

# Re-imagining a citizen led service transformation for the Compensation Fund and UIF

**Co-designed proposed 'To Be' conceptual model and Macro Structure - Compensation Fund**

June 2023



**employment & labour**

Department:  
Employment and Labour  
**REPUBLIC OF SOUTH AFRICA**



# Conceptual Model and Macro Structure report document tracker

## Version tracker

Document version shared:	Date:	Feedback received:
Version 1 (Draft) <i>Presented to CF EE workstream leads</i>	09/05/2023	<ul style="list-style-type: none"><li>• A change in name of the Company Secretariat to Executive and Board Secretariat</li><li>• An additional Deputy Head for accounts payable that will focus on payments for operations/claims</li><li>• An additional Head under people management who will focus on strategic human capital development.</li></ul>
Version 2 (Draft) <i>Presented to CF ExCo members</i>	07/06/2023	<ul style="list-style-type: none"><li>• There were changes to the Operations structure to ensure that it is adequate to address the needs of the fund</li><li>• The ICT structure was also revised to ensure that an agile approach can be applied</li></ul>
Version 3 (Draft) <i>Presented to Working Group Committee</i>	21/06/2023	<ul style="list-style-type: none"><li>• Updates needed to be made to the span of control numbers.</li></ul>
Version 4 (Final) <i>Presented to Steering Committee Meeting</i>	07/07/2023	<ul style="list-style-type: none"><li>• Move SM : Entity Sec under compliance. Given King IV principles the Company Secretary has to be independent from Governance therefore the Company Secretariat will not be able to fit under the Chief Strategy and Governance Officer.</li><li>• Change Group COO title. Will be changed to Chief Strategy and Governance Officer.</li></ul>

# Glossary

## Abbreviations

Abbreviation	Description
CF	Compensation Fund
CRM	Customer Relationship Management
DEL	Department of Employment and Labour
DHA	Department of Home Affairs
DPSA	Department of Public Service and Administration
EE	Employee Experience
HR	Human Resources
ICMS	Integrated Claims Management System
ICT	Information and Communication Technology
MTSF	Medium Term Strategic Framework

Abbreviation	Description
OD	Organisational Design
OE	Organisational Effectiveness
PIC	Public Investment Corporation
RAF	Road Accident Fund
SARS	South African Revenue Service
SME	Subject Matter Expert
UIF	Unemployment Insurance Fund
COID	Compensation for Occupational Injuries and Diseases
PFMA	Public Finance Management Act

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# Approach



# A holistic approach was followed during the design of CF Organisation Transformation design



An analysis was developed to demonstrate our approach in the compilation of this As-Is Capability and Conceptual Model report; to illustrate the themes covered and the type of information gathered and analysed, below is the analysis approach diagram. For the workshops, **Chief Directors, Directors and Deputy Directors** were consulted to provide their subject-matter and leadership knowledge. A consultation with Provincial Directors: COID Services was also conducted in a combined session with all CF Chief Directors and Directors.

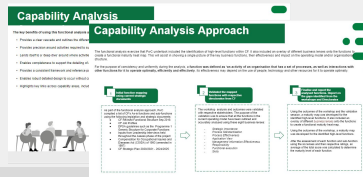
## Activities completed as part of the conceptual model and functional design phases

## Outputs

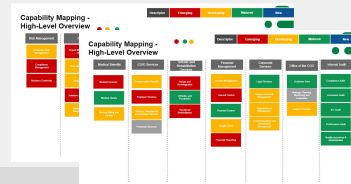
### High Level findings from Assess Diagnosis



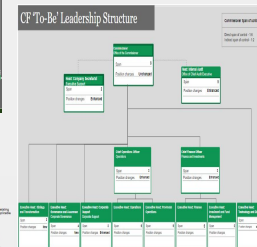
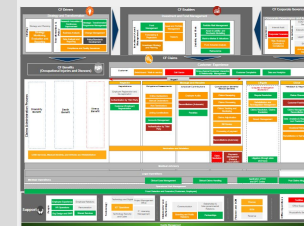
### Capability Analysis Approach



### Outcomes of the high-level mapping of validated functions

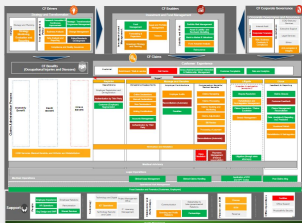


### CF Conceptual Model, Functional structure and Macro Structure

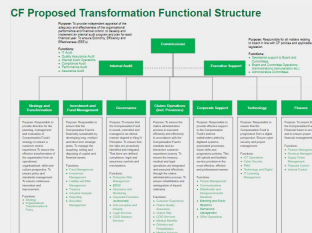


## Bottom up analysis

### Overview of conceptual model



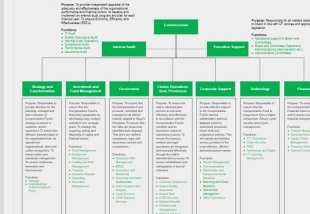
### Proposed functional structure



### Functional grouping as per the conceptual model



### CF Proposed Transformation Functional Structure



# Benchmark sparingly, if at all

One **common misstep** is looking for best practices. In theory, it can be helpful to track what competitors are doing, if only to help you optimize your own design or uncover issues requiring attention. But **in practice, this approach has a couple of problems.**



	Key Point	Description
1	<b>Benchmarking ignores your organisation's unique capability system</b>	<ul style="list-style-type: none"><li>• Benchmarking does not take into consideration the strengths that only your organisation has, which produces results that others can't match.</li><li>• You and your competitor aren't likely to need the same distinctive capabilities, even if you're in the same industry.</li><li>• If you benchmark the wrong example, the copied organisational model will only set you back.</li></ul>
2	<b>Sharing a similar strategy with a competitor does not necessarily mean that they have the best structure.</b>	<ul style="list-style-type: none"><li>• If your competitor has a different value proposition or capabilities system than you do, using it as a comparison for your own performance will be a mistake.</li></ul>
3	<b>If you must benchmark, focus on a few select elements, rather than trying to be best in class in everything related to your industry.</b>	<ul style="list-style-type: none"><li>• Your choice of companies to follow, and of the indicators to track and analyze, should line up exactly with the capabilities you prioritized in setting your future course.</li><li>• Your choice of companies to follow, and of the indicators to track and analyze, should line up exactly with the capabilities you prioritized in setting your future course.</li></ul>
4	<b>Let the "lines and boxes" fit your company's purpose</b>	<ul style="list-style-type: none"><li>• For every company, there is an optimal pattern of hierarchical relationship — a golden mean.</li><li>• It isn't the same for every company; it should reflect the strategy you have chosen, and it should support the critical capabilities that distinguish your company.</li><li>• That means that the right structure for one company will not be the same as the right structure for another, even if they're in the same industry.</li></ul>

# Insights: Outsourcing the Call Centre



## Pros

- **Lower costs:** Outsourcing can be attractive if the CF is focused on the bottom line (timeous payment of benefits). Hiring, training and equipping a call centre is a large and ongoing expense. A service provider will handle the costs of running the call centre, at a fixed cost.
- **Enhanced technology:** Many call centre outsourcing companies set themselves apart by investing in the latest technologies. This means that the CF wouldn't have to. CF customers would benefit from the latest technological innovations, without the entity having to make that upfront investment.
- **Flexibility:** Outsourcing will enable the CF to scale up on customer services during peak times (i.e Covid) without having to train, hire and then lay-off during quieter periods. The outsourcing company will handle the administrative work of scheduling, hiring etc.
- **Longer service hours:** A big differentiator for many companies is their easy and convenient accessibility to their customers. Customers expect to get into contact organisations whenever they want to, and not just during office hours
- Government's intention with outsourcing models aims to address programmes and policies like the **Broad-based Black Economic Empowerment**.
- Government introduced the **Global Business Services Incentive** in 2019 for the call centre industry to **create employment for young people**. This also fits well with the **CF's core strategic imperatives**, such as the **reintegration** initiatives the fund is driving which is driving employment..

## Cons

- Investing in an **internal call center** is beneficial in the **long run** like **improved quality control** and **access to robust and live data and analytics**.
- The lifeline of any organisation, is the information/data that keeps it running. **Confidential customer information that is provided to the outsourcing company presents a risk** that confidentiality may be compromised.
- **Lack of organisational knowledge:** Outsourced call centres rarely specialise in any one industry and will serve a range of organisations. If call centre agents require special knowledge to service customers, then outsourcing may be a risk. Organisations need to ensure that anyone speaking to their customers can provide with the technical support they require.
- **Limited collaboration between call centre and CF:** Most likely, outsourced call centre agents who make/receive calls for organisations are not sitting in the organisation's offices, and most likely the call centre agents and the contracting organisation have limited means of communicating with each other.
- Outsourcing is known as an enabler of BBBEE, but on the other hand, it is **indirectly causing inequality and poor quality jobs**. From a human rights perspective, outsourcing has created many low skilled, low paid employees with little to no labour rights protection.
- Outsourcing can be a major driver of **casual labor (non-permanent contracts, unpaid maternity and lack of benefits, etc.)**. In South Africa, this is something the **public service sector can not be in support of**.

Sources:

1. *Impact of Outsourcing Practices in the Public Service: presented by Regen Institute of Leadership and Management with partnership: Public Service Coordinating Bargaining Council*





# Design Principles

# Design Principles

Design principles provide a firm foundation for making architecture and planning decisions, framing policies, procedures, and standards, and supporting resolution of contradictory situations. A poor set of principles can quickly become disused, and the resultant architectures, policies, and standards will appear arbitrary or self-serving, and thus lack credibility.



## Purpose

- Design principles are used to:
  - Design “To-Be” organisation design model options
  - Evaluate “To-Be” organisation design model options
  - Select and refine a preferred option
  - Articulate why decisions are made

It is essential that the criteria reflect the organisation’s strategic drivers and objectives to be meaningful.

## Explanation

- A set of organisation design principles will:
  - Clarify what the new organisation design must do well
  - Identify ‘problems’ that must be solved in the new design
  - Develop the criteria to guide the design and use in evaluating the different design options
  - Take the emotion out of organisation design and provide tangible data with which to assess options
  - Provide focus for design or redesign that improves performance
  - Lay the foundation for trade-off decisions (i.e., articulate priorities that guide the design through conflicting needs)
  - Keep members focused on the same outcomes of design
  - Enable differences to be surfaced and discussed



# Proposed Design Principles



Design Principle	Design Implication
Enable the <b>digitisation</b> of the CF to ensure operational efficiencies are realised	<ul style="list-style-type: none"><li>● A structure that facilitates the <b>integration of technology</b> and leverages <b>data analytics</b> to provide insights to support decision making</li></ul>
More collaborative and ensure <b>accountability and ownership</b> of processes at head office and provincial level	<ul style="list-style-type: none"><li>● Enforce a <b>culture collaborative approach</b> to planning and execution of corporate plans and outcomes.</li><li>● Engender a <b>highly engaged workforce</b> that is aware of what their responsibilities and accountabilities.</li><li>● Support the development and execution of the <b>clear career growth path</b></li></ul>
Aligned with the CF strategic imperatives, priorities and regulator requirements	<ul style="list-style-type: none"><li>● Structure the target operating model around the strategy and the CF's mandate, regulator requirements, KPIs and clearly define function ambitions</li></ul>
Enable <b>effective tracking and management of departmental and individual KPIs</b>	<ul style="list-style-type: none"><li>● Develop performance indicators for each function and ensure alignment to role specific outcomes and the organisational strategy</li><li>● A human resource function that is positioned to support organisational development initiatives</li></ul>
Introduction of capabilities that will be responsive to changing customer needs	<ul style="list-style-type: none"><li>● Develop capability within the CF to improve its way of doing business with their customer/the public in a way that provides a positive customer experience before, during and after engagements.</li></ul>



# Overview of Proposed Conceptual Model Design



# Conceptual model taxonomy



Driver

Strategic functions that ensures the adequate organisational performance and continuous improvement as stipulated in CF's long term strategy and plan, as well as the Annual Performance Plans.

New function

These are recommended future oriented functions that do not exist within CF. These functions have been developed to complement the existing functions in order for CF to achieve its objectives.

Tier 1

This function resolves first level of issues, concerns of claimants complaints and provides first level solutions.



Benefits

CF benefits that are delivered to the customers.

Combined function

These are existing functions that has been merged together to foster collaboration across the organisation and to reduce duplication of effort. The activities, processes and decisions of the function will be performed by one or two groups/sections at CF.

Tier 2

This function resolves escalated issues, concerns of customer complaints from Tier 1 and provides expert solutions.



Core/  
Fundamentals

Core functions that are performed by the organisation that serve the customers.

Enhanced function

These are existing functions that are enhanced to ensure the activities, processes and decisions of the function will be performed optimally

Tier 3

This function resolves escalated issues, concerns from Tier 2, and provides complex expert solutions



Enablers

Enabling functions that supports and ensures that the mandated functions, strategic initiatives and delivery channels are executed efficiently with the adequate technology, financial resources, human resources, administrative resources and support.

Digitised Function

These are functions that will be performed by technology with limited support.



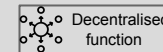
Centralised functions where the activities, processes and decisions of the function will be performed by one or two groups/sections at CF and executed by support functions

Existing Function

These functions exist within the organisation and require no further enhancement or digitisation.

Outsourced Function

This function will be outsourced by the CF.



Decentralised Function where the activities, processes and decisions of the function will be performed by one or two groups/sections at various operation offices of the CF. The execution of the function may need to be deployed to the various offices for consistent delivery.



Support

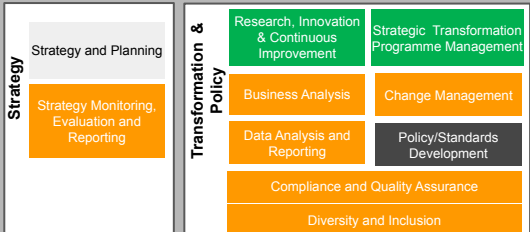
The purpose of these functions are to support all stakeholders internally through provision of systems, policies and processes that enable and facilitate service provision in the most effective, efficient and professional manner.

The dotted line indicates that the function will be treated as an exception in the claims process subject to disputation

**CF Drivers**



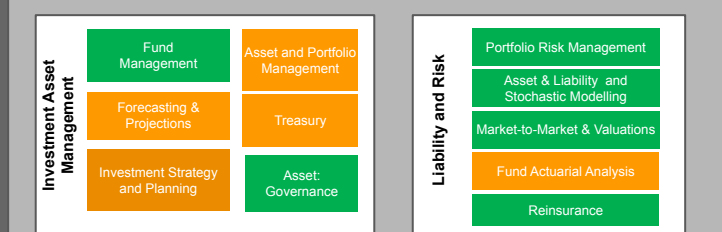
**Strategy and Transformation**



**CF Enablers**



**Investment and Fund Management**

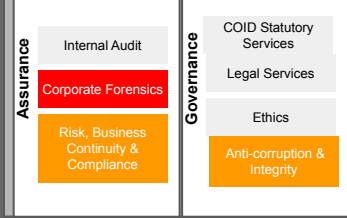


**CF Corporate Governance**



**Executive Support**

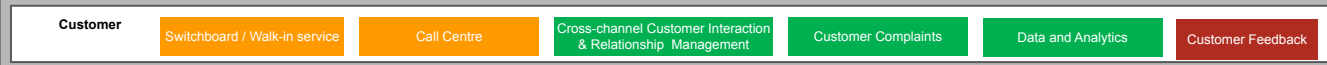
**Corporate Governance and Assurance**



**CF Claims**



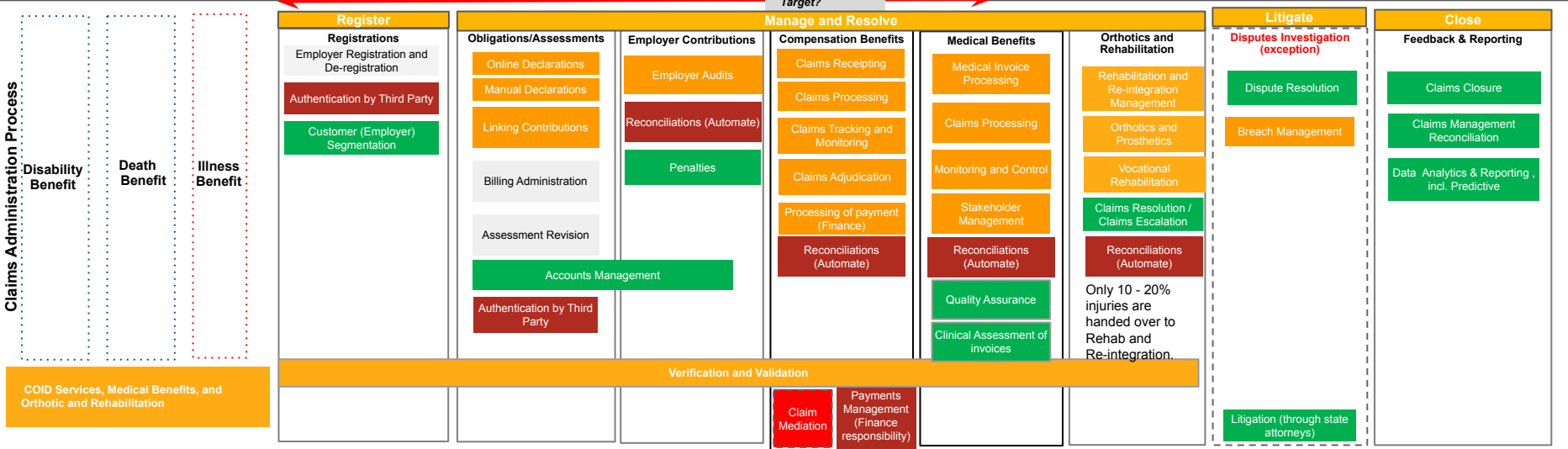
**Customer Experience**



**CF Benefits (Occupational Injuries and Diseases)**



**Claims Administration Process**



**Actuarial Services**

**Medical Advisory**

**Legal Operations**

**Medical Operations**

Bill Review

Clinical Case Management

Clinical Claims Handling

ICD, Medical Tariffs and gazetted CPT Codes

Post Claims Mng

**Operational Risk Management**

Fraud Detection and Forensics (Customers, Employers)

