OVERVIEW OF 4$^{\text{TH}}$ ICT STRATEGY PRESENTATION TO OECD DELEGATES

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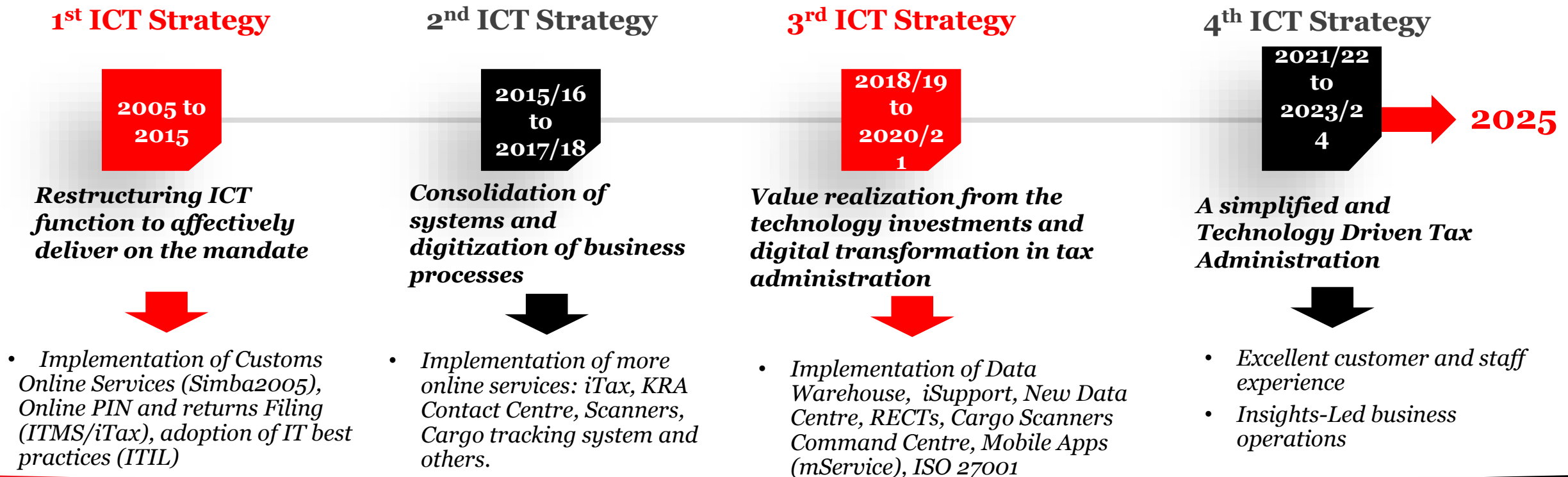Tulipe Ushuru, Tujitegemee!

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1.0 Introduction

a) KRA launched the 8th Corporate Plan **FY 2021/22 to 2023/24** whose theme is *"Revenue mobilization through tax simplification, technology-driven compliance and tax base expansion".*

b) To guide IT investments, address present technology challenges and deliver on business goals contained in the 8th Corporate Plan, KRA developed the 4th ICT strategy covering 3 Years.

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1.1 Background

a) Anchored in the corporate plan, Technology has continued to be a critical enabler in service delivery and revenue mobilization at KRA.

b) The authority has successfully digitized tax processes, with taxpayers now being able to register, file returns and make payments from their offices, home or diaspora without visiting KRA offices, thus eliminating long queues that used to be witnessed in KRA offices especially on due dates.

c) Taxpayers can also access their ledgers and request for and get tax compliance certificates on real time through self service options.

d) This has enhanced:

i. Trade facilitation (Reduced Turn Around Time to clear goods for internal and cross boarder trade)

ii. Reduction in illicit trade activities through enhanced monitoring.

iii. Intelligence led compliance to reduce intrusive compliance enforcements.

iv. Meet and surpass the set revenue targets year on year.

v. 24/7 taxpayer access to KRA services.

