Revenue Services Lesotho

BUSINESS PLAN 2026/2027

SUMMARY VERSION

1. Background and Context

Revenue Services Lesotho (RSL) prepared the 2026/27 Business Plan to operationalise the third year of the Lesokoana Corporate Strategy. The plan translates the strategy into Annual Priorities: Key Results, Projects, Revenue Targets, Manpower Requirements and Monitoring arrangements for the financial year.

The planning process was management-led and risk-informed. It used standardised planning templates across divisions and was supported by strategic management working sessions with EXCO and Senior Management. The process also considered progress on internal audit findings and updated top corporate risks, so that implementation priorities, risk management and resource allocation were treated as part of one integrated execution framework.

2. Problem Statement

The Business Plan was prepared in a constrained economic environment. Economic activity remains weak, with pressure arising from subdued performance in mining and textiles, delays in major infrastructure projects and slower execution of public investment. Although inflation is expected to ease, businesses and households continue to face recovery challenges.

RSL has nevertheless maintained collection efficiency and continues to demonstrate resilience in revenue administration. The 2026/27 plan therefore places emphasis on automation, risk-based compliance, improved taxpayer service, stronger data use and disciplined strategy execution, it also incorporates the TADAT response. These priorities are intended to protect revenue performance while improving the way taxpayers experience RSL services.

For the 2026/27 financial year, the approved revenue target is M10,397,045,261.18. At a high level, the target is distributed across Income Tax, VAT, Gaming Levy and Alcohol and Tobacco Levy as shown below. Amounts are presented in Maloti millions for readability

Table 1: Revenue Target by Quarter

Revenue category	Q1	Q2	Q3	Q4	Annual target
Income Tax	1,379.10	1,359.14	1,425.01	1,578.37	5,741.62
VAT	1,098.70	1,124.17	1,212.17	1,231.44	4,666.49
Gaming Levy	0.50	7.07	0.50	7.67	15.75
Alcohol and Tobacco Levy	42.52	46.93	50.76	50.11	190.32
Total Revenue Target	**2,520.82**	**2,537.31**	**2,688.45**	**2,867.60**	**10,614.18**

3. Justification of the 2026/27 Business Plan

The 2026/27 Business Plan adopts a targeted approach aimed at strengthening operational efficiency, enhancing taxpayer compliance, improving service delivery, and advancing data-driven decision-making. The successful implementation of the approved Key Results will strengthen RSL's institutional capacity to meet its projected revenue target of M10.6 billion while reinforcing the effectiveness of revenue administration.

Specifically, the implementation of the Business Plan is expected to:

- **Improve operational efficiency** through process optimization and automation, enabling more effective deployment of resources toward revenue collection activities.
- **Strengthen taxpayer compliance** through enhanced monitoring mechanisms, improved data sharing, and targeted taxpayer education initiatives.
- **Reduce revenue leakages** through improved system integration, stronger data quality management, and the deployment of advanced technologies to limit opportunities for fraud and tax evasion.
- **Enhance taxpayer experience** through improved customer service and expanded digital service channels that promote voluntary compliance.

- **Strengthen data-driven decision-making** through improved data quality, analytics capability, and enhanced forecasting to better target non-compliant taxpayers.

Collectively, these expected outcomes will strengthen the implementation of RSL's corporate strategy by improving operational performance, enhancing compliance, reducing revenue risks and supporting sustainable revenue mobilisation.

4. Objectives and Key Results (OKR)

The Business Plan is structured around the Lesokoana Strategic Objectives. The Key Results are the main performance indicators and are presented below with annual targets.

Table 2: Strategic Objectives, Key Results and Annual Targets

Strategic Objective	Key Result	Timeline	Annual Target
Objective 1: Make all RSL employees feel valued	KR1: Host quarterly culture-building sessions to instill RSL values and ethics.	Q1-Q4	24 culture-building sessions
	KR2: Hold Regular One-On-One and Team Feedback Sessions at least fortnightly.	Q1-Q4	2,928 one-on-one sessions and 300 team feedback sessions
	KR3: Create Monthly Opportunities for Employees with newly acquired skills to apply them.	Q1-Q4	12 divisional opportunity reports
	KR4: Publicise Employee Value Proposition Programme Every Month.	Q1-Q4	12 EVP publicity cycles
	KR6: Ensure all Employees' Activities are Aligned to Organisational Goals and Monitored on a Quarterly Basis.	Q1-Q4	1,044 PMS alignment and monitoring outputs
	KR7: Implement Continuous Leadership Coaching and Mentorship Programme to drive a productive work environment within six months.	Q1-Q2	Middle Management coaching and mentorship programme implemented
	KR8: Hold Annual Team-Building Sessions.	Q3	1 annual team-building session