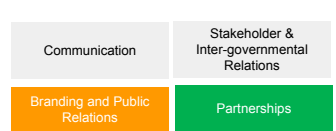
**Support**



**Technology**



**Stakeholder and Partnerships**



**Finance and SCM**



**Office Management**



**Quality Management**

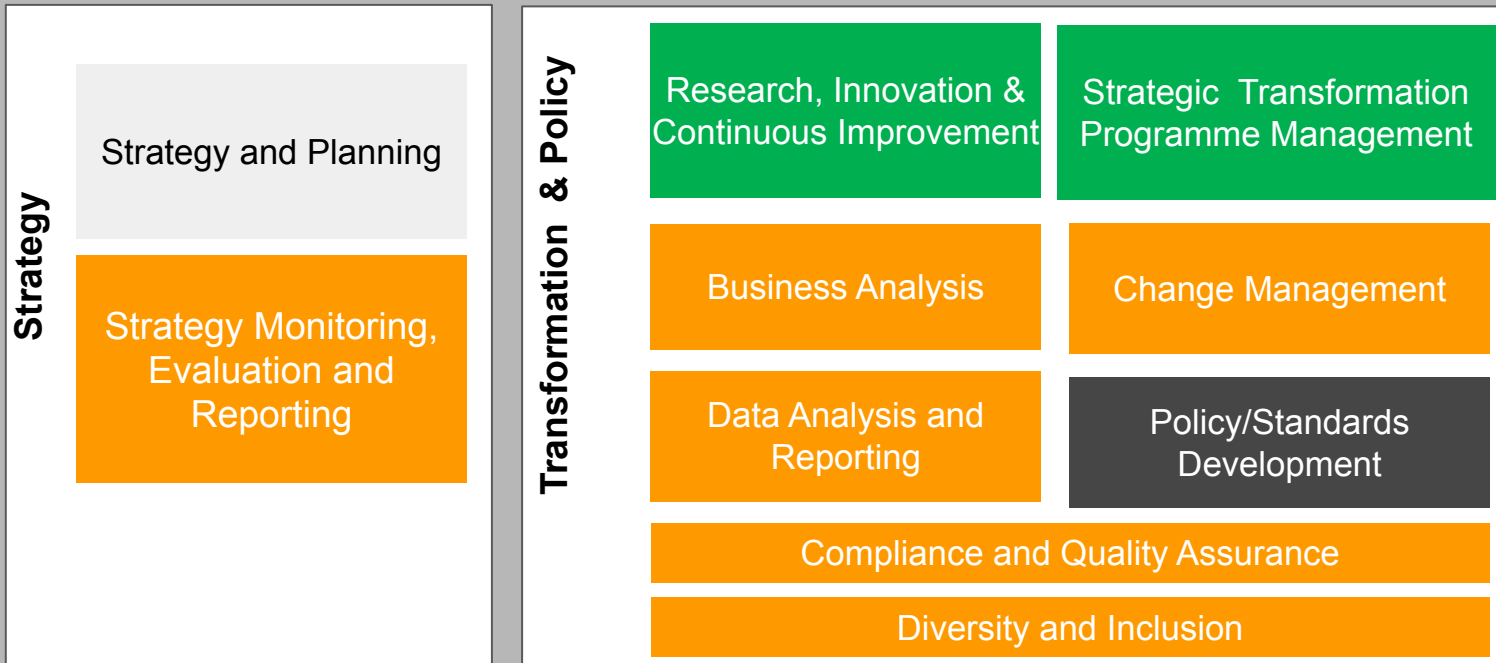
# CF Drivers



## CF Drivers



### Strategy and Transformation



# CF Enablers

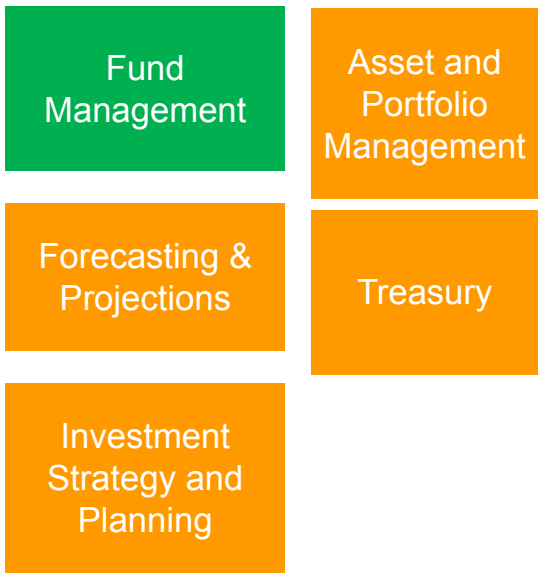


## CF Enablers

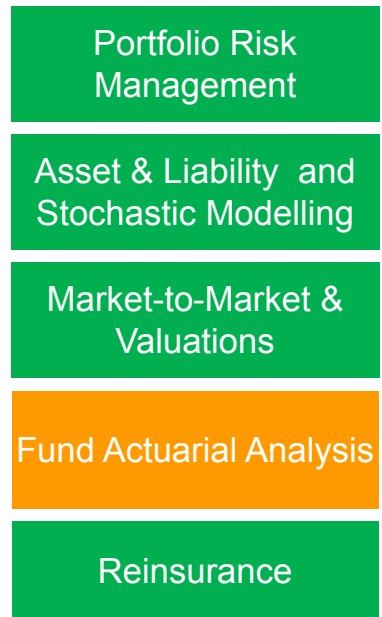


### Investment and Fund Management

#### Investment Asset Management



#### Liability and Risk





# CF Corporate Governance

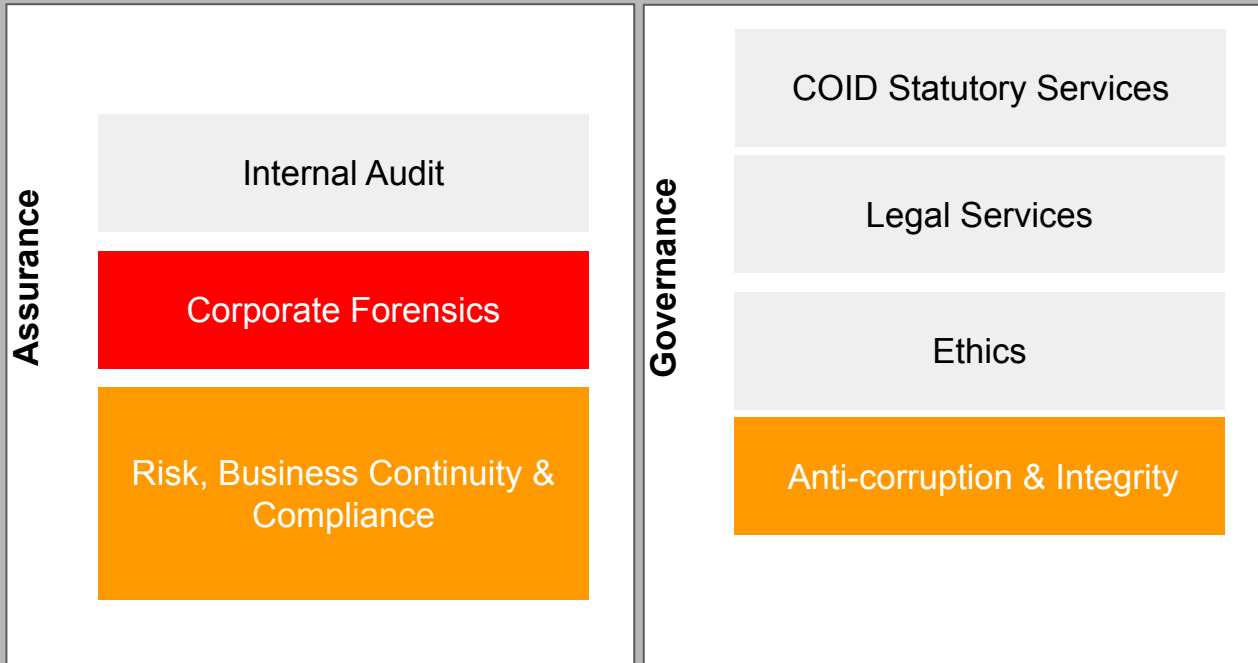


## CF Corporate Governance



Executive Support

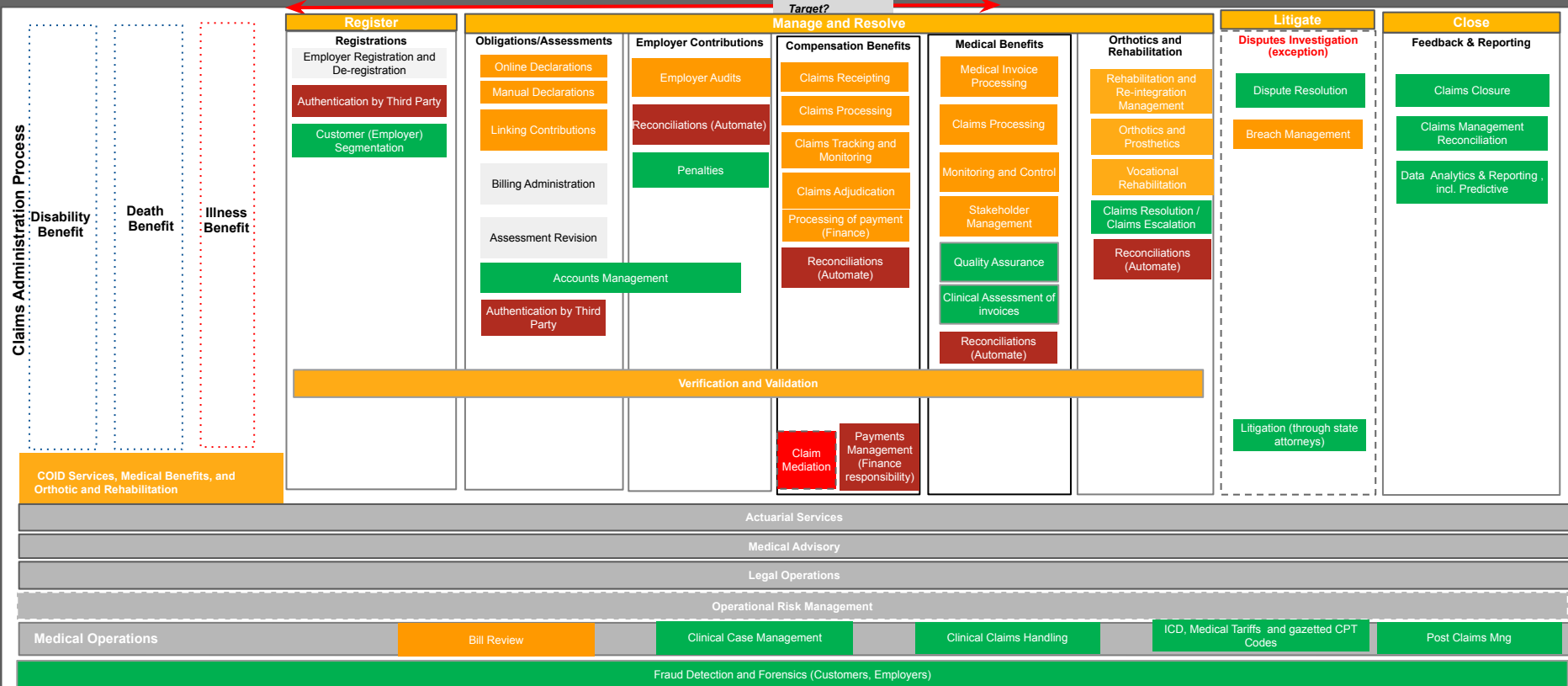
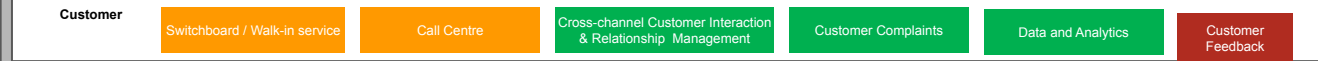
### Corporate Governance and Assurance



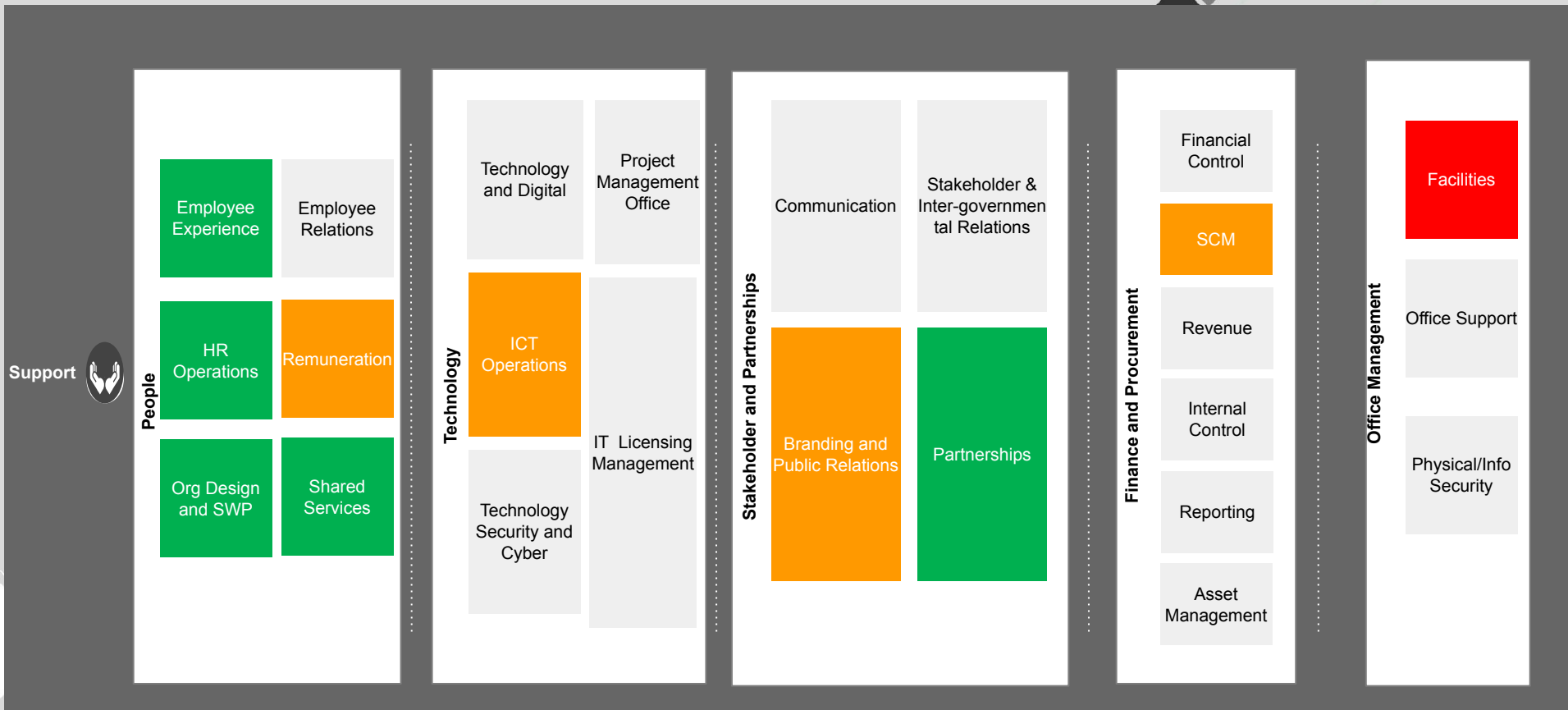
# CF Claims

## Customer Experience

CF Benefits  
(Occupational Injuries and Diseases)



# CF Support



Quality Management

# Key changes to CF Conceptual Model



## Strategy and Transformation Office

- Currently the **Strategy and Policy Development** responsibility is **split across the different functions within CF**.
- Given this the strategy capability is diluted and it is not given the attention that it deserves.
- There are also **capacity constraints in Organisational Effectiveness, Executive Support and Medical Services** when it comes to strategy and policy development.
- Therefore there is a need to **focus this function** and to ensure that responsibility can then sit within one area, with input being received from the other Directorates, thus the need for the **Strategy and Transformation office**.
- It is also **proposed that Organisational Effectiveness moves into the Strategy and Policy and Transformation**. According to Business this is a strategic capability that needs to be elevated. **Organisational Design and Job Evaluation will then move out of Organisational Effectiveness and sit within the People Capability under Corporate Services**.
- Based on feedback from business, the **research capability needs to be enhanced** as it is under-resourced and currently the responsibility sits across a few areas within the organisation.
- **Innovation** was highlighted as key by business, therefore it has been grouped together with research and continuous improvement.
- **Diversity and Inclusion** was highlighted as key by the CF leadership team, therefore it has been elevated to the Strategy and Transformation and Policy

## Investment and Fund Management

- This function is **currently within the COID Directorate (core business)**, however as advised by Business, it needs to be **elevated** and resources need to be **recruited**.
- **Currently** there are **mostly Contractors** executing this function.
- Investment Management is externally managed by the PIC. However, the CF needs to have functions and capabilities in-house that will enable the entity to monitor the performance of these investments.
- **Technology** within this function also needs to be **enhanced** so that the function can operate optimally.
- Given the **strategic intent of the Fund** and from a sustainability perspective Investment and Fund Management needs to be focused and elevated within Compensation Fund.



# Key changes to CF Conceptual Model

## Corporate Governance and Assurance

- It is proposed that Internal Audit still remain independent however it will be housed within Corporate Governance and Assurance.
- It is proposed that **Corporate Forensics be outsourced**, given the sensitivity and objectivity required, from a best practice perspective, this makes logical sense. It is currently under Anti-Corruption and Integrity.
- **Risk Management** which includes Enterprise Risk Management, Compliance and Business Continuity is currently on its own, it is proposed that it is **housed under Corporate Governance and Assurance**.
- **Executive Support** is currently on its own, it is recommended that it still perform its function, and remain independent.
- **Legal services** is currently under Corporate Services, it is proposed that it be **elevated** to the governance function, given the strategic importance of this capability. Legal Services will take care of all corporate legal matters. Business has also proposed introducing a **debt collection function** that will assist the CF to recover funds owed to them. The call centre aspect can be outsourced.
- **Anti-corruption & Integrity** is on its own currently it is proposed that it **moves into Governance** to ensure that the organisation is covered from a pro-active perspective and that it is not just reactive in nature.
- Structurally, **COID Statutory Services** is currently a function sitting within Employer Services however operationally the Function is sitting within DEL. It is proposed that this function be moved into the Compensation Fund to sit in the **Governance Office** as COID Statutory Services will deal with the enforcement of the COID Act in its entirety, and will therefore be a function that is servicing the whole Fund (similar to Legal Services, Internal Audit, Risk Management).
- Business indicated a need to have **financial audit** as a new capability.

## Customer Experience

- It is proposed that **Customer Care** continues to sit within Operations, given that it would need to be close to the claims process and elevated to provide a customer centric experience.
- There are part of the **call centre** being **outsourced**, it is proposed that the entire call centre be outsourced in the long term. This is also aligned with best practice. However, in the short term the call centre will need to be insourced.

# Key changes to CF Conceptual Model

## Claims

- There are proposed **digital capabilities of third party verification and reconciliations and well as payment automation and customer feedback.**
- There is also the introduction of a number of **new medical claims capabilities.**
- **Litigation will also be done through state attorneys.**
- Given the scope, **Medical services can be renamed to Medical Advisory** and it will run across the entire claims value chain.
- It was suggested by Business that **Vocational Rehab** best fits in at the end of the claims process. Given that it is a strategic programme, it will then be managed by the **Strategy and Transformation Office.**
- **Orthotics and Prosthetics** could potentially fit into **Medical Advisory** and the capability of Programme Management could move into the Strategy and Transformation office.
- **Programme management** is suggested to move **out of COID Compensation and rather sit within the Strategy and Transformation Office.**
- **Quality Management, Quality Assurance and Risk Management** will run across the claims value chain.

## People

- This function currently encompasses **HRM and OE.** **It was suggested that OD will remain within this function under corporate support within the People Management function,** while the other elements will move into the Strategy and Transformation Office.
- A **shared services model** is suggested within this capability from best practice perspective, however it was also alluded to by Business.

# Key changes to CF Conceptual Model

## Technology

- There are some capacity constraints within ICT.
- It was also requested by Business to **move knowledge management out of ICT** and into **records management**.
- A fairly matured function, given the specialist skills and expertise in this function.

## Stakeholder and Partnerships

- **Business partnering** is a capability within this function that is needed according to Business, therefore this has been introduced as it is also aligned to best practice.
- **Inter-governmental relations** is also key for this function.
- There is also a need for **media monitoring** within this function.
- **Communication and Stakeholder Management** will remain under **Corporate Services**.

## Finance and SCM

- **SCM** currently sits under Financial Management, there have not been many changes other than enhancing current capabilities.
- There is a need to enhance the **financial Control capability** and include possible automation.
- **Financial Reporting and Revenue Management** will remain within Finance.

## Office Management

- **Telecoms** needs to move out of Support Services and into ICT as per discussions with Business.





# Functional Structures



# CF Proposed Transformation Functional Structure

**Purpose:** To provide independent appraisal of the adequacy and effectiveness of the organisational performance and financial control, to develop and implement an internal audit program and plan for each financial year. To ensure Economy, Efficiency and Effectiveness (EEE's).