1.1 Background Cont.'

a) KRA's corporate goals are anchored on Corporate Plans, which define the direction the Authority takes from time to time to deliver on its mandate.

b) KRA is on its 8th Corporate Plan running until FY 2023/24. The Plan is actualized through Digitalization Strategies.

c) Since 2005, KRA has made many strides in digitalization of its processes as illustrated below:

1st ICT Strategy	2nd ICT Strategy	3rd ICT Strategy	4th ICT Strategy
2005 to 2015	**2015/16 to 2017/18**	**2018/19 to 2020/21**	**2021/22 to 2023/24** → **2025**
Restructuring ICT function to affectively deliver on the mandate	*Consolidation of systems and digitization of business processes*	*Value realization from the technology investments and digital transformation in tax administration*	*A simplified and Technology Driven Tax Administration*
• *Implementation of Customs Online Services (Simba2005), Online PIN and returns Filing (ITMS/iTax), adoption of IT best practices (ITIL)*	• *Implementation of more online services: iTax, KRA Contact Centre, Scanners, Cargo tracking system and others.*	• *Implementation of Data Warehouse, iSupport, New Data Centre, RECTs, Cargo Scanners Command Centre, Mobile Apps (mService), ISO 27001*	• *Excellent customer and staff experience* • *Insights-Led business operations*

1.2 Our Focus Going Forward (The 4ᵗʰ ICT Strategy)

8ᵗʰ Corporate Plan Thrusts

1. Revenue Mobilization

2. Tax base Expansion

3. Strategic partnerships to bolster compliance

4. Simplification of the tax regime to ease compliance and service delivery

5. Performance-oriented and ethical organization culture

6. Application of Cutting-Edge Technology

1. Simplified and Integrated Processes and Services *(Next Generation iTax, Omni-channel and Mobile First Services, Open APIs, Innovation through Industry Collaboration)*
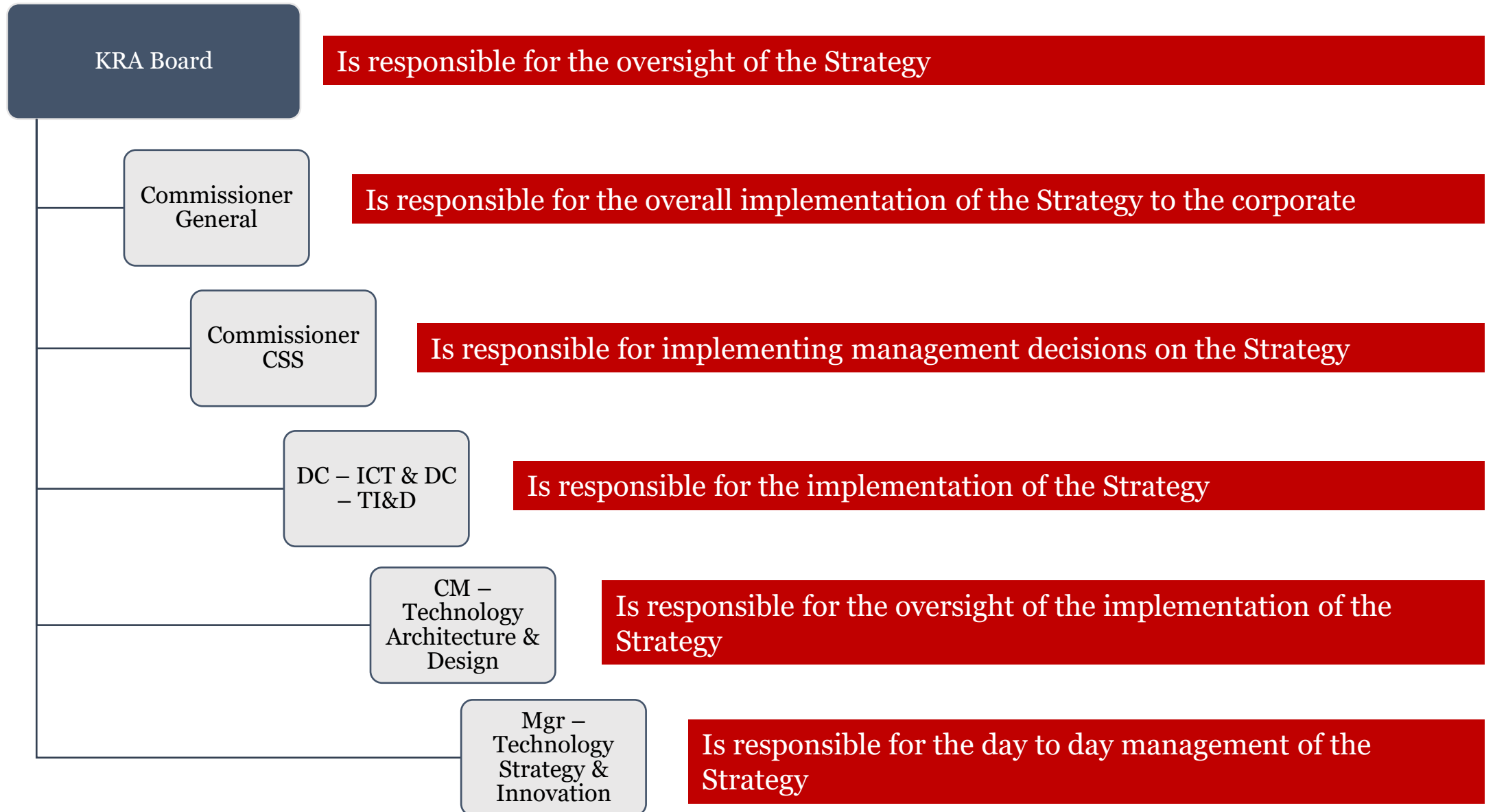
2. Agile, Secure, Fit-for-Future and Cost-effective Technology Infrastructure and Services *(Availability, Scalability, Security, Optimized Total Cost of Ownership – e.g. insourcing)*

