
	10. Promote Good Governance Focus on Ethics, Accountability and Integrity	Internal Audit Interventions	Green	Green	Light green
	11. Implement a Strategic Management Model	Strategic Management Model Index (SMMI) 1. Project Management Review 2. Strategic Review Meetings 3. Key Performance Indicators 4. Strategy dissemination	Red	Red	Red

Perspective	Strategic objective	KPI/Criteria	Performance Rating Per Fiscal year		
			18/19	19/20	20/21
	12. Strengthen Collaboration with Domestic and International Partners	1. New Partnership & Collaboration Index (PCI)	🟥	🟥	🟥
People & Resources	13. Attract, Develop & Retain Best Talents	Criteria 1 – Average number of days from recruitment to onboarding / target Criteria 2 – % Staff Turnover Rate / target Criteria 3 – % training and development activities / planned training and development activities Criteria 4 – % (Staff subject to reward programs/ total staff) / target Criteria 5 – % (trained staff>20h/total staff) / target	🟥	🟥	🟥
	14. Develop a Performance Driven Culture	Performance Target Rate (Number of Staff which meet expectations and above/ Number of Staff)	🟥	🟥	🟩
		Performance Management compliance level % Number of Staff fully compliant which performance appraisal process / Total Staff	🟥	🟥	🟩
	15. Provide adequate logistical and real infrastructure	Real Infrastructure Conformity index (# of business offices renovated and/or constructed in urban and rural areas / annual renovation plan)	🟥	🟥	🟥

Perspective	Strategic objective	KPI/Criteria	Performance Rating Per Fiscal year		
			18/19	19/20	20/21
	16. Modernize ICT Infrastructure and Solutions	ICT Index Criteria 1 – Number of unplanned system downtime > 30min / target of 12 annually Criteria 2 – % Data backup and retained / total data in backup servers Criteria 3 – % security preventive measures implemented / planned measures Criteria 4 – % new and reinstated connectivity / planned new and reinstated connectivity	🟥	🟥	🟩(light)
	17. Source funding and optimize resource allocation	1. Budget execution ratio	🟩	🟩	🟩
		2. Cost of Collection Optimization	🟩	🟩	🟩

Key:

🟩	Met/exceeded Target	🟨	Needs improvement		No Data available
🟩(light)	Met/ exceeded target but fell below Thresholds	🟥	Needs attention		

1.4   LRA Project Portfolio Update

Alongside the strategy map, is a project portfolio Map which intent is to effectively implement the BSC Methodology by separating strategic objectives from projects. It contains technological driven projects to enhance the ease of paying taxes and expanding the revenue base. These projects are grouped into quadrants of priority determinants taking into account the prospects of their achievability.

A review of these project implementations for the past three years shows the following:

Future Potentials

Top Priorities

High

SIGTAS and new ITAS

Extension of ASYCUDA to
all border posts

Data Cleasing

Expansion of the Real
Estate Tax Base

Transition from PSI to DI

Corporate ERP System

Effort Levels

Electronic Fiscal Device

National Electronic Single
Window

Competency-Based
Training Program

VAT Implementation

Lo

Reanalysis / Potential cuts

Back Burners

Low

Strategic Fit

High

1ˢᵗ Quadrant (Top Priority):

- SIGTAS and new ITAS as Top Priorities are being implemented, deployments and testing are the next steps.
- ASYCUDA extension to borders posts is being actualized.
- Data Cleansing implementation has experienced a loll. Project is set to pick up along with new ITAS implementation.

2ⁿᵈ Quadrant (Future Priority)

- Expansion of Real Property Tax base is ongoing. The initial phase has kicked up in at least one county. Sourcing funds for the implementation to other countries is the next step.
- Transition from PSI to DI is ongoing; procurement process to construct the DI site has been finalized.

3ʳᵈ Quadrant (Reanalysis/Potential cuts)

- VAT is gradually becoming more of a top priority as the VAT law has been introduced, a consultant has been hired, and the VAT Technical Steering Committee has been constituted to review all VAT documents.
- The pilot phase of the Electronic Fiscal Device has been launched prior to stakeholders' engagement and training of LRA staff.