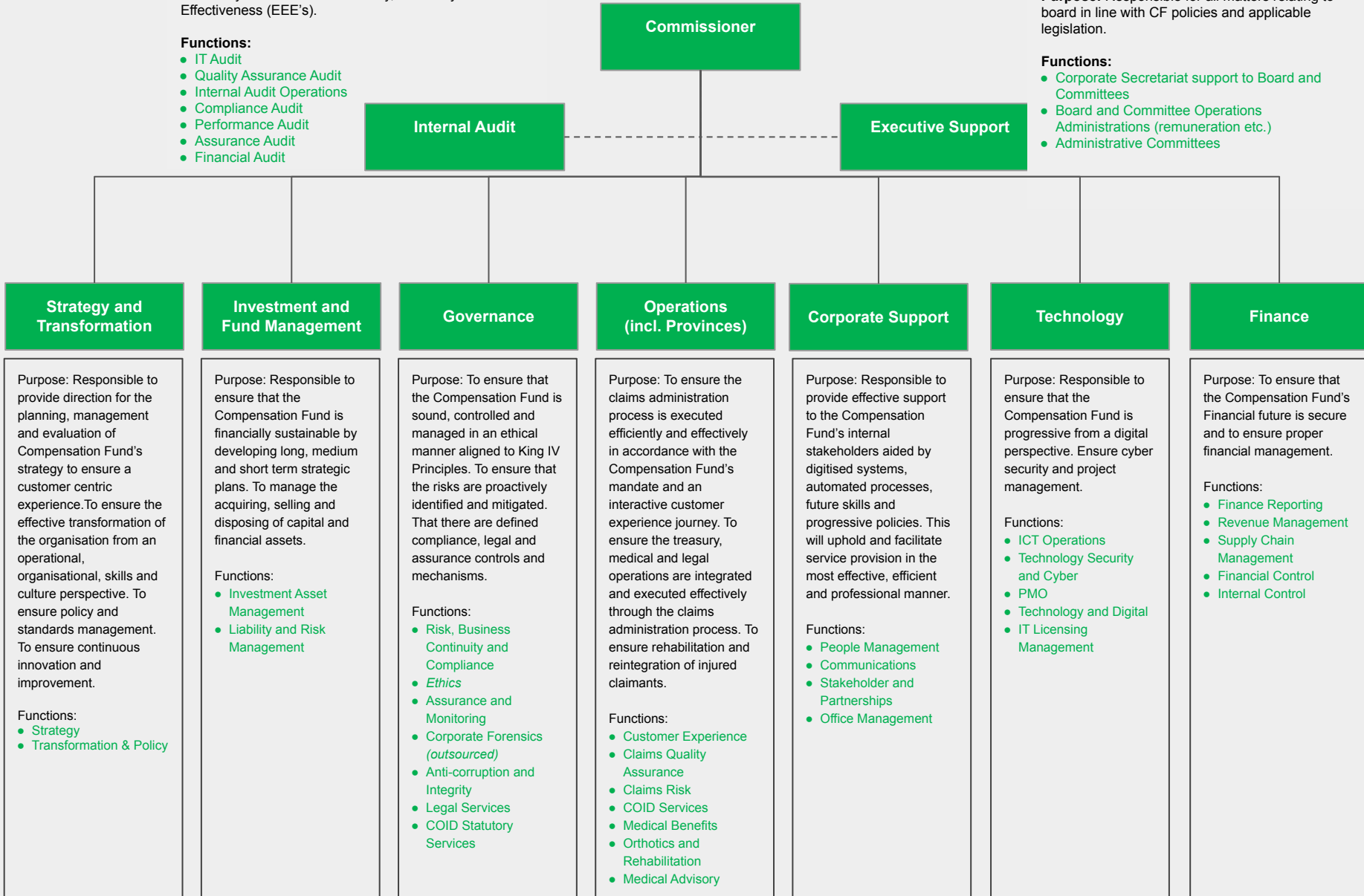
**Functions:**

- IT Audit
- Quality Assurance Audit
- Internal Audit Operations
- Compliance Audit
- Performance Audit
- Assurance Audit
- Financial Audit

**Purpose:** Responsible for all matters relating to board in line with CF policies and applicable legislation.

**Functions:**

- Corporate Secretariat support to Board and Committees
- Board and Committee Operations Administrations (remuneration etc.)
- Administrative Committees



**Strategy and Transformation**

Purpose: Responsible to provide direction for the planning, management and evaluation of Compensation Fund's strategy to ensure a customer centric experience. To ensure the effective transformation of the organisation from an operational, organisational, skills and culture perspective. To ensure policy and standards management. To ensure continuous innovation and improvement.

- Functions:**
- Strategy
  - Transformation & Policy

**Investment and Fund Management**

Purpose: Responsible to ensure that the Compensation Fund is financially sustainable by developing long, medium and short term strategic plans. To manage the acquiring, selling and disposing of capital and financial assets.

- Functions:**
- Investment Asset Management
  - Liability and Risk Management

**Governance**

Purpose: To ensure that the Compensation Fund is sound, controlled and managed in an ethical manner aligned to King IV Principles. To ensure that the risks are proactively identified and mitigated. That there are defined compliance, legal and assurance controls and mechanisms.

- Functions:**
- Risk, Business Continuity and Compliance
  - Ethics
  - Assurance and Monitoring
  - Corporate Forensics (outsourced)
  - Anti-corruption and Integrity
  - Legal Services
  - COID Statutory Services

**Operations (incl. Provinces)**

Purpose: To ensure the claims administration process is executed efficiently and effectively in accordance with the Compensation Fund's mandate and an interactive customer experience journey. To ensure the treasury, medical and legal operations are integrated and executed effectively through the claims administration process. To ensure rehabilitation and reintegration of injured claimants.

- Functions:**
- Customer Experience
  - Claims Quality Assurance
  - Claims Risk
  - COID Services
  - Medical Benefits
  - Orthotics and Rehabilitation
  - Medical Advisory

**Corporate Support**

Purpose: Responsible to provide effective support to the Compensation Fund's internal stakeholders aided by digitised systems, automated processes, future skills and progressive policies. This will uphold and facilitate service provision in the most effective, efficient and professional manner.

- Functions:**
- People Management
  - Communications
  - Stakeholder and Partnerships
  - Office Management

**Technology**

Purpose: Responsible to ensure that the Compensation Fund is progressive from a digital perspective. Ensure cyber security and project management.

- Functions:**
- ICT Operations
  - Technology Security and Cyber
  - PMO
  - Technology and Digital
  - IT Licensing Management

**Finance**

Purpose: To ensure that the Compensation Fund's Financial future is secure and to ensure proper financial management.

- Functions:**
- Finance Reporting
  - Revenue Management
  - Supply Chain Management
  - Financial Control
  - Internal Control

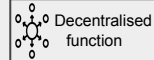
# Functional Grouping: Internal Audit and Executive Support

New function

Combined function



Centralised function



Decentralised function

Enhanced function

Digitised Function

Outsourced Function

Moved and Enhanced

Office of the Commissioner

Office of the Commissioner

Internal Audit

Executive Support

- **Purpose:** To provide independent appraisal of the adequacy and effectiveness of the organisational performance and financial control, to develop and implement an internal audit program and plan for each financial year. To ensure Economy, Efficiency and Effectiveness (EEE's).

#### Functions:

- IT Audit
- Quality Assurance Audit
- Internal Audit Operations
- Compliance Audit
- Performance Audit
- Assurance Audit
- Financial Audit

- **Purpose:** Responsible for all matters relating to board in line with CF policies and applicable legislation.

#### Functions:

- Secretariat support to Board and Committees
- Board and Committee Operations Administrations (remuneration etc.)
- Administrative Committees



Internal Audit

Compliance Audit

Performance Audit

Assurance Audit

Quality assurance & administration

ICT Audit

Financial Audit



Executive Support

Administration

Board & Corporate Secretariat

#### Functional changes:

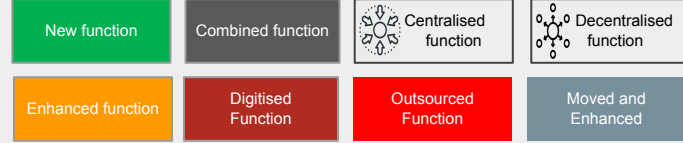
##### Internal Audit:

- Currently reports directly to the Commissioner.
- It is proposed that internal audit still remain independent however it will be housed within Corporate Governance and Assurance.
- While the function is mature there is a need to recruit skills, especially for ICT audits and project assurance.
- Business indicated a need to have financial audit as a new capability.

##### Executive Support:

- Executive Support is currently on its own, it is recommended that it still perform its function, and remain independent.

# Functional Grouping: Strategy and Transformation



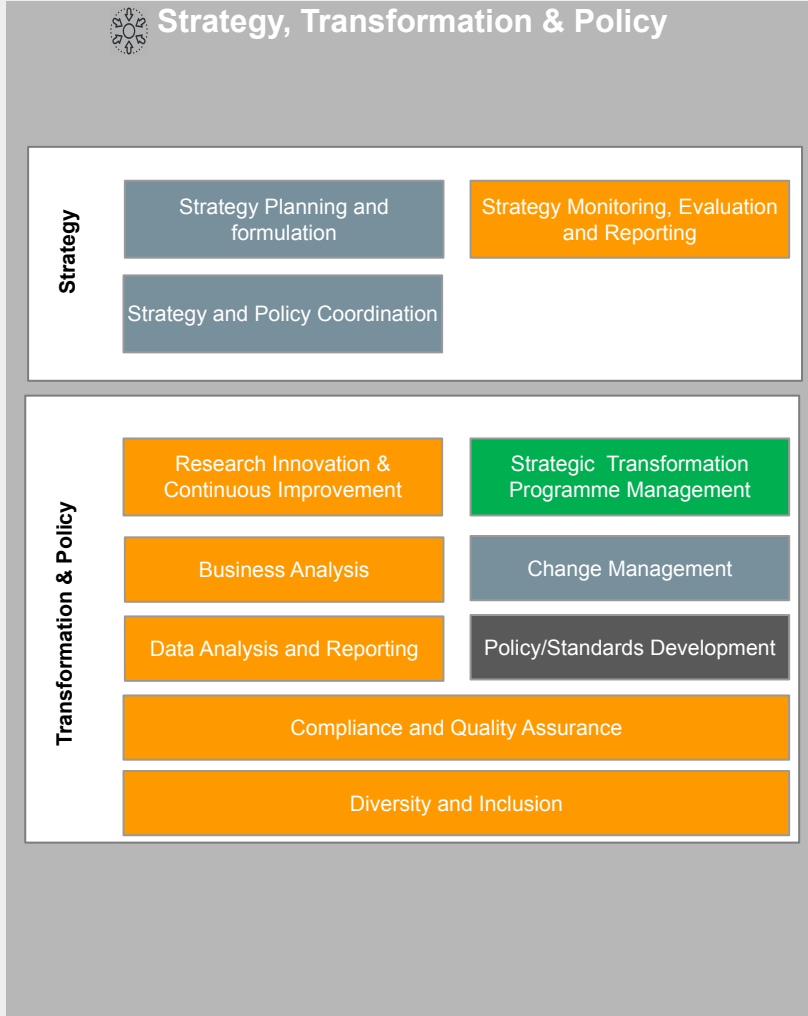
Office of the Commissioner

Strategy and Transformation

**Purpose:** Responsible to provide direction for the planning, management and evaluation of Compensation Fund's strategy to ensure a customer centric experience. To ensure the effective transformation of the organisation from an operational, organisational, skills and culture perspective. To ensure policy and standards management. To ensure continuous innovation and improvement.

**Functions:**

- Strategy
- Organisational Transformation & Policy



**Functional changes**

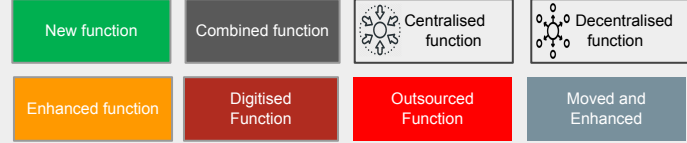
**Strategy**

- Currently the **strategy and policy development responsibility is split across Directorates** within CF. Therefore the need to focus this function, there are a number of organisations globally and within the South African context that are seeing the need for a strategic office to be established. Each Directorate will still be responsible for providing input into the strategy as this will be included in their job descriptions. However the **strategy and transformation office** will be responsible for the formulation and co-ordination of the overall strategy.

**Transformation & Policy**

- It is also proposed that **Change management and Business Improvement currently within Organisational Effectiveness moves into the strategy office, according to Business this is a strategic capability that needs to be elevated. Org Design and Job Evaluation** will then **move out of OE** and sit within the **People Capability under Corporate Services**.
- Based on feedback from business, the **research capability** needs to be enhanced as it is under-resourced and currently the responsibility sits across a few areas within the organisation. **Innovation and continuous improvement** are areas that are not focused and responsibility is currently scattered. **Data Analysis and Reporting** will ensure that information is constantly updated and provided in the form of reports to the transformation and policy office.
- **Diversity and inclusion** has been elevated to ensure that it plays a strategic and transformational role in the organisation as a whole.
- The **policy and standards development** is a combined function and it has been elevated to the strategic office, given the strategic importance. Currently it is diluted and sitting in a number of different areas.

# Functional Grouping: Investment and Fund Management



Office of the  
Commissioner

Investment and Fund  
Management

Purpose: Responsible to ensure that the Compensation Fund is financially sustainable by developing long, medium and short term strategic plans. To manage the acquiring, selling and disposing of capital and financial assets.

- Functions:
- Fund Management
  - Investment Management
  - Liability and Risk Management
  - Treasury
  - Actuarial Analysis
  - Reporting
  - Securities Management



## Functional changes:

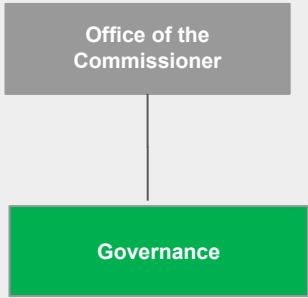
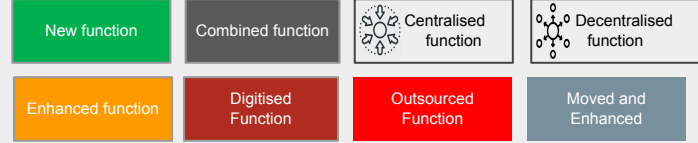
### *Investment and Fund Management*

- Given the strategic intent of the Fund and from a **sustainability** perspective, **Investment and Fund Management** needs to be focused and elevated within Compensation Fund.
- This function currently sits within the **COID Directorate**, however as advised by Business, it needs to be **elevated** and have resources recruited.
- Investment Management is externally managed by the PIC. However there are some functions underneath Investment Management that are better executed internally, ie Investment Portfolios and Performance and Investment Compliance.
- **Investment Strategy & Formulation** is outsourced, according to business ideally should be done externally, to remove bias and ensure it's objective. However based on best practice this function should be insured.
- **Securities management** has moved out of Compensation Benefits and as per business it would be ideally placed with Treasury.
- **Asset Governance** has been introduced to ensure proper governance within this function.

### *Liability and Risk Management*

- Currently there is an external service provider providing the services for actuarial services. It is proposed that this is insourced for better management and control.
- Fund Actuarial Analysis has been elevated, additionally a reporting component has been added to it.

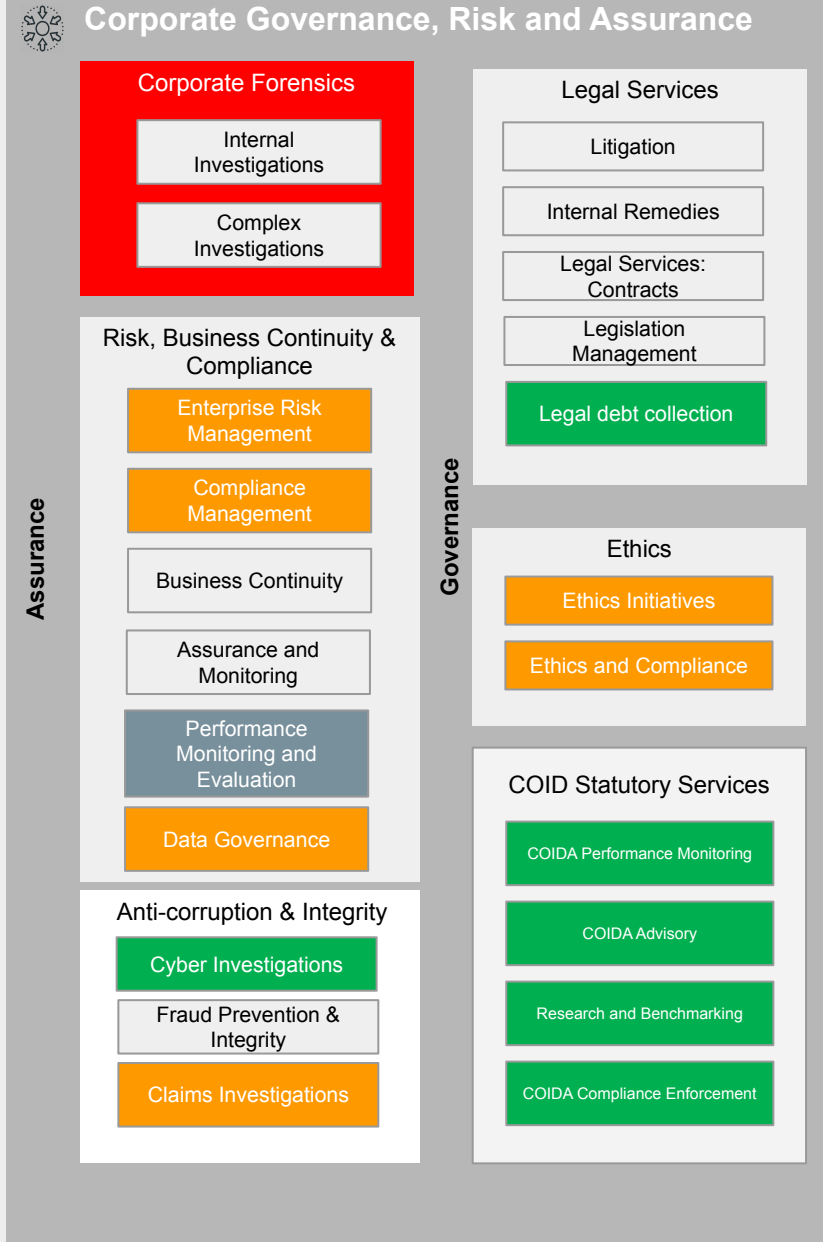
# Functional Grouping: Governance



Purpose: To ensure that the Compensation Fund is sound, controlled and managed in an ethical manner aligned to King IV Principles. To ensure that the risks are proactively identified and mitigated. That there are defined compliance, legal and assurance controls and mechanisms.

Functions:

- Enterprise Risk Management
- Ethics
- Assurance and Monitoring
- Corporate Forensics (outsourced)
- Anti-corruption and Integrity
- Legal Services



**Functional changes**

**Corporate Forensics:**

- It is proposed that Corporate Forensics be outsourced, given the sensitivity and objectivity required, from a best practice perspective, this makes logical sense. It is currently under Anti-Corruption and Integrity.

**Risk Management:**

- Risk Management which includes Enterprise Risk Management, Compliance and Business Continuity is currently on its own, it is proposed that it is housed under Corporate Governance and Assurance.
- **Performance monitoring** and evaluation has also been elevated and enhanced, it has moved out of executive support.
- **Data Governance** will encompass POPI, PAIA General Data Protection Regulation, and Data Privacy Management.

**Legal Services:**

- Legal services is currently under Corporate Services, it is proposed that it be elevated to the governance function, given the strategic importance of this capability.
- Legal Services will take care of all corporate legal matters. Business has also proposed introducing debt collection and billions can be recovered. The call centre aspect from a legal debt collection perspective can be outsourced.