3. Real-time Analytics and Insights *(Real-time insights, Social analytics, application of advanced analytics – ML/AI)*

4. Better Project Delivery at Speed and Quality *(Agile Delivery & Delivery Automation)*

5. Enabled, Engaged and Productive IT Workforce *(Working tools, Capacity building, Skills Retention, Industry Innovation)*

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1.3 Responsibility Matrix

KRA Board — Is responsible for the oversight of the Strategy

Commissioner General — Is responsible for the overall implementation of the Strategy to the corporate

Commissioner CSS — Is responsible for implementing management decisions on the Strategy

DC – ICT & DC – TI&D — Is responsible for the implementation of the Strategy

CM – Technology Architecture & Design — Is responsible for the oversight of the implementation of the Strategy

Mgr – Technology Strategy & Innovation — Is responsible for the day to day management of the Strategy

1.4 How we develop the ICT Strategy

How do we know we are getting there?
- Developed KPIs, Targets, M&E Plan & Budget

How do we get there?
- Developed ICT Strategic initiatives
- Aligned to 8th Corporate Plan & National ICT Master Plan
- Defined expected outcomes

Where do we want to go?
- Established ICT Vision & Mission
- Defined strategic goal
- Defined expected outcomes

Where are we?
- Did analysis of technology environment;
  - SWOT
  - PESTEL
- Engaged KRA Board, Management, Staff & stakeholders for inputs.
- Analyzed lessons from 3rd ICT strategy.
- Analyzed 8th Corporate Plan.
- Review of Strategy documents from other revenue Authorities.

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1.5 How the ICT Strategy is funded

a) Traditionally, the ICT Strategy relies on by The National Treasury on annual basis

b) Additionally, we seek funding of the ICT Strategy from development partners e.g DFID, EU, NTA etc

c) Over time we have established a working relationship with at least fourteen, 14 development partners who have funded various technology programs. See *Annex I*

1.6 How the ICT Strategy is monitored for implementation

a) The ICT Strategy initiatives are implemented by technology Chief Managers

b) Chief Managers develop annual work plans for implementing the Strategy

c) The Manager Technology Strategy and Innovation develops a schedule to monitor the implementation of the Strategic initiatives work plan for the execution of the ICT Strategy

d) The ICT Strategy is monitored quarterly and report circulated to sectional heads for concurrency and sign off before submission to DC – ICT & DC – TI&D, Commissioner CSS and CG

e) The Manager Technology Strategy & Innovation updates DC – ICT & DC – TI&D, Commissioner CSS on the overall status of the Strategy Process, initiatives that were evaluated to be off track status, and initiatives that were evaluated as not started status monthly for their intervention

f) The Board of Directors is updated quarterly on the overall implementation of the ICT Strategy by Commissioner CSS after KRA TeamOne approval