4ᵗʰ Quadrant

- The Corporate Enterprise Resource Planning system (ERP)initially gravitating to Top Priority, has been in the back burner due to lack of funding.
- Competency Based Training Program has moved up to Top Priority as e-learning platform training has been developed and conducted.
- The National Single Window project is graduating to become a Top Priority as the initial stages such as discussing the project and the development of concept documents including integrating all GSM Service Providers, CBL, Commercial Banks and MoCI. Webinars are being conducted with all stakeholders (GoL and Private Sector) for the purpose of explaining the new national single window concept.

2.0 SUMMARY OF THE OPERATING ENVIRONMENT AFTER 5 YEARS

2.1. The Political Environment

In July 2014, the LRA was established through an act of legislation with the mandate to solely collect lawful revenue and facilitate legitimate trade. This was characterized by a process flow that involved commitment from the executive branch and legislative approval. For the past seven fiscal years (July 2014 -June 2021) the three branches of government support to the LRA relative to their respective functions was enormous, thus contributing to the amount of$ 3.93B in revenue collection which contributed to national development.

The Government has pledged its commitment to support efforts of the LRA in administering tax legislation by providing the necessary fiscal space in mobilizing domestic resources. Another area of strong political support is the tourism sector which stands to generate more revenue evident by ongoing legislative discussion of the new Tourism law. The LRA continues to enjoy its semi-autonomous status without political interference.

2.2 The Socio-Economic Environment

In 2014, Liberia's real GDP growth rate plummeted to about 1.6% from an 8.1% in 2013, largely due to the Ebola outbreak. Recently, GDP growth rate is beginning to recover from a 2018 and 2019 fluctuation to a growth rate of 3.6% before further surging to about 5.2% expected in 2022-2025, according to a World Bank release.

Inflation on the other hand has also lowered from a double digit of about 31.3% in 2019 to a single digit of 5.44% as at October 2021. Strong macro-economic policies have been a contributing factor to this significant decline.

Our Domestic Revenue Mobilization is poised to be the hall mark of our growth determinant which is expected to contribute to about 82% of our current budget which is US$786.6M. Areas of concentration will include digitalization, expansion in the real estate sector to all the counties under a revenue sharing program and continuing to expand the tax base by vigorously incorporating the informal sector.

2.3 Technological Environment

Recent developments in the test and deployment of our e-payment platforms have contributed to more revenue generation. An increasing number of taxpayers are utilizing the direct transfer and mobile money payments platforms thereby easing the paying of taxes. Also, we are gradually leaning to using Electronic Fiscal Devices. Key in our technological initiatives is the enhancement of our electronic

single window which we expect to be fully functional in the coming years. The government of Liberia is now thinking about a single electronic switch system in its vision to fully integrate operations in our fiscal space.

SIGTAS and TAS are functional with the addition of new modules to facilitate our reporting systems in Domestic Tax. ASYCUDA has been a great relief in complementing our customs operations. In 2019, the Centralized Assessment Unit was established thereby reducing physical interaction between taxpayers and our custom officers.

2.4   The Fiscal Space

At the onset of the LRA in 2014, total Domestic Revenue amounted to an average of 32% of GDP, signaling a tight fiscal space. Tax to GDP ratio when excluding grants and borrowing was estimated at 19.4%, informed by a **2015 IMF staff estimate**. Some six years later, the Government has made tough policy choices that have resulted in a positive turnaround in macroeconomic fundamentals, in the wake of the COVID-19 pandemic. The tax revenue as a percentage of GDP for 2020 lowered to 11.9%.

The government is now   anticipating to create enough fiscal space to finance the country's massive investment needs in physical infrastructure (power/energy, roads, rails, ports, and airports). In addition, Liberia needs to invest in its people and institutions, and create an educated, skilled, and healthy labor force, in both the public and private sectors, and protect its economy and vulnerable population against repeated exogenous shocks. (**2021 World Bank IBRD, Liberia Economic Update**).