**Anti-corruption & Integrity:**

- Anti-corruption & Integrity is on its own currently, it is proposed that it moves into Governance & Assurance to ensure that the organisation is covered from a pro-active perspective and that it is not just reactive in nature.
- Ethics will also be elevated and enhanced to play a critical role within the organisation.

**COID Statutory Services**

- Structurally, COID Statutory Services is currently a function sitting within Employer Services however operationally the Function is sitting within DEL. It is proposed that this function be moved into the Compensation Fund to sit in the Governance Office as COID Statutory Services will deal with the enforcement of the COID Act in its entirety, and will therefore be a function that is servicing the whole Fund (similar to Legal Services, Internal Audit, Risk Management).



# Functional Grouping: Operations



Office of the Commissioner

## Claims Operations (incl. Provinces)

Purpose: To ensure the claims administration process is executed efficiently and effectively in accordance with the Compensation Fund's mandate and an interactive customer experience journey. To ensure the benefits, medical and legal operations are integrated and executed effectively through the claims administration process. To ensure rehabilitation and reintegration of injured claimants.

- Functions:
- Customer Experience
  - Claims Quality Assurance
  - Claims Risk
  - COIDA Services
  - Medical Benefits
  - Orthotics and Rehabilitation
  - Medical Advisory

Actuarial Services

Data & Analytics (BI)

### Compensation Benefits

Data Management	Claims Assessments and Adjudications
Systems Administration	Pensions Administration
Training of Employers	Awards Management
	Management of Exempted Employers' Claims (Mutual Associations)
Quality Management	

### Employer Services

Employer Registrations	Employer Assessments Administration
Exempted Employers	Penalties Implementation
Tariff Allocations	Assessment Assurance
Licencing and Transfer to Mutual Associations	Billing Administration
Employer Segmentation	COIDA Compliance Monitoring and Tracking
Third Party Verifications	Employer Audits
De-registrations	Provincial Performance Monitoring
Database Management Maintenance	

### Medical Advisory

Medical Advisory	Research and Development	Managed Care
Monitoring and Evaluation	Stakeholder Management	Medical Pre-Authorisation
Compliance Management	Quality Assurance	Pharmaceutical Management

### Orthotics and Rehabilitation Services

Orthotics & Prosthetics	Rehabilitation and Reintegration
Prosthetic & Orthotic Device Pre-Authorisation	In-Patient Rehabilitation
Physiotherapy	Outpatient Rehabilitation
Research	Rehabilitation Advisory
Compliance Management	Multi-disciplinary Rehabilitation
Reporting	Clinical Rehabilitation
Quality Assurance	Social Rehabilitation
Vocational Rehabilitation	Rehabilitation Risk Management
Training and Development	External Monitoring and Compliance (Employers, Beneficiaries, MSPs)
Placement Facilitation	
Enterprise Development	
Bursaries	
Research and Development	
Programme Management	
Monitoring and Evaluation	
Stakeholder Management	
Case Management	

### Customer Experience

Client Support	Call Centre
Complaints Management	Inbound and Outbound
Referrals	
Project Management	
Customer Experience Centres	
Key Accounts Management	
Debt Collection Centre	
Tracing	
Support and Maintenance: Business Management	

### Quality Assurance

Assurance Duty	Back Office (inc Provinces)
Monitoring and Reporting	

Systems Administration: Technical Support	Document Management
Workforce Management	

### Medical Claims

Medical Invoice Processing	Monitoring and Control
Claims Processing	Clinical Assessment of invoices
Quality Assurance	Stakeholder Management
	Risk Management

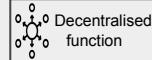
### Medical Billing and Coding

Medical Tariffs	Clinical Coding	Stakeholder Management
Monitoring and Control	Compliance Management	Risk Management
Quality Assurance		

# Functional Grouping: Operations

New function

Combined function



Enhanced function

Digitised  
Function

Outsourced  
Function

Moved and  
Enhanced

## Functional changes

### *COID Services*

- Treasury, Investments and Actuarial (TIA) Services is currently a Directorate within COID Services. Business proposed that it be moved out of COID Services. **TIA has been moved out of COID Services and has been elevated to the Investment and Fund Management functional grouping.**

### *Compensation Benefits*

- Compensation Benefits indicated that they conduct Advocacy sessions with external stakeholders, and therefore requested that **Advocacy** be added as a capability within Compensation Benefits. It is proposed that this capability be moved out of Compensation Benefits and should be **owned by Communications and Stakeholder Management**. Compensation Benefits will provide technical input into the process but the function/capability should be owned by the Communication and Stakeholder Management Directorate so that Compensation Benefits can focus on its core business
- Compensation Benefits also indicated '**in-house training**' as a current capability. It is proposed that this move out of Compensation Benefits and into Human Resources Development training and development function. Compensation Benefits can provide technical input into the training, but the function should ultimately be owned by HRD so that Compensation Benefits can focus on its core business
- Compensation Benefits indicated that they also conduct training for external stakeholders (employers) on claims matters, COID claims, processes and procedures. It is proposed that that this specific training function remain in Compensation Benefits as it is part of the core business
- Compensation Benefits indicated Complaints Management as a current capability. It is proposed that **Complaints Management be handled centrally within Customer Care**. Customer Care will then refer the complaint to the relevant owner within Compensation Fund
- It is proposed that the **Pensions Payroll** function that is currently under Compensation Benefits **sit in Financial Control**- Compensation Benefits will deal with the Pensions Administration, however the Pensions payments will be executed in Financial Control.
- Business proposed that **Section 88 (COIDA and Admin Costs) as well as Securities Management move out of Compensation Benefits** and would be best placed under Treasury, Investment and Actuarial Services (TIA)
- **Programme Management** will move out of Compensation Benefits and be housed under the Strategy and Transformation Office.

### *Employer Services*

- Structurally, **COID Statutory Services** is currently a function sitting within Employer Services however operationally the Function is sitting within DEL. It is proposed that this function be moved into the Compensation Fund to sit in the **Governance Office** as COID Statutory Services will deal with the enforcement of the COID Act in its entirety, and will therefore be a function that is servicing the whole Fund (similar to Legal Services, Internal Audit, Risk Management)
- Business proposed that Occupational Health and Safety Services as well as Inspection and Enforcement Services (as they relate to CF) currently sitting under DEL, should be moved into the Compensation Fund under Employer Services as the function is in line with the Fund's mandate of ensuring safe workplaces and ensuring that employers are complying with the COID Act
- **Accounts Management was proposed as a new capability under Employer Services**. However, it is proposed this function sits under Customer Care as Customer Care would handle Accounts Management throughout the Compensation Fund Value Chain (from registration to claims)
- Employer Services indicated that they conduct Advocacy sessions with external stakeholders, and therefore indicated that Advocacy is currently a capability within Employer Services. It is proposed that this capability be moved out of Employer Services and should be **owned by Communications and Stakeholder Management**. Compensation Benefits will provide technical input into the process but the function/capability should be owned by the Communication and Stakeholder Management Directorate so that Employer Services can focus on its core business

### *Medical Benefits.*

- Given its scope, it is proposed that the Medical Services Directorate be renamed to Medical Advisory as it services as a medical advisory structure for the entire Compensation Fun value chain
- Business proposed that the medical payments should be moved from Financial Control into Medical Claims due to various gaps and challenges identified in the process. However, it is proposed that medical payments remain within Financial Control. The Fund should consider how to optimise processes such that there are seamless handoffs between Medical Claims and Financial Control
- Structurally, the Pharmaceutical Management function sits within Rehab and Re-integration. However, business confirmed that operationally, this function is currently sitting with Medical Services. There will be a need to update the organisational structure and job profiles to reflect this functional change.
- In relation to the Medical Billing and Coding function, it indicated there is a heavy reliance on system development that will ensure accurate clinical coding. It is proposed that the clinical coding function remains within Medical Benefits as it is closely linked to the claims adjudication process.

### *Customer Care/ Customer Experience*

- Customer Care indicated that they conduct Advocacy sessions with external stakeholders, and therefore indicated that Advocacy is currently a capability within Customer Care. It is proposed that this capability be moved out of Customer Care and should be **owned by Communications and Stakeholder Management**. Customer Care will partner with Communications and Stakeholder Management in conducting the Advocacy sessions, but the function/capability should be owned by the Communication and Stakeholder Management Directorate.
- **A debt collection centre has been proposed as a new function under Customer Care**. The debt collection centre will work closely with Income Management and Legal Services directorates in the collection and following up of monies owed to the Fund. The Fund will need to consider a comprehensive discussion of roles and responsibilities within these three directorates as it relates to debt collection so that there is no duplication of efforts

# Functional Grouping: Claims Operations

New function

Combined function



Enhanced function

Digitised Function

Outsourced Function

Moved and Enhanced

## Functional changes

### *Orthotics and Rehabilitation*

#### *Vocational Rehabilitation*

- Vocational Rehab will remain as part of the core operations, given its intent and mandate.
- Business indicated that the Compensation Fund is expected to develop a model to ensure the re-employment of persons living with disabilities in South Africa through incentivising employers (businesses) to absorb people living with disabilities- in the form of possible tax breaks for employers who employ patients with disabilities/COID patients. The Fund will need to consider what functions could be put in place to ensure the operationalisation of this model
- Vocational Rehabilitation indicated that there is a need for a Financial Management function within the Directorate. The Fund to consider whether there will be a need for a Finance function under Vocational Rehabilitation if the vendors/service providers are paid and reconciled in Financial Control. The budgeting and reporting is proposed to stay within Vocational Rehabilitation.

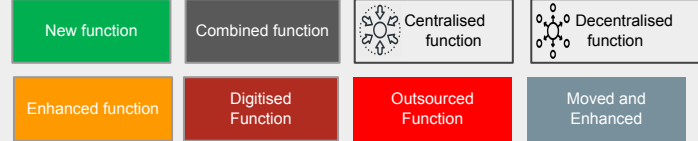
#### *Orthotics and Prosthetics/ Rehabilitation and Reintegration*

- It is proposed that that Orthotics and Prosthetics and Rehabilitation and Reintegration are integrated due to a number of similar capabilities.

### *Overall*

- It is proposed that COID Services, Medical Benefits, Orthotics and Rehabilitation as well as Customer Experience sit under one Chief Directorate (Office of the Chief Operations Office) as these all form part of the core Compensation Fund operations and would be best fit to be run under one unit.
- Data & Analytics (BI) was proposed as a new capability within COID Services, Orthotics and Rehabilitation, Customer Care as well as Medical Benefits and other Directorates outside the claims operations space. It is proposed that this function be centralised in ICT.
- Programme and Project Management were identified as a capabilities within Compensation Benefits, Customer Care, Orthotics and Rehabilitation Services. It is proposed that that these move out of the Directorates and to sit centrally in a Project and Programme Management Office. However, the project management skill would still need to be included in the job profiles of the individual directorates.

# Functional Grouping: Corporate Support - People Management



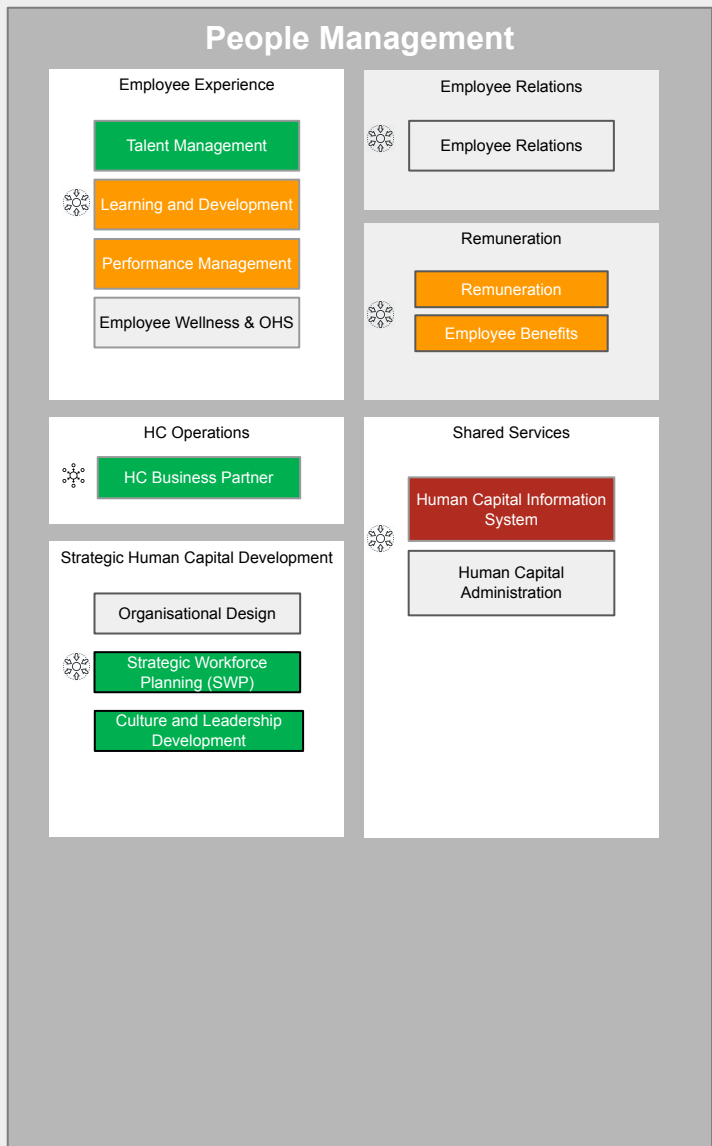
Office of the Commissioner

Corporate Support

**Purpose:** Responsible to provide effective support to the Compensation Fund's internal stakeholders aided by digitised systems, automated processes, future skills and progressive policies. This will uphold and facilitate service provision in the most effective, efficient and professional manner.

**Functions:**

- People Management



**Functional changes**

**People Management**

- This function currently encompasses HRM and OE. It was suggested that OD will remain within this function under corporate support within the People Management function, while the other elements will move into the Strategy and Transformation Office.
- The People Management Function should include several new functions, namely Employee Experience; HR Operations; Human Capital Development and Shared Services.

**Employee Experience**

- Employee Experience become a new sub-function that includes the following capabilities: The new capability **Performance Management**; The existing **Employee Wellness & OHS**; The enhanced **Learning & Development** and the new **Talent Management** capability.
- Talent Management will encompass **Talent Attraction and Succession Management**.
- Learning and Development is enhanced by becoming a centralised capability that will contribute towards **internal training and coordination of external training for all staff and directorates within the CF**.
- It was suggested by Business that Employee Wellness & OHS is executed with the support of a contractor for counselling based on the demand for this type of service.

**HR Operations**

- The introduction of HR Operations is to ensure the **People Management functions at provincial level is executed strategically** and consistently however this remains accountable to the People Management function.

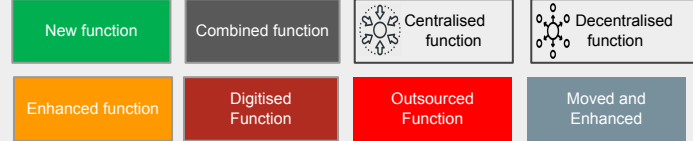
**Human Capital Development**

- Human Capital Development will focus on **driving strategic people sub-functions** such as Culture, Leadership Development, Strategic Workforce Planning, Equity Diversity and Inclusion and Organisational Design.
- Culture and Leadership Development is a **new capability** responsible for driving a people-centric culture that emphasises the human element in decision making processes.
- Strategic Workforce Planning is a **new capability** that will allow the CF to map current and future talent needs in order to deliver on strategic goals.
- Diversity and inclusion has been elevated to the strategy and transformation office.

**Shared Services**

- A **shared services model** is suggested within this capability from best practice perspective, however it was also alluded to by Business. A shared services model refers to a centralised hub for HC administrative and operational duties that are characterised by self-services and automation.
- Human Capital Information System will be a **digitised capability** that will collect and store all employee data within the end-to-end employee life cycle. Enabled by ICT.

# Functional Grouping: Corporate Support - Stakeholder and Partnership Management

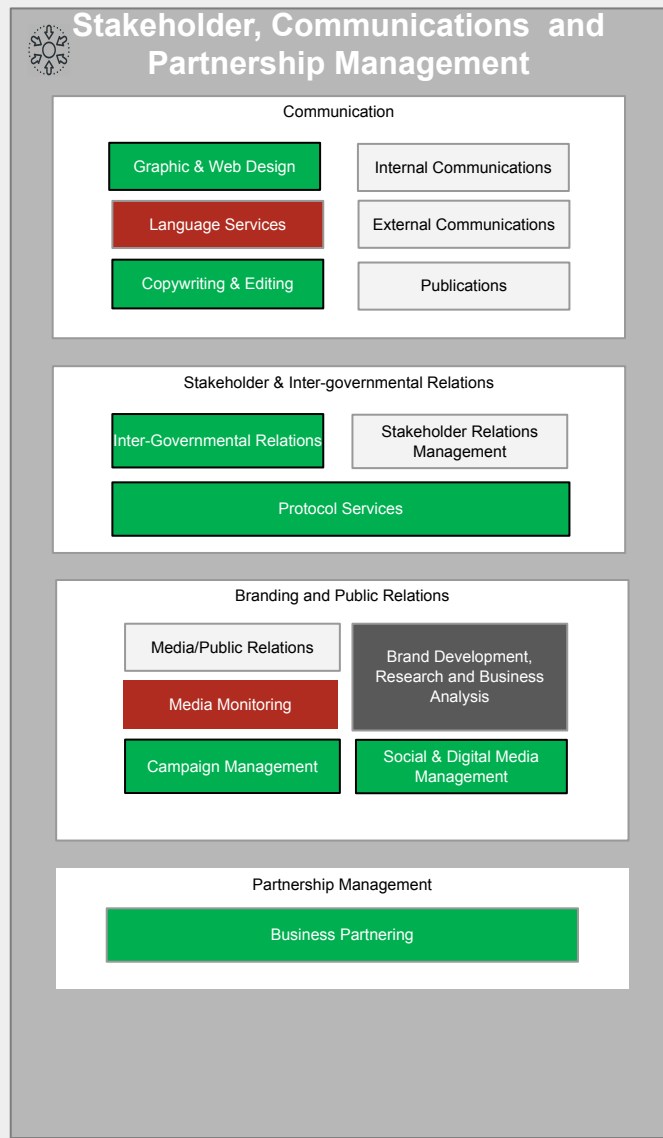


Office of the Commissioner

Corporate Support

**Purpose:** Responsible to provide effective support to the Compensation Fund's internal stakeholders aided by digitised systems, automated processes, future skills and progressive policies. This will uphold and facilitate service provision in the most effective, efficient and professional manner.

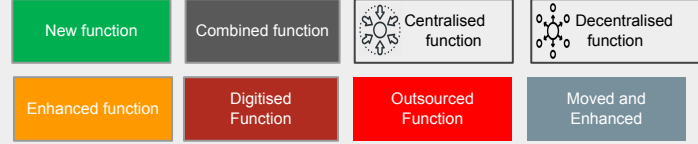
- Functions:**
- Communications
  - Stakeholder and Intergovernmental Relations
  - Branding and Public Relations
  - Partnership Management



- Functional changes**
- Stakeholder and Partnership Management**
- Communication and Stakeholder Management will remain under Corporate Services.
- Communications**
- Business proposed that Graphic & Web Design be introduced as a new capability as there is a dependency on DEL for the CF website.
  - According to the DPSA, language services is recommended as a capability. This can be digitised to specifically translate communications.
  - Copywriting and Editing have also been introduced as a new capability to ensure messaging is done creatively and persuasively and to ensure that all developed content has the correct spelling and grammar used.
  - Internal publications are done by staff (in-house) and external publications are outsourced.
- Stakeholder & Inter-governmental Relations**
- Stakeholder and Intergovernmental Relations will execute capabilities namely, Intergovernmental Relations and Stakeholder Relations Management.
  - Inter-governmental relations is also key for this function and has been introduced.
  - Protocol Services is in charge of organising high level visits and state ceremonies, as well as handling the formalities of international relations.
- Branding and Public Relations**
- Branding and Public Relations is an enhanced function.
  - Media relations currently exists.
  - There is also a need for media monitoring within this function. This can be digitised and linked to the current communication systems.
  - Campaign management is a new capability that has been introduced in line with DPSA recommendations to promote access to information (content gathering, production and dissemination).
  - Brand development, research and Business Analysis is a combined capability that includes the current brand awareness and management as well as new capabilities market research, corporate social responsibility communications and digital communication systems.
  - There is a need for social media resources/ capability within the CF, specifically dedicated to the social and digital media management capability (similar to how DEL currently has dedicated social media staff).
- Partnership Management**
- Business partnering is a capability within this function that is needed according to Business, therefore this has been introduced as it is also aligned to best practice.