Strategic Objective	Key Result	Timeline	Annual Target
Objective 2: Increase Employee Net Promoter Score to 30%	KR9: Reward and Recognise RSL Employees Quarterly through enhanced Recognition Scheme.	Q1-Q4	100% of nominated employees rewarded quarterly
	KR10: Encourage Employees to share Positive Work Experiences at least once a quarter.	Q1-Q4	40 positive work experiences shared
	KR11: Implement "know Your Employer Brand" Campaigns quarterly.	Q1-Q4	At least 70% participation in brand-related activities
Objective 3: Create an exciting, positive and productive work environment	KR13: Build an RSL House within three years.	Q1-Q4	100% completion of annual milestones
	KR16: Institute themed days once a month.	Q1-Q4	12 themed-day activities
Objective 4: Achieve 95% operational efficiencies on prioritised core tax and customs processes	KR18: Reduce Turnaround times for Prioritised Core Processes by 50% within a year.	Q1-Q4	50% reduction in turnaround times for identified processes
	KR19: Monitor and Measure Value Created by each process per quarter.	Q1-Q4	4 process-value reports
	KR20: Eliminate Manual Iinterventions on Prioritised Core Processes.	Q1-Q4	4 quarterly digitalisation progress milestones
	KR21: Simplify at least one process per quarter.	Q1-Q4	4 processes simplified
	KR22: Create at least Five Awareness Campaigns on Tax and Customs International Instruments per quarter.	Q1-Q4	20 awareness campaigns
Objective 5: Create a memorable experience in all touchpoints with clients	KR25: Capacitate Client-Facing staff at least once a quarter to enhance customer satisfaction across all touchpoints.	Q1-Q4	4 client-facing staff capacity-building interventions
	KR27: Market and promote all RSL e-Services on quarterly basis.	Q1-Q4	Achieve 8000 RSL App Downloads

Strategic Objective	Key Result	Timeline	Annual Target
Objective 6: Seamlessly integrate tax compliance into daily events of a taxpayer	KR33: Piggy-back on SARS VAT Modernisation initiative to digitilise the VAT refund system between Lesotho and South Africa within a year.	Q1-Q4	100% implementation milestone
	KR34: Develop and Implement Strategies to Reduce Revenue Leakages on Cannabis, Fishery and Mining Exports.	Q1-Q4	100% implementation milestone
	KR37: Implement Automated Compliance Risk Management Solution within a year.	Q1-Q4	100% implementation milestone
Objective 7: Become a leading data-driven organisation	KR39: Perform quarterly data security audits to identify threats and vulnerabilities.	Q1-Q4	4 data security audits
	KR43: Develop and Publish an Online Data Catalogue for sharing data with external stakeholders within six months.	Q1-Q2	1 online data catalogue developed and published
	KR51: Design and implement Data Quality programme.	Q1-Q4	100% implementation
Objective 8: Embed assurance as a first line of defence for all RSL processes	KR46: Instill Ethical Culture among RSL Employees.	Q1-Q4	Reduce Management Lateness to meetings from 40% to 0%
	KR48: Optimise Processes and Performance Measurement.	Q1-Q4	1,292 optimisation outputs

5. Manpower Planning

The manpower baseline for 2026/27 is based on the approved organisational structure and headcount endorsed by the Board. The approved headcount allocation is reflected below.

Table 3: Approved Headcount by Division

Division	Approved Headcount
Commissioner General's Office	40
Business Enablement	70

Division	Approved Headcount
Operations Support	124
Core Operations	141
Client Services	243
Total	618

Most staff are deployed in revenue administration functions. Client Services accounts for 40% of the workforce, while Core Operations accounts for 22%. Together, these two frontline divisions account for 62% of the approved headcount, reflecting RSL's core revenue mobilisation mandate.

The Business Plan also recognises the need for short-term temporary support where operational demands arise. The organisation currently has 67 temporary staff supporting operations, including 21 in Core Operations and 10 in Client Services. Such engagements are to be managed within the approved budget and should not create additional cost pressure.