According to this new economic report, the government also needs first and foremost to reduce the very high level of recurrent spending and strengthen domestic revenue mobilization to generate savings for public investment financing. Between 2012 and 2020, government operating expenditure exceeded the domestic revenue it collected by 4 percent of GDP. This means, the external resources mobilized in the period financed a significant part of the government's operating expenditure instead of financing public investment in infrastructure.

3.0 NATIONAL REVENUE ENVELOP

Gross annual revenue forecast for 2022 as approved by the Legislature is US$786.6 million, comprising US$641.6 million in domestic revenues and US$145.0 million in external resources. The domestic revenue target is 10.8% above the actual domestic revenue collection of 579.0 million attained in 2021. Tax revenue accounts for US$492.2 million while non-tax revenue accounts for US$148.4 million; at the same time, Domestic Tax and Customs account for US$411.6 million and US$229.9 million respectively. Table 1 shows actual revenue collections for 2020 and 2021, as well as projected revenues for 2022.

Table 1: Projected Revenues for 2022

	2020 ACTUALS	2021 ACTUALS	Approved Envelope 2022
TOTAL RESOURCE ENVELOPE	674,396	694,888	786,587
Domestic Revenue	483,939	579,037	641,587
Domestic Tax Department	315,744	365,340	411,626
Customs Department	168,194	213,697	229,961
External Resources	178,423	68,891	145,000
Consolidated Cash Brought Forward	12,035	46,960	-
TAX REVENUES	393,963	484,893	492,193
Taxes on Income and Profits	174,746	209,706	199,803
Taxes on Real Property	4,742	5,329	5,900
Taxes on Goods and Services	45,459	55,122	55,987
Taxes on International Trade	165,456	211,326	227,092
Other Taxes (SDC's)	3,560	3,410	3,410
NON-TAX REVENUES	89,975	91,812	149,394
Property Income	76,357	74,502	130,569
O/W: Legislative Augmentation_ NPHIL			1,000
Administrative Fees	12,898	16,773	18,216
Fines, Penalties and Forfeits	304	512	603
Miscellaneous and Unidentified Revenues	415	25	6

This year's revenue forecast is not influenced by tax policy initiatives, as such, it will require the effort of everyone in driving this plan to attain the budget target.

4. INSTITUTIONAL RISK

Key risks facing the LRA comprise internal operational risks and compliance behavior of taxpayers. We will continue to enhance existing risk management measures and monitor the impact of the risks on our performance. Table 2 provides a summary of our key risks.

Key Risks Facing LRA

The risks we need to manage	How we will manage these risks
Business Interruption The lack of an approved enterprise-wide Business continuity Plan leads to an inability to plan a response to unplanned business interruptions, and in the event of an incident, results in prolonged business interruption, operational failures, and potential business failure.	⇒ Develop a Business Continuity Management Committee Structure represented by all business units. ⇒ Finalize the draft Business Continuity Plan (including the Disaster Recovery Plan) and implement enterprise-wide
Unreliable IT infrastructure and connectivity Limited information systems, prolonged system downtime, Integrated Tax Administration system (**ITAS**), and ASYCUDA performance issues and uncertainty surrounding the new ITAS; and if not managed effectively will affect our ability to deliver our strategic objectives	⇒ Continue to proactively address systems performance issues, including implementing effective transition plans. ⇒ Strengthen the IT Steering Committee and the IT Risk Management Committee
Loss of public Trust and Credibility Damage to the reputation of LRA due to: ⇒ Negative media reports ⇒ Public perception and concerns about corruption in the revenue administration ⇒ Varying levels of service provided to customers and stakeholders	⇒ Develop a Strategy and Framework for Reputational Risk Management, which will include a Communications and Engagement Strategy to support pro-active internal and external communication ⇒ Reinforce LRA core values and Code of Conduct ⇒ Implement LRA's Service Charter