# Functional Grouping: Corporate Support - Office Management



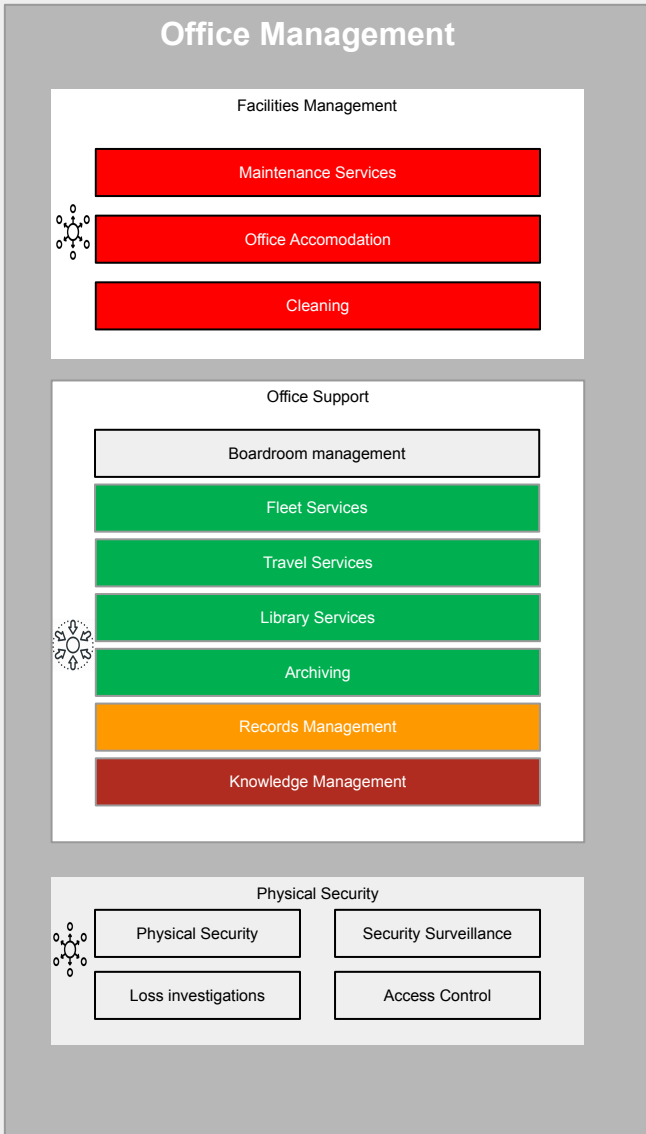
Office of the Commissioner

Corporate Support

**Purpose:** Responsible to provide effective support to the Compensation Fund's internal stakeholders aided by digitised systems, automated processes, future skills and progressive policies. This will uphold and facilitate service provision in the most effective, efficient and professional manner.

**Functions:**

- Office Management



**Functional changes**

**Office Management**

- Information Security has been moved to ICT. DPSA guidelines also show that information security does not sit with the security and facilities function.
- Telecoms needs to move out of Support Services and into ICT as per discussions with Business.

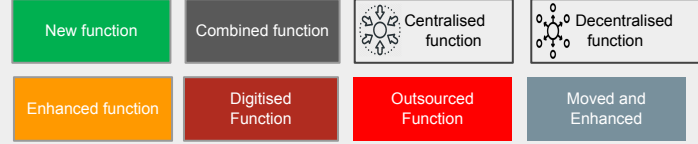
**Facilities**

- Facilities as a function can be outsourced and include maintenance and office accommodation capabilities. Office accommodation includes parking management.

**Office Support**

- Office Support includes boardroom management (venue booking and meeting support).
- Currently Fleet and travel services are outsourced, Business enquired how this can be done internally to save costs. These capabilities were also previously grouped together, Business requested that these be separated.
- Business suggested that records management be a stand alone directorate so that it can get the attention it needs as it is currently under resourced. The creation of functions or new directorates will not guarantee that they will be accurately resourced. The resourcing issue should be addressed in a work study exercise to ensure the accurate resourcing of individuals..
- In reference to another public entities structure, Business enquired whether there should be a library service that sit under records management.
- Archiving and records management was previously combined, these have been separated into two separate capabilities.
- Records Management includes both paper and electronic forms of records.
- Knowledge management has been moved from ICT to Office support. Best practice indicates that knowledge management can sit anywhere within an organisation (e.g. ICT, HR, Operations) and is enabled by ICT and organisational strategy. Knowledge management is also seen more as a skill or role rather than a function, it is something that can also be digitised as a central repository of information.

# Functional Grouping: Technology



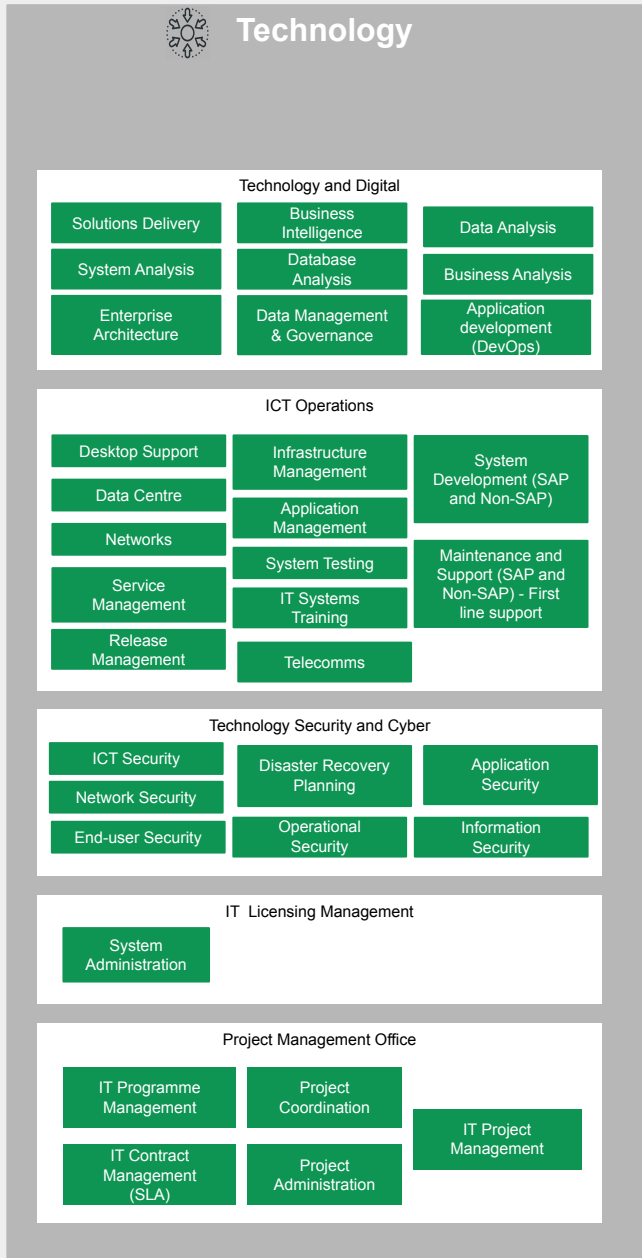
Office of the Commissioner

Technology

**Purpose:** Responsible to ensure that the Compensation Fund is progressive from a digital perspective. Ensure cyber security and project management.

**Functions:**

- ICT Operations
- Technology Security and Cyber
- PMO
- Technology and Digital
- IT Licensing Management



**Functional changes**

**Technology**

- Currently, the CF ICT directorate makes use of internal arrangements and outsourcing from DEL. Internal arrangements refers to secondment support from DEL and outsourcing refers to capabilities that are supplemented by DEL capacity due to CF capacity constraints.
- It was also requested by Business to **move knowledge management out of ICT and into records management**. DPSA guidelines also agree that ICT should enable the knowledge/records management function and should not be their responsibility. Knowledge management has been removed from the Technology's structure and now sits in Records Management.
- Different organizations have different IT needs, but an organisational structure might account for areas like:
  - Tech support
  - Cybersecurity
  - Enterprise architecture
  - Network administration
  - Development operations (DevOps) - A growing area in IT departments for agile software development.

According to DPSA regulation, Information Communication and Technology System departments include ICT planning, alignment, programme management and M&E.

**Technology and Digital**

- Technology and Digital is a capability focussed on application development, business intelligence and digital transformation.
- All business intelligence; data and analytics information will be housed on ICT enabled systems. These capabilities will service all directorates within the CF. All business analysis activities will be completed in the Strategy and Transformation directorate.

**ICT Operations**

- ICT operations includes all daily operations that the ICT team must deliver on.
- The telecommunications capability has been moved from support services (Auxiliary services) to ICT due to its technical nature.

**Technology Security and Cyber**

- Falling victim to cyber attacks can leave a business devastated financially. A dedicated cyber security function can minimise the instances of ICT attacks on information and finances of the CF.
- The information security sub-directorate that currently sits in Support Services has been moved to the ICT directorate.

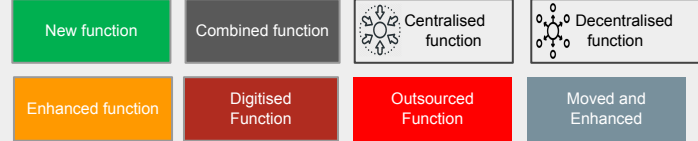
**IT Licensing Management**

- This function will manage all licensing unused technologies within the CF.

**Project Management Office**

- The project management office in Technology is specific to the Technology function and different from the programme management office that is strategy.
- The capabilities under this directorate are project administration, IT contract management, project coordination and IT programme management.

# Functional Grouping: Corporate Support



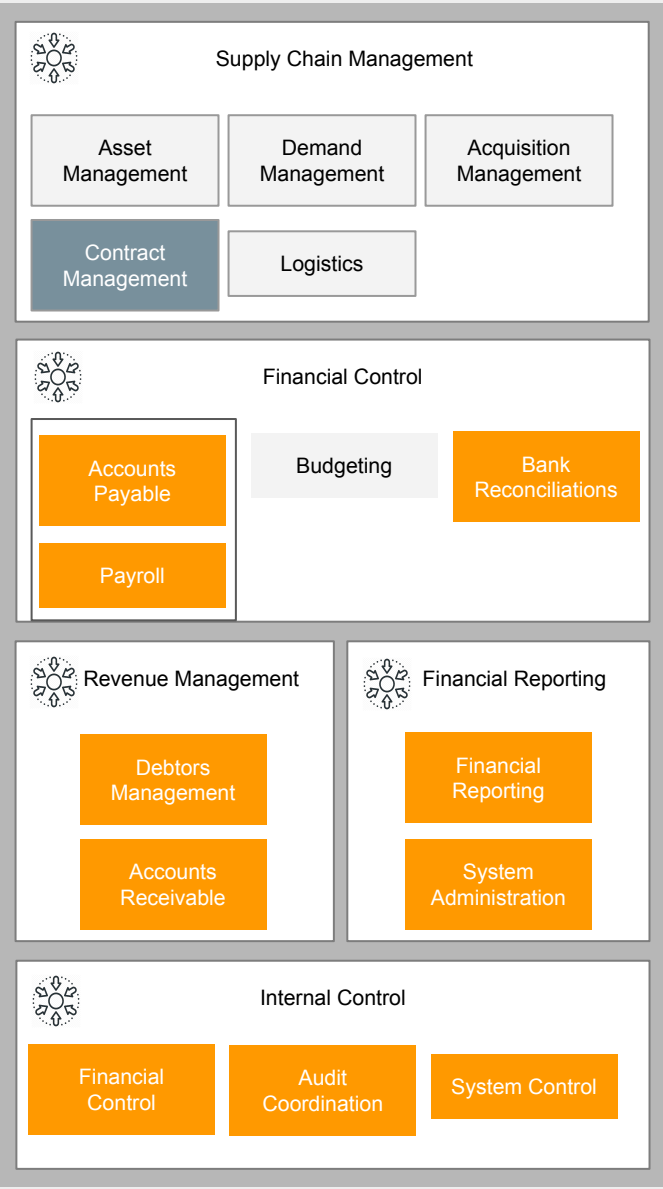
Office of the  
Commissioner

Finance

Purpose: To ensure that the Compensation Fund's Financial future is secure and to ensure proper financial management.

Functions:

- Finance Reporting
- Revenue Management
- Supply Chain Management
- Financial Control
- Internal Control



**Functional changes**

**Supply Chain Management**

- The **Supply Chain Management function** will continue to include Asset Management, Logistics, Demand and Acquisition Management.
  - **Contract Management** is currently being conducted by various departments individually. This capability will move to Supply Chain Management and be enhanced to centrally support the organisation.
  - It has been noted that **Inventory Management** is being conducted, however the process being used is “just in time”, therefore a separate capability was not required.
  - The business has recommended that **Asset Management** be moved out of SCM as to form part of the financial functions as it is more financially focussed. However, leading practice suggests that Asset Management be placed within Supply Chain Management to ensure efficiencies and improved response to the organisation.
- The **Financial Control** function will include the Accounts Payable, Budgeting and Bank Reconciliation capabilities.
  - The **Accounts Payable** function has been enhanced to include the **Payroll** capability. The Payroll Administration for **Pensions** will be completed in the Compensation Benefits function, however, the processing/release of payments will be made by the Payroll function in Finance. In addition. the Payroll function is currently administrative, as many activities are completed by DEL, this function will be enhanced to conduct all Payroll activities for CF.
  - **Bank Reconciliations** has been enhanced to include **Management of Bank Accounts** and liaison with the relevant banks.
- The **Financial Reporting** function has been enhanced to include financial analysis and strategic reporting through technology and data analytics, aligned to the GRAP reporting standards.
- The **Revenue Management** function includes the Debtors Management capability which has been enhanced to include **Debt Collections**, and the **Accounts Receivable** capability will has been enhanced to include the **Business Intelligence** capability to support the organisation.
- The **Internal Control** function has been enhanced to include new capabilities - Audit Coordination, System Control, Financial Misconduct, Financial Compliance Controls, Losses and Claims have been identified as capabilities to bolster the function.



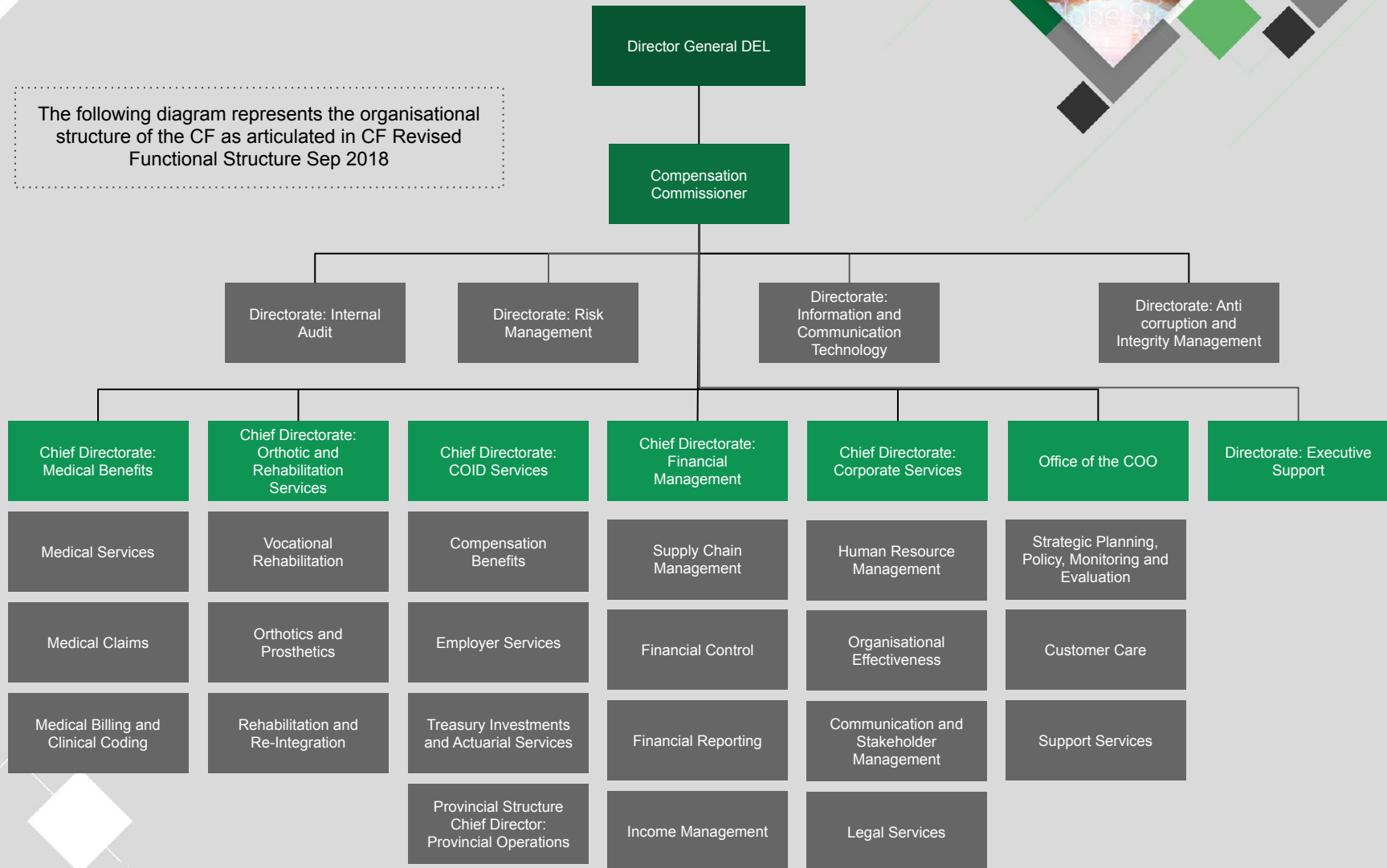


# Macro (leadership) Structure



# Current “As-Is” Compensation Fund Organisational Structure

The following diagram represents the organisational structure of the CF as articulated in CF Revised Functional Structure Sep 2018



# Key considerations for the proposed Macro structure

The following were considered during the process of the development of the Macro structure:

- The composition of roles recommended in the leadership structure is intended to ensure alignment and support delivery of the conceptual model.
- The proposed macro structure followed the recommended functional structure.
- New roles have been identified based on the operating model capability gap analysis, while some of the roles were offset after calibrating the baseline organisational structure.
- The leadership structure encompasses 3 levels
  - Executive Manager
  - Senior Manager
  - Manager
- The span of control should be calculated based on the specific organisation, the manager's specific responsibilities and budget they manage. However, the following benchmark was taken into consideration:
  - Executive Manager 1 : 10
  - Senior Manager 1 : 10
  - Manager 1:10
  - Where there is a 1 to 1 reporting at a Manager/Senior Manager level, please note that when the microstructure is designed that will be updated.
- The **CF Act and PFMA state that the Accounting Officer** is accountable for CFs financial performance therefore the assumption is that the delegation is the prerogative of the Commissioner. The recommendation is that the Funds financial responsibility be delegated by the Chief Finance Officer where deemed necessary.
- The Executive and Board Secretariat role within Executive Support will continue to support the board and CF's Leadership.
- Job grading is not included within the scope of the project, but should unbundling take place then the job grading system should be reviewed to align to best practice.