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2.0 4th ICT Strategy at a glance

Integrated, simplified and cost effective business systems

IT Infrastructure Upgrade

Modernize core business systems

Deliver an Omni-Channel experience to Customers & Staff

Benefits

- Improved compliance and tax base expansion
- Reduced time to market
- Simplified processes
- Trade Facilitation

- Ensure **99.99%** Service availability and resilience

- Achieve **99.99%** Service availability and resilience.
- Reduce time to market by **40%**

- Increase customer satisfaction to **77%**

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a) New Generation Domestic Taxes Management Platform (iTax 2.0)

b) iCMS Architecture Upgrade for Resilience & Availability.

c) Implement e-Invoicing

d) iScan Upgrade to Speed up Cargo Clearance.

e) Process Re-engineering (Refunds & Debt, Cargo Clearance, Business Support)

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a) Upgrade and refresh existing IT Data Centre components (e.g., Power backup – servers, storage)

b) 2. Upgrade, extend network connectivity (VOIP, LAN, VPNs, Backup links, backhaul)

c) Implement Network redundancy across all the KRA sites

d) Implement a Disaster Recovery Centre

e) Provide backup power through harnessing of Green energy to enhance service delivery in remote stations

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a) Enterprise Resource Planning Upgrade (iSupport)

b) Upgrade Customer Relationship Management and Integrate with key systems to enhance customer support

c) Implement an Enterprise Integration Platform

d) Implement Paperless Operations with Enterprise Content and Business Process Management

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a) Implement simplified online self-services such as Mobile platforms, USSD, Digital assistant, Chat Bots, Bulk SMS.

b) Implement intelligent taxpayer campaigns/engagement management platform

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3.0 4th ICT Strategy at a glance – Cont.'

Implement a Holistic Cyber Resilience for Business Continuity	Build advanced big data analytics capabilities & Enhance Data Utilization	Provide working tools to improve staff productivity	IT Capacity Building	Implement a robust staff Performance Management System

Benefits

• Achieve **99.99%** service availability. • Achieve **100%** data protection	• **>80%** decisions driven by data • Data-driven revenue leakage prevention	• **100%** staff empowered with working tools and able to work from anywhere	• **100%** staff empowered on new technologies	• Achieve **100%** productivity per individual staff.

a) Implement Network Access Control solution b) Implement single sign on solution and Identity Access Management c) Implement data leakage prevention d) Implementation of digital forensic laboratory, Security Operation Centre (SOC)	a) Implement real-time data processing and analytics capabilities b) Implementation of data warehouse phase II and III (Enhancements) c) Acquire Data analytics and visualization self-service tools (Data Streaming, Visual Mapping/GIS) d) AI on Image Processing (iScan) to	a) Attain 1:1 staff to computer ratio b) Provision of necessary tools of trade to facilitate effective hybrid/remote working c) Acquire Project Management & QA tools (Monitoring and Evaluation, Change Management, QA) d) Modernized Virtual	a) Develop staff capacity on existing and emerging technologies (e.g. big data analytics, data science, ML & AI) to support new business needs. b) Innovation Programs to strengthen collaboration with academia, industry and technology	a) Improve performance management for each technology resource. b) Acquire an appropriate performance management system c) Build capacity on Performance Management Process

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3.0 Challenges of delivering the ICT Strategy

a)   Funding the ICT Strategy:

  i.   Due to competing interests from the business departments, the corporate funds a fraction of the Strategy

  ii.   Funding from development partners takes a longer time before funds are approved and released.

  iii.   Additionally, the finance cycle of development partners is usually not aligned with KRA's funding cycle

b)   Strategic initiatives that take a longer period to implement beyond the Strategic period have delayed benefits realisation to the organisation

c)   The ever-fast-changing technology space at times renders some strategies obsolete during implementation

d)   Day-to-day business demand may at times overwhelm the Strategy implementation

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Q&A

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