The risks we need to manage	How we will manage these risks
⇒ LRA non-compliance to legislation and regulations, may lead to projection of negative perception of LRA and result in loss of public trust and credibility. This also has the potential to affect LRA's ability to achieve compliance	
Inadequate funding to the LRA LRA may not achieve its objectives, thereby resulting to less revenue collection	⇒ LRA's management will engage members of the Legislature and Executive to make a case for more funding. ⇒ Executive management will make all efforts to source funding from partners
Government fiscal pressure to deliver on its budgetary commitments These risks relate to the pressure to meet revenue targets and government's financial obligation for service delivery, and meeting development goals.	⇒ Increase compliance activities through increased and targeted audit and enforcement activities as well as enhance debt management. ⇒ Continue to invest in improving our risks and compliance management capabilities ⇒ Improve the compliance within specific industry sectors ⇒ Increase focus and capability on large international businesses and wealthy individuals ⇒ Use of third-party data to validate taxpayer's information
Workforce capacity and allocated staff budget are not aligned The lack of required funding to fully capacitate the LRA Workforce Plan results in existing staff being stretched, which impact directly on revenue collection, delivery and quality of LRA's strategic outcomes and existing staff morale	⇒ Develop a workforce plan (WFP), identifying workforce requirements in all areas and levels in the organization to serve as the business plan for budgeting purposes and workforce funding allocation ⇒ Enhance recruitment to address immediate WFP capacity requirement to address immediate WFP capacity requirements when funds are made available
Limited staff capacity in key business areas Staff capacity is inadequate in some critical managerial and technical areas such as staff management and supervision, project management, risk-based compliance, data analysis, IT, Telecom,	⇒ Enhance the implementation of the performance management framework to assist staff achieve desired behaviors and skills ⇒ Enhance the implementation of the competency framework to support the tracking of staff competency needs in various

The risks we need to manage	How we will manage these risks
banking and mining sectors. This hampers the achievement of some strategic objectives and programs	functions and underpin a training and development strategy and recruitment approach ⇒ Donor partners support will be leveraged to augment and sustain capacity building initiatives ⇒ We will implement adequate measures to attract, retain, and reward competent staff
Low level of awareness on Risk Management	
Illicit trade, smuggling and criminal syndicates Sub-optimal border control leads to smuggling, illicit financial flows, whose negative social-economic impact threatens economic growth, undermines legitimate formal business activity, job security and creation. Poor risk profiling, technology and skills lead to the inability to detect non-compliance, enforce compliance, and poor management of the risk posed by the illicit economy and the shadow.	⇒ Carry out interventions, through the inter-agency workgroup on illicit financial flows strategy. ⇒ Strengthen the implementation of the Customs risk-based activities to bolster targeted enforcement activities ⇒ Refer cases to criminal investigations for prosecution ⇒ Improve customs risk management capabilities
Increasing non-compliance by taxpayers and traders Weak case selection and taxpayer profiling due to lack of automation, the inability to identify potential tax avoidance scheme, inadequate resources and skills needed to detect and act against sophisticated tax avoidance schemes, lead to ineffective enforcement interventions, which result in increased non-compliance and the inability to meet the revenue targets required to meet fiscal demands	⇒ Develop specific and focused skills development interventions to enhance the effectiveness in case selection

5.0 ENTERPRISE MONITORING & EVALUATION

As part of our Strategic Management framework, our Monitoring and Evaluation initiatives adequately assess the performance(s) of all departments, divisions, sections, and units of the LRA with the aim of capturing results from planned activities and matching them against actual achievements.

Throughout the fiscal year of 2020-21, the Enterprise Design, Quality Assurance and Results Division (EDQARD) received and analyzed in its four (4) reporting quarters, a total of 1,254 planned activities from across the institution. From this amount, a total of 614 which represents 49% were achieved. It also noted that activities which were not achieved amounted to 209, representing 17%. Activities which were pending amounted to 430 representing 34%. EDQARD's analysis for this period also concluded that LRA performed below her expected 100% targets set out for departments, sections, and units.