# Strategy and Transformation

## Purpose of the Function:

Responsible to provide direction for the planning, management and evaluation of Compensation Fund's strategy to ensure a customer centric experience. To ensure the effective transformation of the organisation from an operational, organisational, skills and culture perspective. To ensure policy and standards management. To ensure continuous innovation and improvement.

Key:

Function/Capability

Role

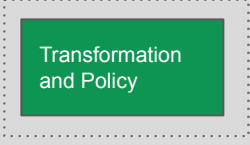
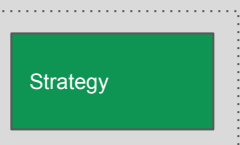
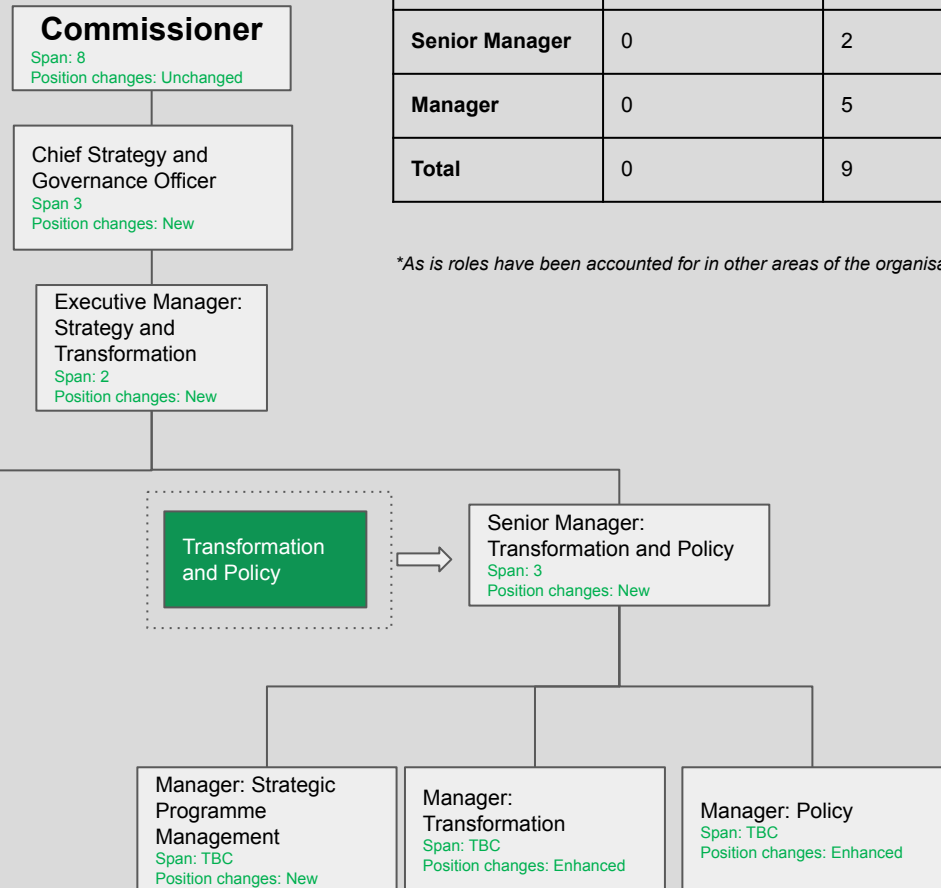
Outsourced Function

## Macro Structure Key Changes/Considerations

- Research, innovation and continuous improvement encompasses business analysis
- There are three Managers recommended to focus on transformation, strategic programme management and policy.
- Manager: Transformation will focus on Change Management; Business Analysis, Research, Innovation Continuous Improvement, Data Analysis and Reporting.
- Manager: Policy will focus on policy, compliance and quality assurance
- Manager: Strategic Programme Management will focus on the project management of all strategic projects within the Fund.
- There was one Director for Strategy and Policy, however given the transformation element, we have now proposed two Senior Managers in this office.
- There was also three Deputy Directors, however based on additional functions, this has increased to five Managers.

Role	As is Number of Roles	To-be Number of Roles
GCOO	0	1
Executive Manager	0	1
Senior Manager	0	2
Manager	0	5
<b>Total</b>	0	9

\*As is roles have been accounted for in other areas of the organisation.



# Entity Secretariat

## Purpose of the Function:

Responsible to provide strategic advice and support to the board and management committees, as well as to oversee and direct the execution of all required official corporate filings, documents, reports and records according to applicable laws and regulations.

Key:

Function/Capability

Role

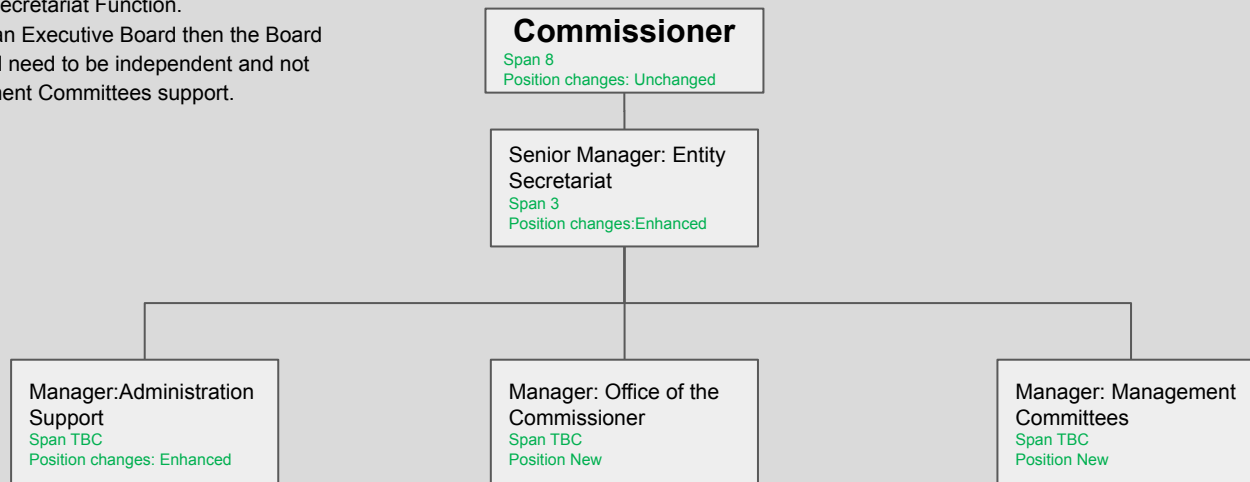
Outsourced Function

## Macro Structure Key Changes/Considerations

- Executive Support has been renamed to Entity Secretariat based on additional capabilities.
- A specialist office of the Commissioner should be considered in the microstructure development
- Manager: Office of the Commissioner will be responsible for acting as a trusted advisor and operator for the Commissioner. This role will provide high-level strategic support to the Commissioner in planning, executing, and ensuring the success of the Commissioner's mandate.
- Currently there is a Director and three Deputy Directors under Executive Support. It is proposed that the Entity Secretariat remain at a Senior Management level, with two Managers'.
- The PMO function currently in Executive Support has been moved to the Strategy and Transformation Office.
- A Manager for Management Committees has been included in the Entity Secretariat Function.
- If the Board becomes an Executive Board then the Board Secretariat function will need to be independent and not coupled with Management Committees support.

Role	As is Number of Roles	To-be Number of Roles
Executive Manager	0	0
Senior Manager	1	1
Manager	3	3
<b>Total</b>	<b>4</b>	<b>4</b>

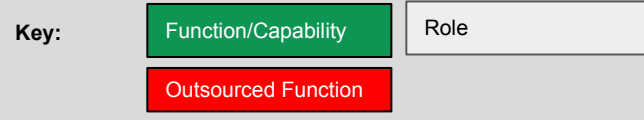
\*As is roles have been accounted for in other areas of the organisation.



# Governance and Assurance

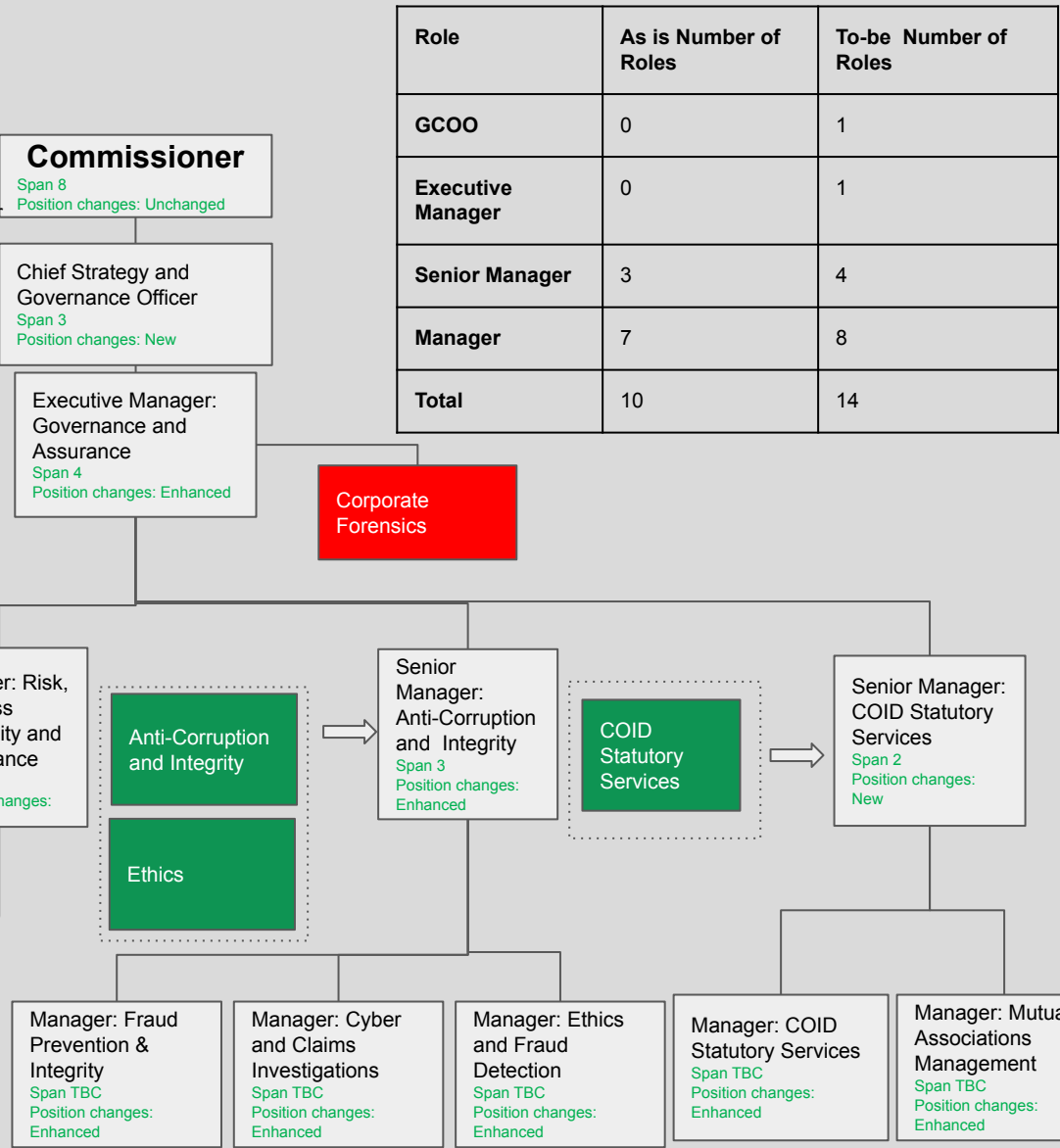
## Purpose of the Function:

To ensure that the Compensation Fund is sound, controlled and managed in an ethical manner aligned to King IV Principles. To ensure that the risks are proactively identified and mitigated. That there are defined compliance, legal and assurance controls and mechanisms.



## Macro Structure Key Changes/Considerations

- Legal Services is currently under Corporate Support with one Director. We propose adding one Manager below the Senior Manager.
- Currently there is one Director within Risk Management with two Deputy Directors and there will now be 1 Senior Manager and 2 Managers'.
- Currently, there is one Director and two Deputy Directors within Anti-Corruption and Integrity Management, and there will now be 1 Senior Manager and 2 Managers'. It is proposed that the name Fraud Investigations be changed to Claims and Cyber Investigations, so as not to confuse the name with Corporate Forensics. Ethics will fall under the Senior Manager Fraud Prevention and Integrity.
- COID Statutory Services has been elevated, and there will be a Senior Manager and one Manager. Currently there is only one Deputy Director.
- Risk Management reports to the Risk Committee and reports to the Commissioner administratively. The Risk Management function being under Executive Manager: Governance and Assurance should not affect its independence. Treasury Regulations were consulted in the development of the structure.
- Ethics Manager has been added
- Inspectors will be included in the function of COID statutory services.



Role	As is Number of Roles	To-be Number of Roles
GCOO	0	1
Executive Manager	0	1
Senior Manager	3	4
Manager	7	8
<b>Total</b>	10	14

# Internal Audit

## Purpose of the Function:

Responsible to provide independent appraisal of the adequacy and effectiveness of the organisational performance and financial control, to develop and implement an internal audit programs and plan for each financial year. Provide consulting internal audit services on the efficiency and effectiveness of the systems of internal controls, risk management and governance processes.

Key:

Function/Capability

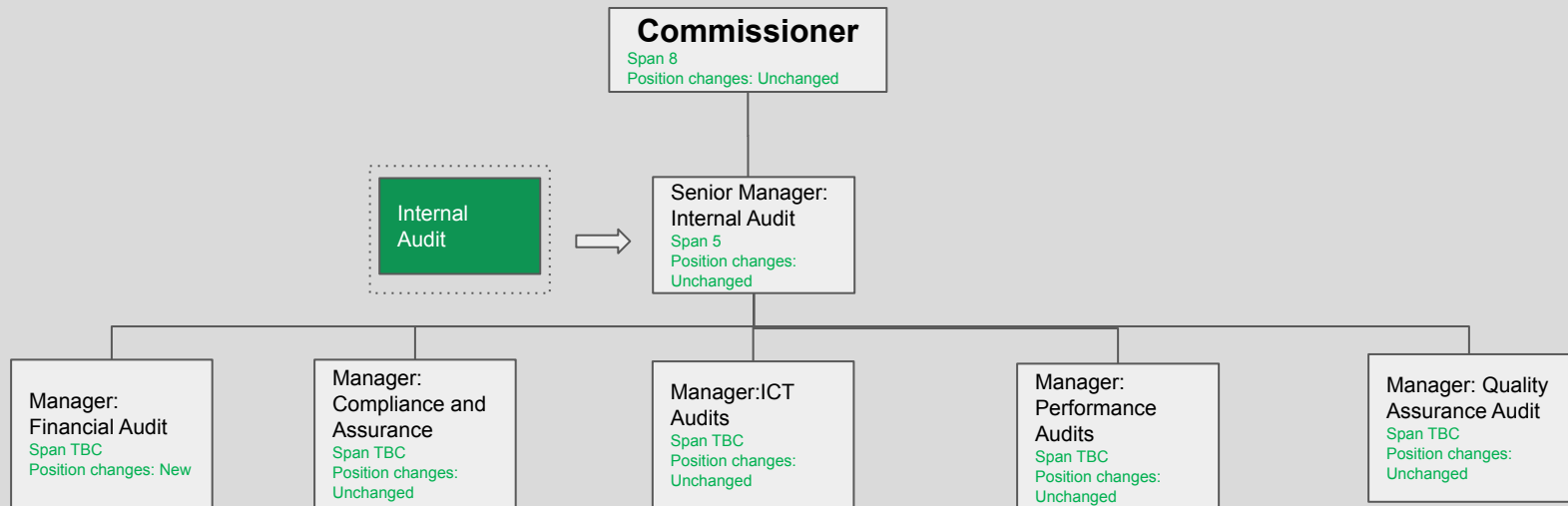
Role

Outsourced Function

Role	As is Number of Roles	To-be Number of Roles
Executive Manager	0	0
Senior Manager	1	1
Manager	4	5
<b>Total</b>	<b>5</b>	<b>6</b>

## Macro Structure Key Changes/Considerations

- Currently Internal Audit has one Director and four Deputy Directors. A new Manager: Financial Audit has been added to the proposed structure to ensure the enhancement of this function.
- The Financial Audit Manager will ensure accounting analysis are conducted according to relevant standards.
- There is a need to recruit skills, especially for ICT audit and project assurance.

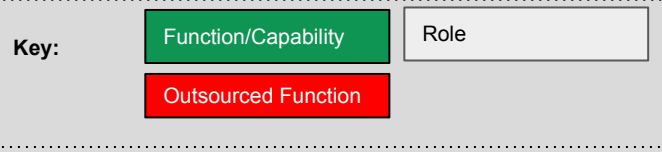




# Corporate Support

## Purpose of the Function:

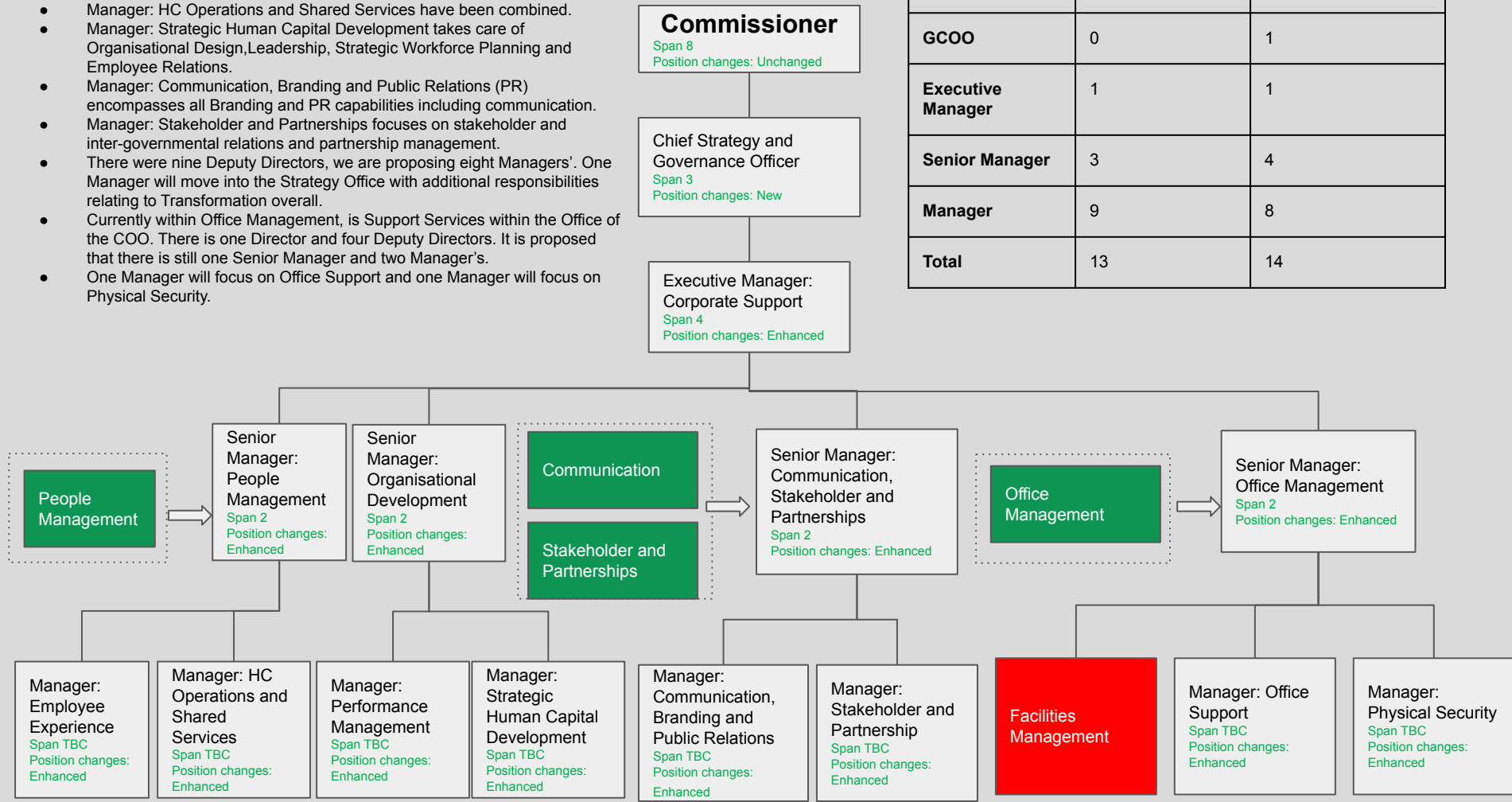
Responsible to provide effective support to the Compensation Fund's internal stakeholders aided by digitised systems, automated processes, future skills and progressive policies. This will uphold and facilitate service provision in the most effective, efficient and professional manner. This function will focus on effective people management within the fund, it will also focus on building strong stakeholder relationships and effective communication. It will also focus on efficient office management.