6. TADAT Recommendations Implementation Plan

The 2026/27 Business Plan also incorporates selected priorities from the TADAT Response Plan. These priorities strengthen the link between the Business Plan and broader tax administration reform areas identified through the TADAT assessment, particularly taxpayer registration, compliance risk management, voluntary compliance, debt management, audit capability, revenue forecasting, and institutional accountability. Below is the presentation of the TADAT response plan.

Table 4: TADAT Response Plan Integration into the 2026/27 Business Plan

TADAT Performance Outcome Area	TADAT Indicator	2026/27 Planned Action
POA 1: Integrity of the registered taxpayer base	**P1-2: Knowledge of the potential taxpayer base**	Continue strengthening the taxpayer register through data cleansing, flagging dormant clients for deregistration, door-to-door VAT registration, deregistration of taxpayers below the VAT threshold, review of VAT refund-status taxpayers, and registration of vendors identified from internal and third-party data sources.

TADAT Performance Outcome Area	TADAT Indicator	2026/27 Planned Action
POA 2: Effective Risk Management	**P2-3: Compliance risk assessment**	Develop Compliance Improvement Plans for priority sectors, including property, construction, wholesale and retail sectors.
	P2-4: Mitigation of risks through compliance improvement plan	Develop and implement the Compliance Risk Register and use it to guide mitigation of identified compliance risks.
	P2-5: Monitoring & Evaluation of compliance risks	Finalise the review and approval of the amended Compliance Risk Management SOP to strengthen monitoring and evaluation of compliance risks.
	P2-7: Management of Human Capital risks	Continue assessing, monitoring and reporting human capital risks through monthly EXCO reporting and quarterly Board reporting.
POA 3: Promotion of voluntary compliance	**P3-8: Drive for the passing of SBT legislation and introduce innovative ways to facilitate compliance**	Support implementation of Small Business Tax reforms, including SBT forms, nil-return filing, registration, filing and payment improvements.
	P3-8: Ease of access tax information by taxpayers	Continue integrated marketing and education campaigns to promote voluntary compliance through social media, email, SMS, webinars, radio and television programmes.
POA 5: Timely payment of taxes	**P5-18: Stocks and flows of tax arrears**	Finalise and implement the Debt Management Strategy, improve the pay-plan module, enhance debt management workflows, and continue strengthening arrears management functionality.
POA 6: Accurate reporting in declarations	**P6-19: Scope of verification taken to detect accurate reporting**	Continue development of sector audit manuals, engage the TIWB expert for technical review, strengthen collaboration with the Bureau of Statistics, and pursue support for tax-gap analysis.
POA 8: Efficient Revenue Management	**P8-26: Contribution to government tax revenue forecasting process**	Strengthen revenue forecasting capacity through IMF-supported training, on-the-job coaching and targeted training in revenue forecasting and economic analysis.
POA 9: Accountability and Transparency	**P9-32: Publication of activities, results and plans**	Strengthen the central repository of RSL internal control policies and procedures by maintaining and expanding access to approved policies on the RSL Communication Portal.

7. Programme and Project Portfolio

The 2026/27 programme and project portfolio supports strategy implementation by strengthening digital capability, improving infrastructure and reinforcing governance over priority projects. The portfolio includes continuing programmes and projects already in execution.

Table 5: Programme and Project Portfolio

Programme Objective	Main Projects Focus	Governance
Managed Digitalisation Programme	e-Invoicing, e-Payment, Automatic Compliance, Non-Tax Revenue solution.	Monthly digitalisation governance sessions
Managed Infrastructure Programme	RSL House, Sani Border Refurbishment, Van Rooyen's Border Refurbishment, Monont'sa Border Phase II (as a key stakeholder).	Monthly infrastructure governance sessions

8. Implementation Monitoring

Implementation is monitored through the OKR framework using Profit.co as the central strategy execution platform. The platform is used to house, monitor and report progress against strategic Objectives and Key Results. Monitoring will be supported by structured weekly check-ins and quarterly performance reviews; Strategic Management Sessions. Additionally, MERLA framework has been adopted for more robust and effective monitoring and evaluation undertaking.

9. Conclusion

The 2026/27 Business Plan provides the execution framework for the third year of Lesokoana. It links revenue targets, strategic Objectives, Key Results, manpower requirements, projects and risks into one implementation plan.

The plan responds to a challenging operating environment by focusing on operational efficiency, taxpayer compliance, revenue leakage reduction, taxpayer experience and data-driven decision-making. Effective implementation will strengthen RSL's ability to meet the approved revenue target, improve service delivery and support sustainable revenue administration.