During the special fiscal year, a total of seventy-three (73) units were required to submit quarterly activities performance reports. Of the 73 Units, 43 Units representing 59% submitted reports to EDQARD for evaluation, while 30 Units which represents 41% failed to submit their reports.

From the 43 units which submitted reports, EDQARD analyzed a total of 405 planned activities. It noted that a total of 261 activities which represent 64% were achieved. EDQARD analysis concluded that LRA performed below her expected targets set out for departments, sections, and units.

As 2022 progresses, Management will ensure a full implementation of recommendations from the M&E reports. Supervisors will be encouraged to improve their due diligence to ensure that staff are held accountable for tasks assigned to them in compliance with standard operating procedures. The LRA will strengthen its compliance offices (EMRCD, EDQARD, HRD, IAD, PED, etc.) so as to empower them to enforce adherence to the M&E reports

6.0 LRA INTERIM PLAN (JAN 01- DEC 31, 2022)

The LRA Interim plan will cover the period of one year beginning 1st January to the 31st of December 2022. As the initial step to develop the Strategic Plan for the next five years, we will continue to implement the strategic objectives on the LRA strategy Map. We will improve and strengthen the thematic areas indicated in the performance review to ensure the Key Performance Indicators and targets are well defined. The matrix below shows the Strategic Objectives, their Key Performance Indicators, targets and responsible Departments, and underlining Divisions/ Sections/Units.

STRATEGIC OBJECTIVE	ACTION PLAN	KEY PERFORMANCE INDICATOR	TARGET	DIVISION/SECTION /UNIT ALIGNMENT	OVERALL PERFORMANCE RATING PER STRATEGIC REVIEW (FY18/19-2021)
1. Maximize revenue collection	• Improve revenue collection • Reduce budget deficit • Increase voluntary compliance	< 1.1>Revenue Collection Performance Actual Domestic Revenue / Projected Domestic Revenue	Baseline: 100% Target:100%	DTD & Customs	
2.Facilitate legitimate trade and ensure social and border protection	• Improve security and timely movement of goods, merchandise and people. • Fight against crime and illicit trade • Minimize the clearing time of licit commodities	<2.1> Average Clearing time (% declarations processed within 48 hours (lodgment to issuance of release order) % Reduction of illicit trade	Baseline: Target: 50%	Customs	
		<2.2> Customs Clearance Rate (% of Goods in red and yellow Lane / cleared goods)	Baseline: 55% Target: 60%	EMRCD Customs	
		<2.3> Average Clearance Time (Customs clearance time (lodgment to issuance of release order)	Baseline: 6.25 days Target: 5days		

STRATEGIC OBJECTIVE	Action Plan	KEY PERFORMANCE INDICATOR	TARGETS	Division/Section/ Unit Alignment	Performance rating Per Strategic Review
3.Modernize taxpayer services	• Improve taxpayer services • Provide tools to facilitate the fulfillment of obligations. • Promote and Disseminate taxpayers' awareness	<3.1>Taxpayer Services Index (TSI) (**Registration**=% increase in the number of TINs **Tax Clearance**=% Issuance of tax clearance within 3 days **Filing**= % of taxpayers filing within the due dates **Taxpayer Satisfaction**= % of respondents satisfied **Electronic Payment**= % of taxpayers using the electronic payment services **Tax Education**= % of planned outreach programs conducted **Inquiries Addressed**= % of inquiries addressed within 2 days**)**	Baseline:30% Target:33%	TPSD; DTD (registration & processing); Record Management	
4.Promote a risk-based tax and customs compliance system	Improve noncompliance risks and identification	<4.1>Compliance rate on reporting, filing and payment [% On time filing GST Declarations + % On-time GST Payments + % accurate reporting]	Baseline: 45% Target:50%	DTD	
		<4.2> Audit Capacity and Coverage Index [(Number of registered taxpayers per auditor)/target+(number of employees per auditor /target)]/2 x 100	Baseline: 69% Target:70%	DTD	
		<4.3> Audit Recovery Efficiency Rate	Baseline: 10% Target:12%	DTD	