### Macro Structure Key Changes/Considerations

- Manager Employee Experience takes care of talent management, learning and Development, Employee Wellness.
- Manager: Performance Management takes care of Rewards, Remuneration and Recognition and Performance.
- Manager: HC Operations and Shared Services have been combined.
- Manager: Strategic Human Capital Development takes care of Organisational Design, Leadership, Strategic Workforce Planning and Employee Relations.
- Manager: Communication, Branding and Public Relations (PR) encompasses all Branding and PR capabilities including communication.
- Manager: Stakeholder and Partnerships focuses on stakeholder and inter-governmental relations and partnership management.
- There were nine Deputy Directors, we are proposing eight Managers'. One Manager will move into the Strategy Office with additional responsibilities relating to Transformation overall.
- Currently within Office Management, is Support Services within the Office of the COO. There is one Director and four Deputy Directors. It is proposed that there is still one Senior Manager and two Manager's.
- One Manager will focus on Office Support and one Manager will focus on Physical Security.

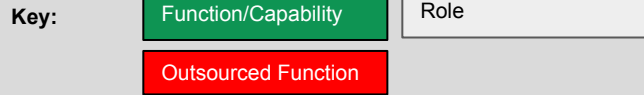
Role	As is Number of Roles	To-be Number of Roles
GCOO	0	1
Executive Manager	1	1
Senior Manager	3	4
Manager	9	8
<b>Total</b>	13	14



# Technology and Digital

## Purpose of the Function:

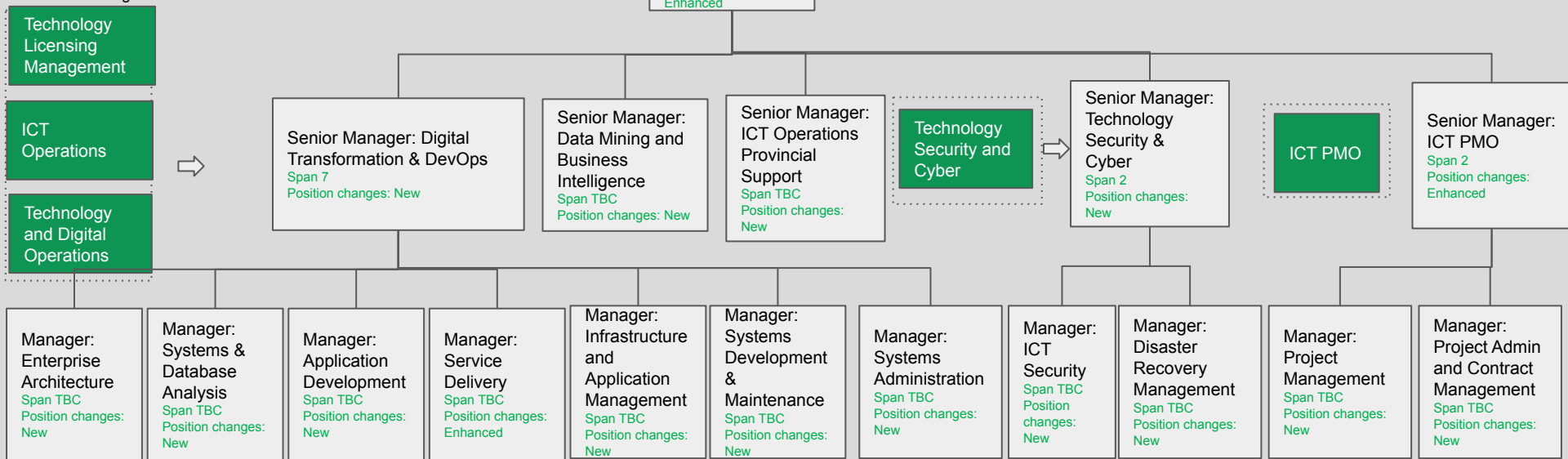
Responsible for providing strategic leadership, vision and direction in supporting CF's digitised technology needs and maintaining alignment with the CF Business Strategy. Provide digital transformation across the CF.



### Macro Structure Key Changes/Considerations

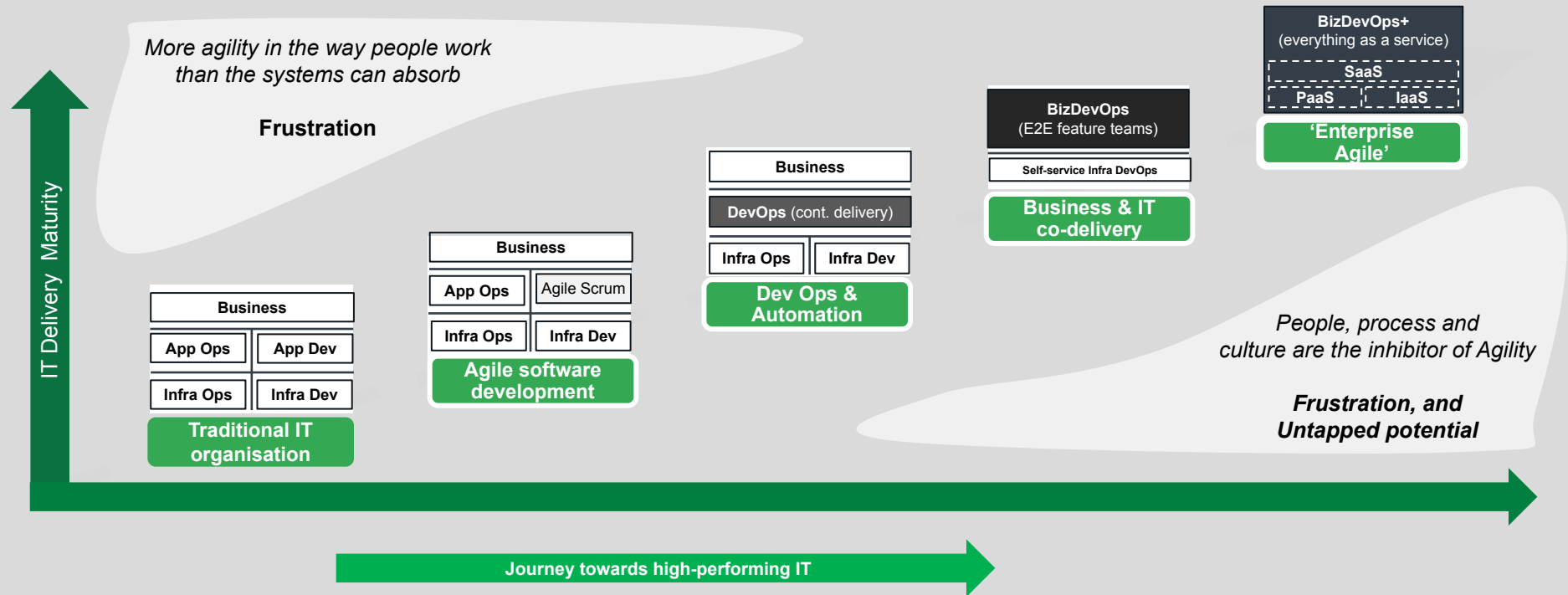
- ICT has been renamed to Technology and Digital based on strategic objectives and new capabilities included in the function,
- Currently, there is one Director and two Deputy Directors. It is proposed that there should be an Executive Manager to oversee Technology and Digital, given the required enhancements in this area. Within the function, there will be five Managers reporting to the Executive.
- Licensing Management will fit in ICT Operations under the Manager: ICT Operations
- Currently there are two Deputy Directors within ICT. Given the strategic intent of ICT, it is proposed that an additional eight Managers be introduced to the function.
- The Manager: Enterprise Architecture will oversee Business Analysis and Data Analysis
- Manager: Service delivery will oversee Desktop Support and Service Management,
- Manager: ICT Security will oversee Network Security, ICT Security, Application Security, End-user Security, Operational Security and, Information Security.
- Manager: Disaster Recovery Management will be responsible for: disaster recovery planning.
- The current Deputy Director ICT Implementation has been enhanced and renamed to Manager Service Delivery.
- The Deputy Director knowledge management will no longer be relevant within Technology and Digital as the function has been moved into office management.

Role	As is Number of Roles	To-be Number of Roles
CTDO	0	1
Executive Manager	0	1
Senior Manager	1	5
Manager	2	11
<b>Total</b>	<b>3</b>	<b>18</b>



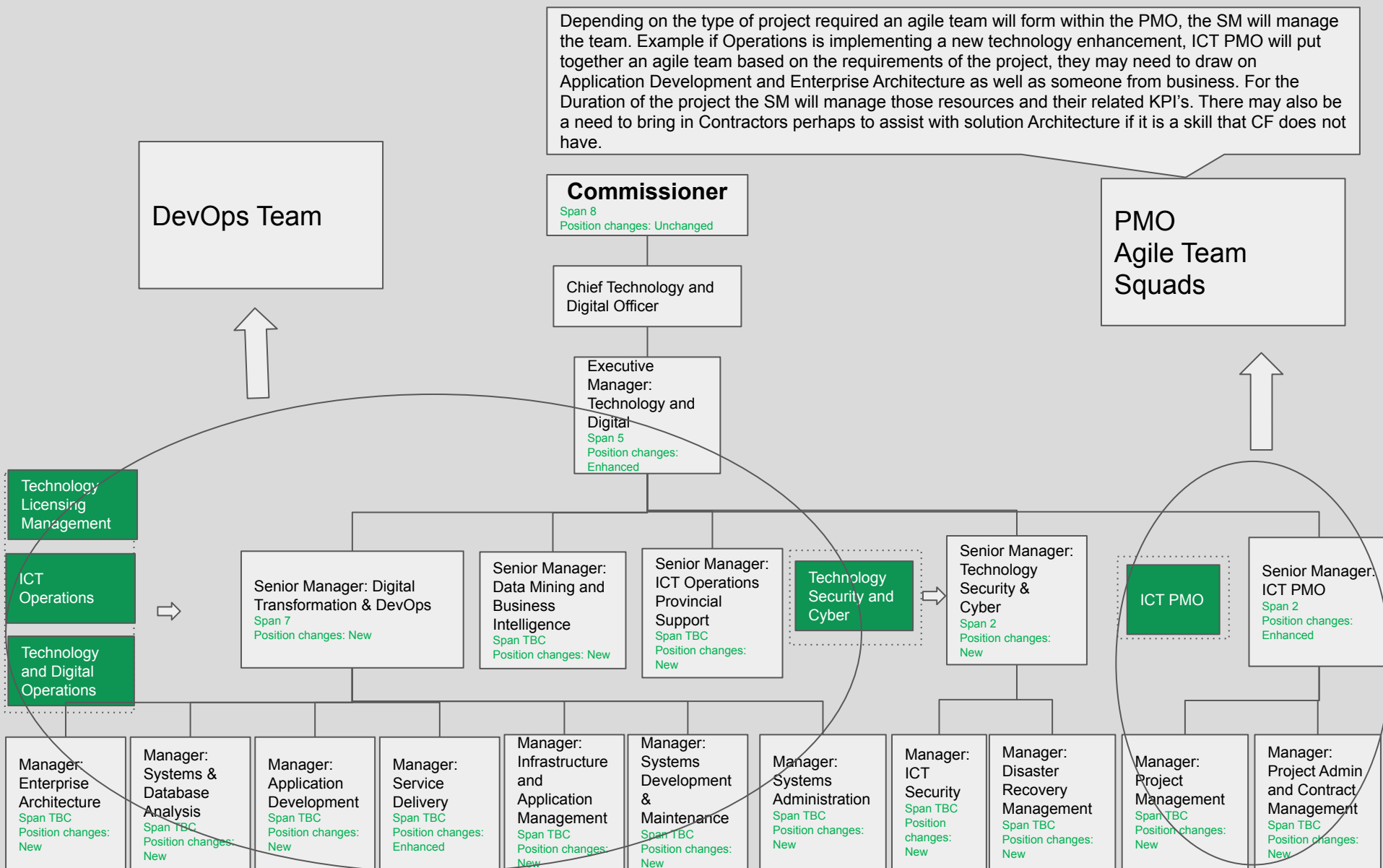
# The journey towards a future-fit IT function

Moving towards improved delivery maturity is an evolutionary process with different maturity stages, and requires improvements not only in tools and ways of working, but also in the technology architecture.



# The journey towards a future-fit IT function

A view of how Agile can be applied within Technology and Digital.





# Operations 1

## Purpose of the Function:

Responsible for overseeing the core operations of the Fund.

- To administer compensation claims, medical adjudication and accounts
- To provide strategic support and medical expertise to claims processing
- To provide support in Orthotics and Rehabilitation Services of the Fund

Key:

Function/Capability

Role

Outsourced Function

## Macro Structure Key Changes/Considerations

- COID Services: Previously, there were three Directors under COID Services. Treasury and Investment Directorate has been moved to Finance, the naming of the titles has been changed.
- Currently, there are 2 deputy directors for Assessments- this has been merged into one Manager for assessments overall.
- Customer care has moved into Operation given the close interaction required..
- Treasury moved into the Office of the CFO.
- The Actuarial Services and Investment Function has been placed under Investment and Fund Management.

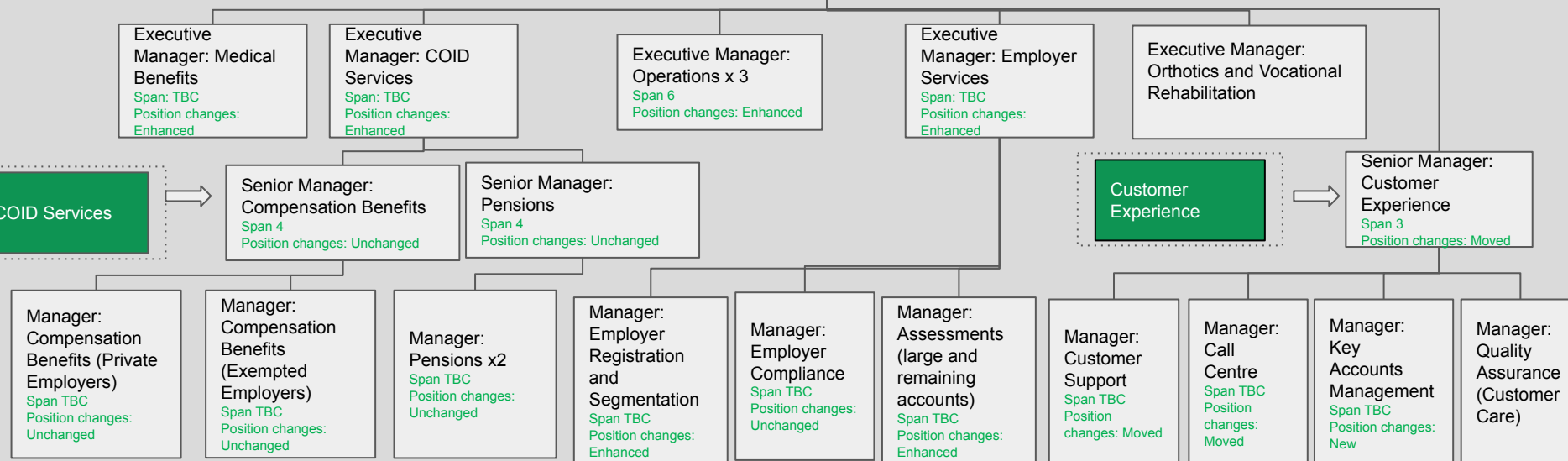
Role	As is Number of Roles	To-be Number of Roles
COO	1	1
Executive Manager	12	7
Senior Manager	10	19
Manager	27	31
DDLCO	126	54
<b>Total</b>	<b>176</b>	<b>112</b>

## Commissioner

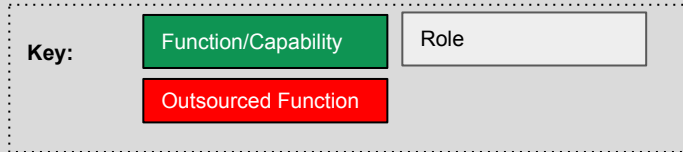
Span 8  
Position changes: Unchanged

## Chief Operations Officer

Span 4  
Position changes: Enhanced



# Operations 2 (Orthotics and Vocational Rehabilitation)



**Macro Structure Key Changes/Considerations**

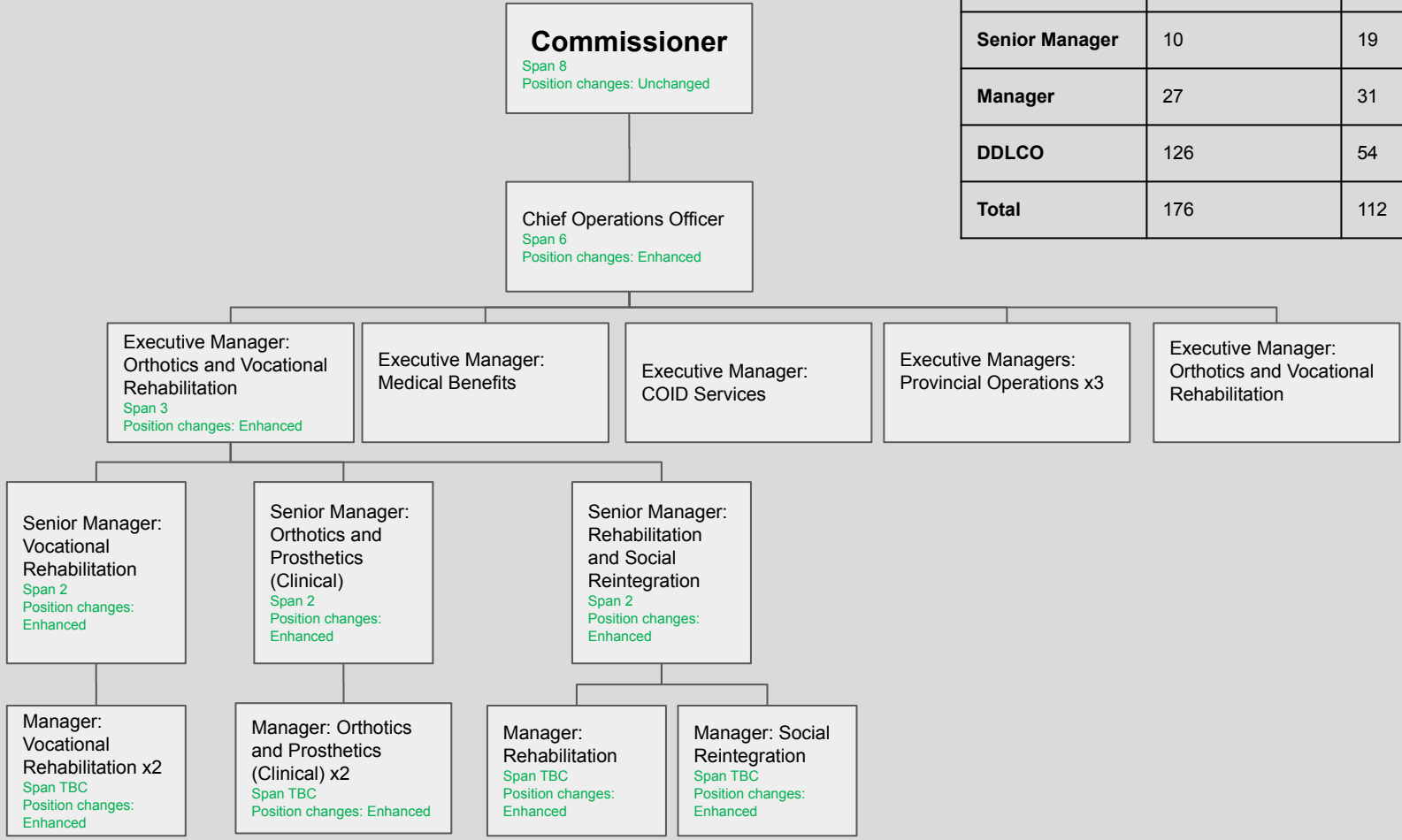
- Orthotics and Vocational Rehabilitation has been elevated based on the strategic direction of the Fund as well as key updated in legislation.

