
AFFIDAVIT

I, the undersigned,

DAN ZULU

do hereby make oath and say:

1. I am an adult male. The contents of this affidavit are within my personal knowledge, unless the context indicates otherwise, and are to the best of my belief true.
2. I met with the Commission on 26 July 2018 and I have provided the Commission with a document titled "Service Channels – month 3 deliverables, 18 Sept 2015".

ROLE IN SARS

3. I joined SARS in May 2012 as the Group Executive for Branch Operations. I reported to Barry Hore until he left in December 2014. Thereafter I reported to Jonas Makwakwa who took over that position.
4. I was previously employed at Nedbank.

ROLE IN PROCUREMENT OF BAIN CO.

5. I was part of the SARS Project Team appointed to devise and deal with the procurement of a service provider to conduct the diagnostic and implementation of the new operating model.
6. I was a member of the panel in the Bid Evaluation Committee that evaluated the submitted tenders for Phase One.
7. I have no knowledge of the procurement process for Phase Two which was the implementation phase.
8. SARS adopted a closed but competitive tender process. SARS received tenders from a number of companies including Mckinsey, EY, PWC, and Deloittes. BAIN was recommended by the BEC as the successful tenderer for Phase One.
9. I was satisfied that the procurement process was properly conducted in respect of the evaluation of the bids.

BAIN'S PROCESS

10. I was appointed as a "go-person" for the Service Channel area which included the contact centre and the branches. My role was to assist BAIN by facilitating meetings with SARS employees, directing them to the relevant individuals or documents, and assist them in locating relevant data. I was also responsible for providing BAIN with the general overview of the Service Channels area.

11. My interaction with BAIN was limited to these areas so I cannot comment on what occurred in respect of other areas.
12. BAIN visited approximately 13 branches under my control and spoke to 20 key people within my area. I also consulted with BAIN as the head of the Service Channel area. During these discussions, I would engage with BAIN on their recommendations and communicate my disagreement where necessary.
13. I have heard that some people felt they were not consulted by BAIN. I cannot comment on that.
14. I have no complaints about BAIN's process or its interactions with me or my team.

IMPLEMENTAITON

15. BAIN was not responsible for the implementation of its findings or recommendations in the Service Channel area.
16. In my view, there was no reason for a large-scale overhaul of the Service Channel area. The branches and contact centre were functioning well. There were certain areas that needed to be tweaked as part of SARS's constant growth and improvement.
17. I looked at BAIN's recommendations and diagnostics, and decided what recommendations should be adopted and implemented. There are certain recommendations that we "chucked out" but other recommendations made sense. In those cases, we prepared project plans and began implementation.

18. For example:

18.1. BAIN recommended that SARS slow down its footprint expansion and scale down on building new branches in order to align with UK best practice. I refused to adopt that recommendation. The SARS branches are designed to meet social needs of people many of whom live in rural areas and do not have access to internet. South Africa is a very different context to the UK or Canada.

18.2. BAIN also recommended we create "self service areas" in branches for individual taxpayers to have access to e-filing. We piloted that in the George branch and it has worked really well. We intend to implement in other branches as soon as budget is available.

19. In my view, branch performance has continued to improve from 2012 until now.

20. The Service Channel area was not subjected to a radical change with the implementation of the new operating model. My business area was very functional and remains functional. The individuals in my team have remained unchanged since 2012 and none were negatively affected by the new operating model.

21. The new operating model has impacted the Service Channels only because the removal of relationship managers has meant that large companies must attend a branch to do certain things like change banking details.

22. The branches were never designed to deal with complex matters. Almost 80% of the taxpayers seen by the branches are individual taxpayers. The branch

employees are not trained to deal with complex company issues. To this extent, the new operating model has created a gap.

CHANGES IN SARS OVER THE LAST SIX YEARS

23. I gave up a well-paid position at Nedbank in order to work at SARS. I did so because SARS has a reputation as an excellent organisation. When I arrived at SARS, I saw that it behaved and operated like a corporate.
24. SARS is no longer the same organisation. There has been a noticeable drop in the morale of SARS employees. I am sure that taxpayers are seeing a difference in SARS performance. However, I would not go as far as to say that it is a disaster – SARS still performs and I remain proud to work here.

MODERNISATION

25. The Commissioner suspended the modernisation in order to analyse and assess its cost and impact. There were rumours that there were issues with the IT tenders. Since then, there has definitely been stagnation. I would not say that the modernisation has been reversed.

GARTNER INC

26. SARS appointed Gartner to create a governance system for the management of IT projects and contracts.
27. Previously, when I had an issue with the IT systems, I would communicate with Barry Hore who would request a change from the developer. I understand that

this was not an ideal way of conducting system development but it was effective for short-term issues.

28. We have now created an EPMO office which imposes an appropriate governance system for IT processes.
29. The new process includes a number of administrative and bureaucratic steps. Some of the governance processes were overburdened with such steps. This has increased delivery-time.



DEPONENT

The Deponent has acknowledged that he/she knows and understands the contents of this affidavit, which was signed and sworn to or solemnly affirmed before me at PRETORIA, BROOKLYN on this the 8th day of AUGUST 2018, the regulations contained in Government Notice No. R1258 of 21 July 1972, as amended, and Government Notice No. R1648 of 19 August 1977, as amended, having been complied with.



COMMISSIONER OF OATHS

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