STRATEGIC OBJECTIVE	Action Plan	KEY PERFORMANCE INDICATOR	TARGETS	Division/Section/ Unit Alignment	Performance rating Per Strategic Review
		(Ratios of audit yield to amounts assessed)			■
		<4.4> Audit Plan Adherence % Concluded comprehensive and issue audits / planned comprehensive and issue audits *Large & Medium taxpayers	Baseline: 58% Target:60%	DTD	■
		<4.5> Enhanced efficiency of Audit Program	Baseline: 2% Target:2.5%	DTD	■
5.Develop and implement a debt management system	Develop and adopt a debt management framework, debt write -off policy and a dept management strategy. Consolidate total dept stock across the LRA (DTD & Customs)	<5.1> Approved Dept Management tools % Audit Revenues / Total Revenues	Baseline: Target :100%	Dept Mgt/ Legal	■
		<5.2> Integrated tax debt stock consolidation	Baseline: Target:100%		■
			Baseline: NA Target:30%		■
6.Enhance tax and customs controls and procedures	• Develop and maintain standards & guidelines. • Facilitate and ensure simplification and harmonization of procedures	<6.1> (Tax and Customs controls and procedures index) # of sop Validated & Tested/ total SOPs in stock	Criteria 1: SOP redesigning rate Baseline: 17% Target:20%	EDQARD	■
		% of audit cases reviewed/# of cases planned	Baseline: 50 Target:55%	EDQARD	■

STRATEGIC OBJECTIVE	Action Plan	KEY PERFORMANCE INDICATOR	TARGETS	Division/Section/ Unit Alignment	Performance rating Per Strategic Review
					■
		Quality control efficiency rate	Baseline:20% Target : 50%	EDQARD	
7.Strengthen the legal and regulatory frameworks	• Develop legislation to avoid loopholes • Develop regulations and properly clarify and interpret tax laws.	<7.1> Number of legislative and regulatory proposals for closure of loopholes.	Baseline: 36% Target:40%	Legal /PSSPD	■
		<7.2>% reduction on time it takes to resolve tax disputes	Baseline: 50% Target:60%	Legal/PSSPD	■
8.Improve domestic tax and customs database	Update taxpayer and customs database with reliable, credible and up-to-date information	<8.1> Active Taxpayer population growth (Total [Verified and confirmed/deregistered] / Total TIN database x 100)	Baseline:100% Target:100%	DTD	■
		<8.2>Tax Database Integrity Index (TDII) (**Computerization**= - % of Tax Business Offices with computerized registration **Database Security**= data security measures or access log in place **Management Information= new** registrant and total taxpayers' information available **Data Maintenance =** No procedures in place for duplicate TINs, Deregistration	Baseline:46% Target: 50%	DTD/Customs	■

STRATEGIC OBJECTIVE	Action Plan	KEY PERFORMANCE INDICATOR	TARGETS	Division/Section/ Unit Alignment	Performance rating Per Strategic Review
		and incomplete records (% of total taxpayer base verified) **Unregistered Taxpayer=** No procedures in place to detect unregistered taxpayers (% increase YTY detected unregistered taxpayers and entered in system)			(red)
9.Enhance internal and external communication	• Improve communication policy and institutional social collaboration platforms. • Provide staff with regular feedbacks • Develop information sharing mechanism.	<9.1>Communication Performance Index (CPI) **Staff Satisfaction=** % of respondents satisfied **Intranet Services=** # of new services and informational materials provided **Traditional/Non-traditional channels coverage=** # of channels used **Call Center Usage**=% of calls received and resolved	Baseline: 45% Target: 50%	CMPA/TPSD	(red)
10.Promote good governance focused on ethics, accountability and integrity	• Promote good governance based on standards of ethics, integrity and accountability. • Promote quality assurance and improve internal controls.	<10.1>Internal Audit Interventions (Percentage of Internal Audits Completed = Number of planned Internal Audits Completed + Ad-hoc Internal Audits / Number of planned Internal Audits x 100	Baseline: 87% Target: 90%	IAD; EDQARD; ,PED	(green)
		<10.2> Ethics and Integrity Dissemination Index	Baseline:80% Target:85%	PED FID;ORS	

STRATEGIC OBJECTIVE	Action Plan	KEY PERFORMANCE INDICATOR	TARGETS	Division/Section/ Unit Alignment	Performance rating Per Strategic Review
		number of initiatives for promoting ethics and integrity / planned initiatives for promoting ethics and integrity			
		<10.3> Enterprise Risk Management Maturity Index (% Completed Enterprise Risk Management Project / planned timeline)	Baseline:70% Target: 75%	EMRCD	
11.Implement a strategic management model	• Improve a results-oriented management model. Develop periodic Corporate Strategic Plan. • Facilitate and monitor the implementation of strategic plan	<11.1>Strategic Management Model Index (SMMI) **Project Management= # of** special project aligned with PM framework **Strategy Review Meeting= #** of Review meetings held **Key Performance Indicators=** % of KPI in place **Strategy (CSP) Dissemination = #** of disseminations conducted	Baseline: 50% Target:55%	PSSPD/TMD	
12.Strengthen collaboration with domestic and international partners	• Improve collaboration with domestic and international partners. • Ensure information sharing on best practices for tax and customs purposes.	<I12.1>Partnership and Collaboration Index (PCI) **New Partnership= #** of new partnership finalized/projected partnership **Collaboration=** # of initiative undertaken with partners/planned initiatives	Baseline: 75% Target:85	PSSPD/DTD	

STRATEGIC OBJECTIVE	Action Plan	KEY PERFORMANCE INDICATOR	TARGETS	Division/Section/Unit Alignment	Performance rating Per Strategic Review
		<12.2>Information Sharing=% of information exchanged shared /# of information exchange requested			

STRATEGIC OBJECTIVE	Plan Action	KEY PERFORMANCE INDICATOR	TARGETS	Division/Section/Unit Alignment	Performance rating Per Strategic Review
13.Attract, develop and retain best talents	• Implement HR strategies that attract, develop and retain talents.	<13.1>Human Resources Management Index (HRMI) Average number of days from recruitment to onboarding / target % Staff Turnover Rate / target % of training and development activities / planned training and development activities % (Staff subject to rewards program/ total staff) / target % (trained staff>20h/total staff) / target	Baseline: 50% Targer:55%	HRD	
		<13.2>Employee Satisfaction Rate (Employee Satisfaction Survey Score, based on culture, autonomy, benefits, communications, compensation, creativity, engagement, job training, management style, organizational change,	Baseline: 50% Target:52%	HRD	

STRATEGIC OBJECTIVE	Plan Action	KEY PERFORMANCE INDICATOR	TARGETS	Division/Section/Unit Alignment	Performance rating Per Strategic Review
		performance evaluations, recognition, safety, work life and working relationships)			
14. Develop a performance driven culture	• Reward outstanding performance	<14.1> Performance Target Rate Number of Staff Members which meet expectations and above/ Number of Staff] x 100	Baseline: 30% 33%		
		<14.2> Performance Management compliance level % Number of Staff fully compliant with performance appraisal process / Total Staff	Baseline: 28% Target:30%	HRD	
15. Provide adequate logistical and real infrastructure	• Implement the logistical framework through cost saving measures. • Maintain corporate assets.	<15.1> Real Infrastructure Conformity index Number of business offices renovated and/or constructed in urban and rural areas annually / Number of annual renovation plan Logistics Accountability = # of assets coded/total assets	Baseline: 70% Target:70% Baseline: Target:100%	GSD	

STRATEGIC OBJECTIVE	Plan Action	KEY PERFORMANCE INDICATOR	TARGETS	Division/Section/Unit Alignment	Performance rating Per Strategic Review
16.Modernize ICT infrastructure and solutions	• Develop and upgrade ICT infrastructure	<16.1>ICT Index (ICT) • **Criteria 1** – Number of unplanned system downtime > 30min / target of 12 annually • **Criteria 2** – % Data backup and retained / total data in backup servers • **Criteria 3** – % security preventive measures implemented / planned measures • **Criteria 4** – % new and reinstated connectivity / planned new and reinstated connectivity	Baseline: 71% Target:75%	MISD	
17.Source funding and optimize resource allocation	Identify measures to secure potential funding sources. • Ensure a collaborative budget planning and monitoring process. • Secure financial resource allotments to LRA strategic goals.	<17.1>Budget execution ratio % Allocated budget / actually received budget	Baseline: 100% Target:100% or above	Budget & Finance	
		<17.2> Cost of Collection Optimization % Expenditure against budget on planned activities	Baseline: 100% Target:100% or above		

6.1   The Implementation Process

Implementing the plan often include several steps. It begins with the development of an annual business plan which would be subsequently cascaded into the development and implementation of a work plan. From the work plan, two performance and evaluation plans and implementation are derived. At the end of the implementing year, the corporate strategic plan is evaluated through a strategy review.

1. **The Monitoring and Evaluation of planned activities as enshrined in the Annual Work Plan**.
   This includes accounting for planned activities of the various divisions, sections, and unit as enshrined in the Annual Work Plan, which is conducted by the Enterprise Quality Assurance and Results Division (EDQARD). This is where the performances of the various arms of the LRA are measured and graded.

2. **Staff Performance and Appraisal**
   This entail evaluating the individual staff performance. Planned activities derived from the work plan are furthered reduced to each staff performance plan according to his/her tasks which are evaluated and graded bi-annually.

3. **The Strategy Review**
   At the end of the life span of the Corporate Strategic Plan, a strategy review is conducted. The strategic objectives accomplishments are measured through the key performance indicators by using the Balanced Scorecard (BSC) methodology. This is the determine the institution's level of progress.

   In the coming year, our work plan will be synchronized and integrated to reflect the various divisions/ sections/ and units as well as their respective staff performances. There have been progress made in developing a new workplan template such that it will compensate of the HR performance plan and appraisals, and EDQARD's monitoring evaluation. Once integrated, it will combine features from the business, work and performance plan making into a single process performance management framework.   See Template below;

							TIME FRAME													
Department	**Responsible Person(s)**	**January**				**June**				**MID Year**	**July**				**December**				**Final Year**	**Measurement**	**NOTES**
DIVISION										**Target**									**TARGET**		
Objective:																					
SECTION/UNIT	**PERSON**	**WK1**	**WK2**	**WK3**	**WK4**	**WK1**	**WK2**	**WK3**	**WK4**		**WK1**	**WK2**	**WK3**	**WK4**	**WK1**	**WK2**	**WK3**	**WK4**	**Target**	**Key Performance Indicator (KPI)**	
Specific Objective:																					
Expected Result:																					
Activities																				**Performance Indicator (PI)**	
SECTION/UNIT																				**Key Performance Indicator (KPI)**	
Specific Objective:																					
Expected Result:																					
Activities																				**Performance Indicator**	
SECTION/UNIT																				**Key Performance Indicator**	
Specific Objective:																					
Expected Result:																					
Activities																				**Performance Indicators(PI)**	
																			Key Performance Indicator (KPI)	
Specific Objective:																					
Epected Result:																					
Activities																				**Performance Indictors**	

LRA ANNUAL WORK PLAN TEMPLATE

7.0 FORMULATION OF CSP 2023-2027

By January of 2023, the LRA will be rolling out its Corporate Strategic Plan for the next five years (2023-2027). The plan will seek to cover revenue tax administration components of the Domestic Resources Mobilization Strategy. Our contemplation will also include digitalization in   tax administration that will trigger revenue boost in the service sector, and fully integrating our various e-payments and reporting platforms as well as our integrated financial management system into a National Switch Platform.

We will also be looking at new legislation that will make tax payment easier and trading across borders less cumbersome. Our Destination Inspection sites will be deployed at major border posts equipped with scanners and other accessories. The plan will also seek ways to improve our Tax and Customs Business Offices (TBOs& CBOs), thereby providing them with modern job tools such as computer accessories and their integration.