**Purpose of the Function:**

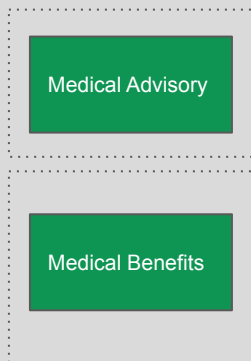
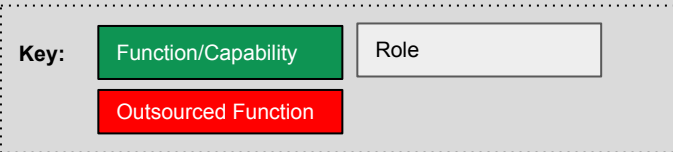
Responsible for overseeing the core operations of the Fund.

- To administer compensation claims, medical adjudication and accounts
- To provide strategic support and medical expertise to claims processing
- To provide support in Orthotics and Rehabilitation Services of the Fund

Role	As is Number of Roles	To-be Number of Roles
COO	1	1
Executive Manager	12	7
Senior Manager	10	19
Manager	27	31
DDLCO	126	54
<b>Total</b>	<b>176</b>	<b>112</b>

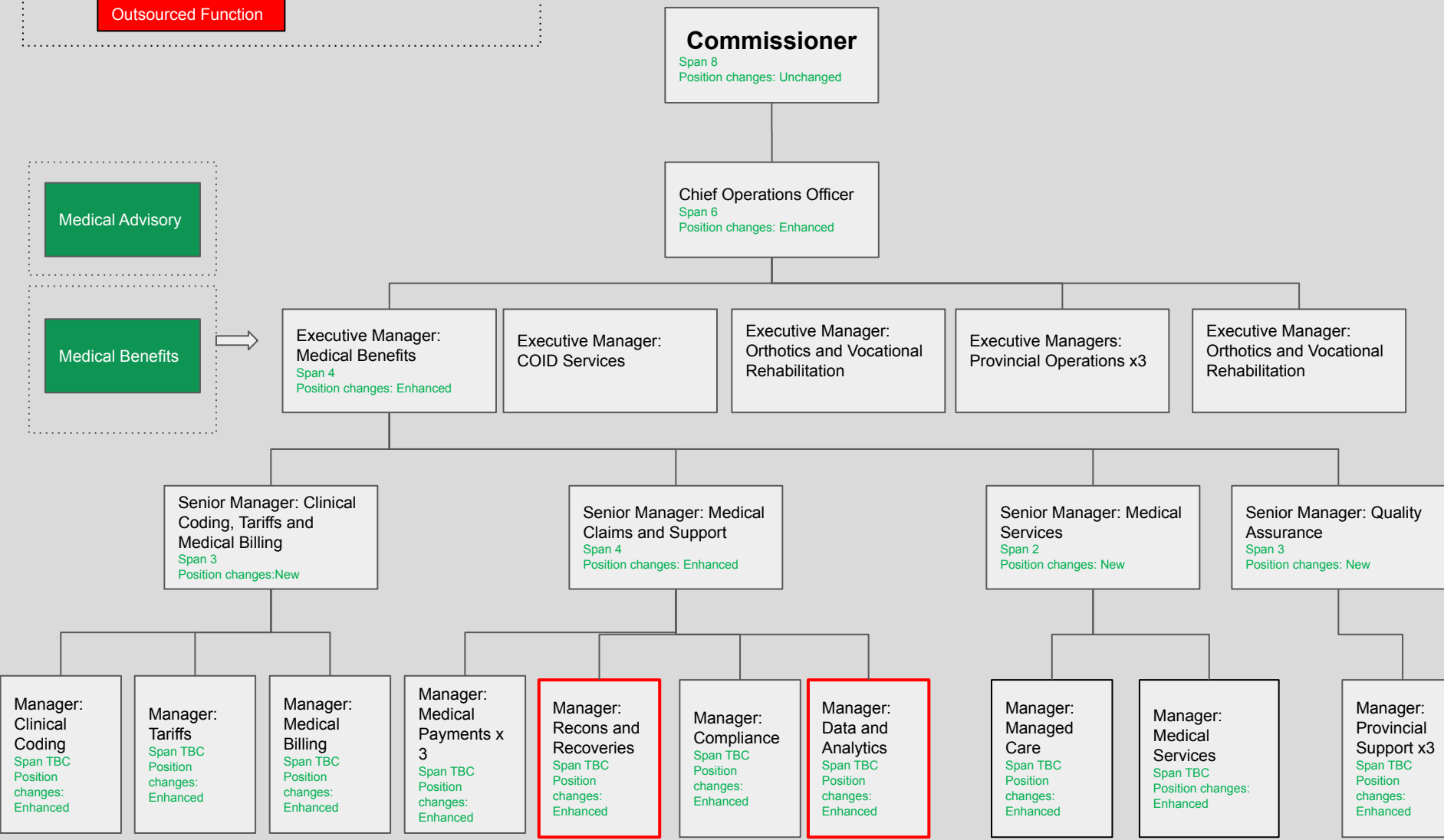


# Operations 3 (Medical Benefits)



## Macro Structure Key Changes/Considerations

- Medical Benefits has been elevated based on the strategic direction of the Fund and the role of Medical Benefits.
- The 2 roles outlined in red can be brought in for the short term on a contractual basis to assist the medical function.



# Operations 4

## Purpose of the Function:

Responsible for overseeing the core operations of the Fund.

- To administer compensation claims, medical adjudication and accounts
- To provide strategic support and medical expertise to claims processing
- To provide support in Orthotics and Rehabilitation Services of the Fund
- Responsible for Customer Care in the Fund

Role	As is Number of Roles	To-be Number of Roles
COO	1	1
Executive Manager	12	7
Senior Manager	10	19
Manager	27	31
DDLCO	126	54
<b>Total</b>	<b>176</b>	<b>112</b>

Key:

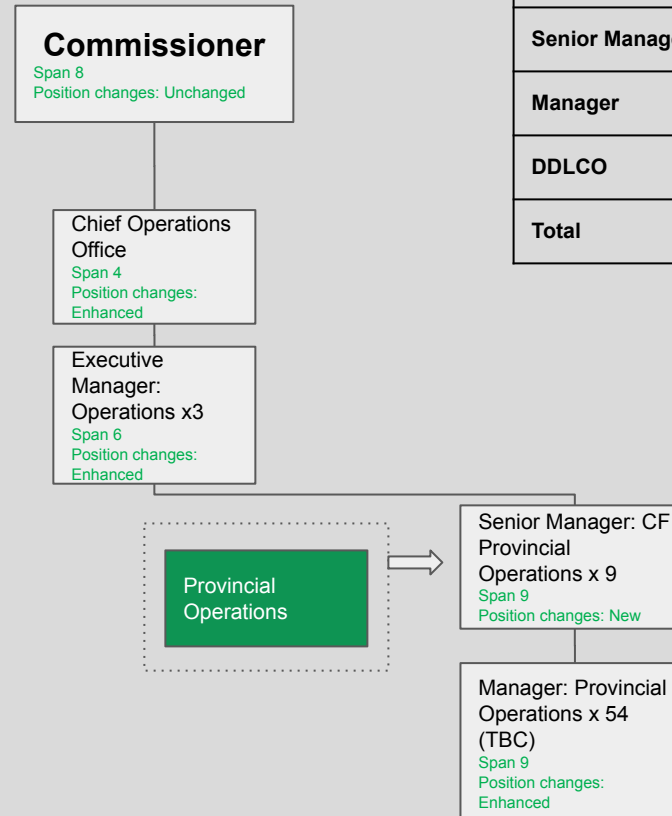
Function/Capability

Role

Outsourced Function

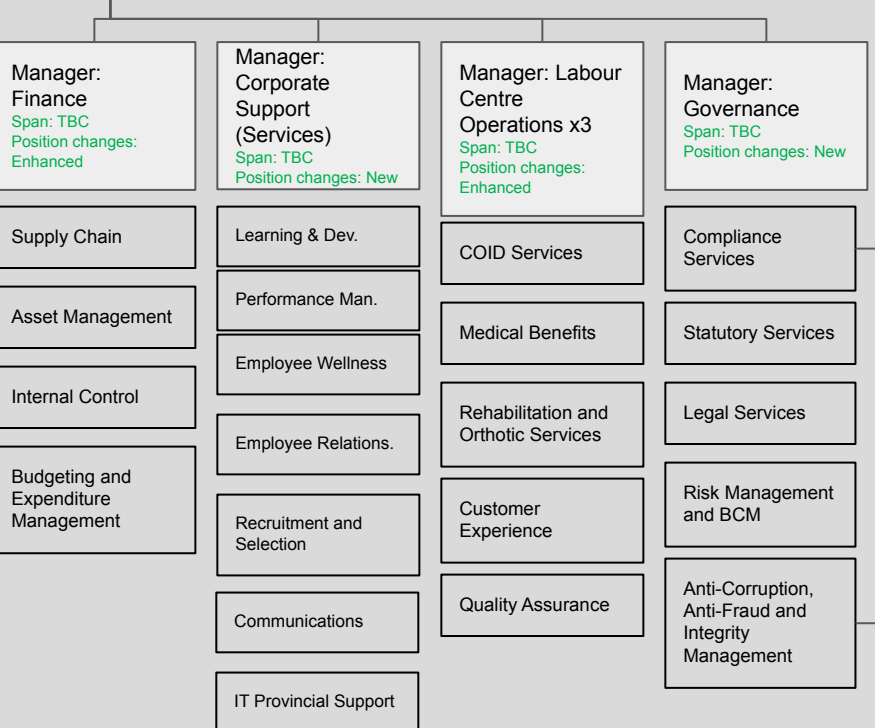
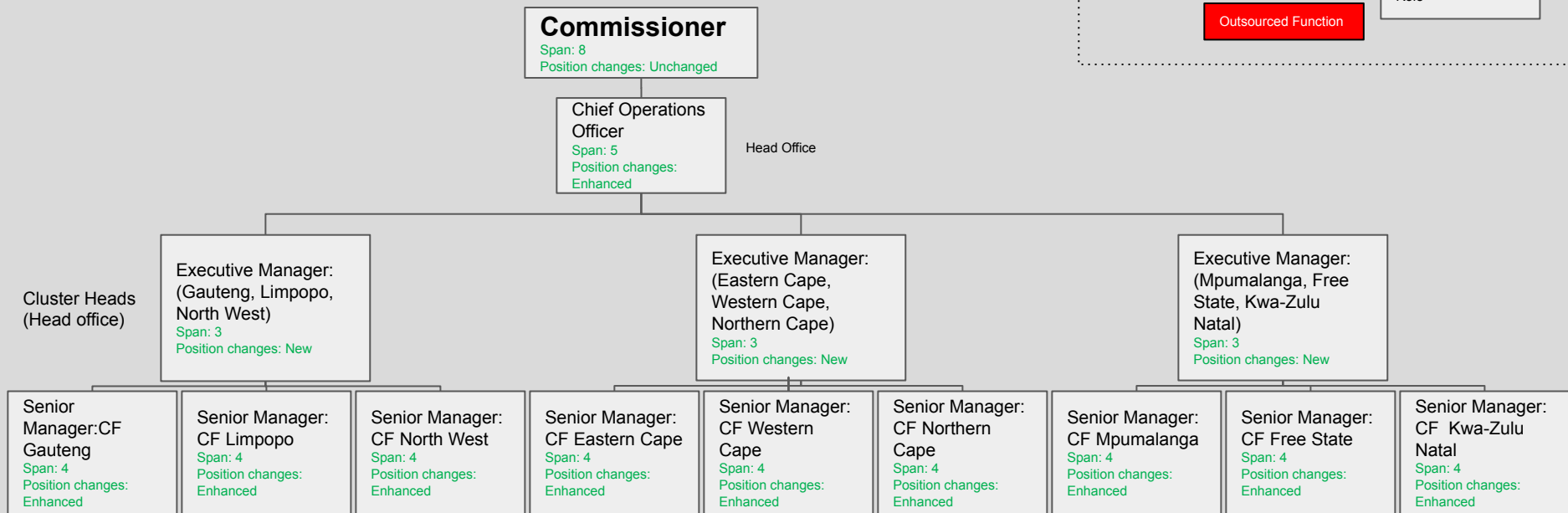
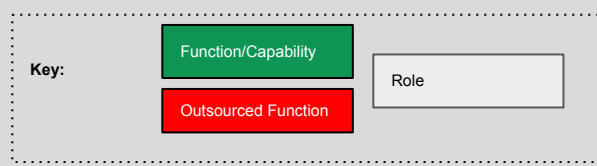
## Macro Structure Key Changes/Considerations

- There are currently 9 Chief Directors for the Provinces, we are proposing 3 Executive Heads to take care of the 3 clusters in provinces - One will look at WC, NC & EC; One will take care of MP, FS & KZN; One will take care of Gauteng, NW & LP
- Heads will be introduced within the Provinces to ensure oversight and guidance.





# Operations 5 (CF Provincial Structure)



## Macro Structure Key Changes/Considerations

- The Manager Finance, Corporate Support and Governance will have a dotted line reporting into Senior Manager and a solid line reporting into Head Office.
- 3 Managers are suggested for Operations given that they will have 8 to 9 labour centres reporting into them for Gauteng specifically

## Capabilities

# Investment and Fund Management

## Purpose of the Function:

- To ensure that the Compensation Fund's Financial future is secure and to ensure proper financial management.
- Responsible to ensure that the Compensation Fund is financially sustainable by developing long, medium and short term strategic plans.

Key:

Function/Capability

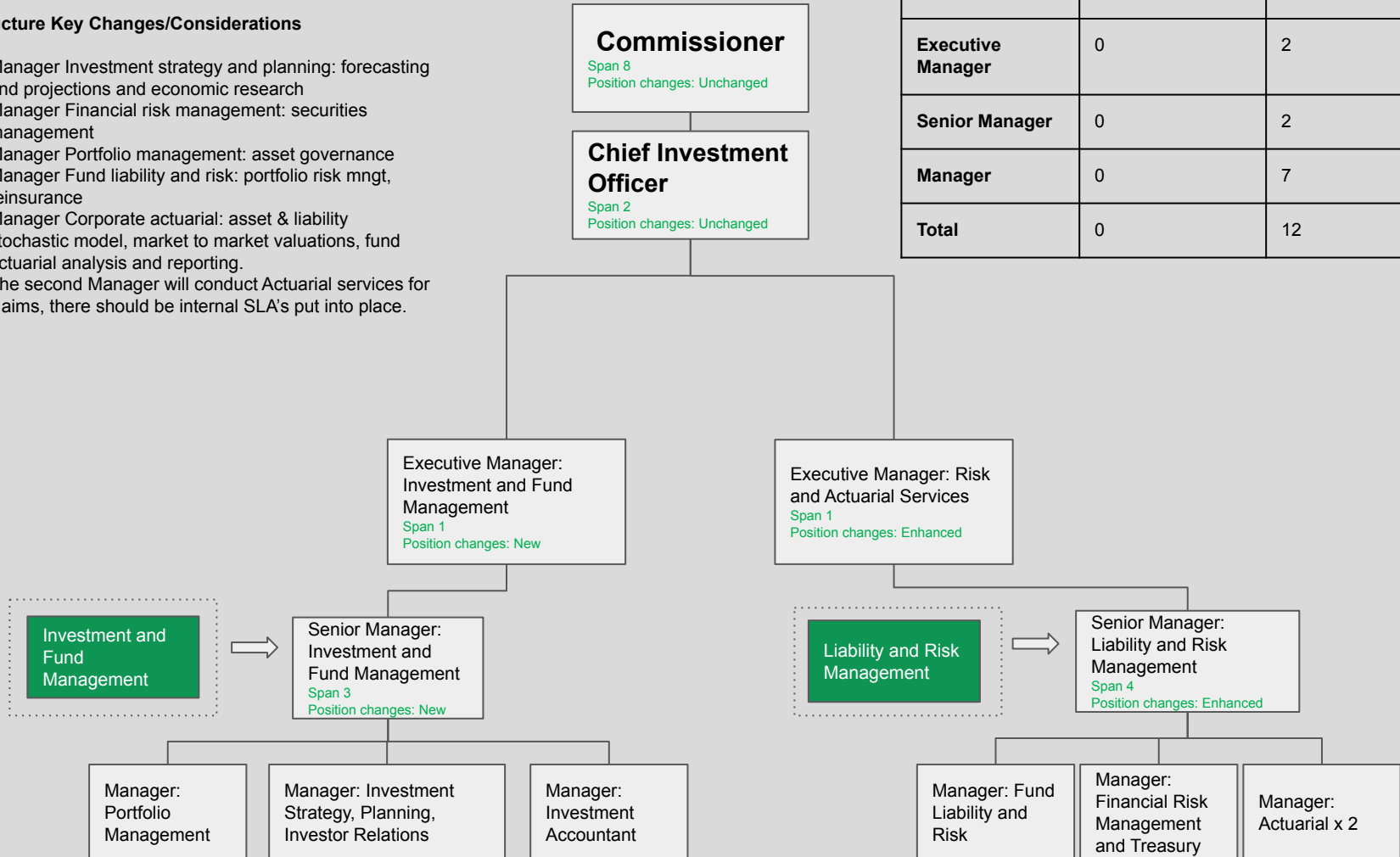
Role

Outsourced Function

## Macro Structure Key Changes/Considerations

- Manager Investment strategy and planning: forecasting and projections and economic research
- Manager Financial risk management: securities management
- Manager Portfolio management: asset governance
- Manager Fund liability and risk: portfolio risk mngt, reinsurance
- Manager Corporate actuarial: asset & liability stochastic model, market to market valuations, fund actuarial analysis and reporting.
- The second Manager will conduct Actuarial services for claims, there should be internal SLA's put into place.

Role	As is Number of Roles	To-be Number of Roles
CIO	0	1
Executive Manager	0	2
Senior Manager	0	2
Manager	0	7
<b>Total</b>	<b>0</b>	<b>12</b>



Investment and Fund Management

Liability and Risk Management

Manager: Portfolio Management

Manager: Investment Strategy, Planning, Investor Relations

Manager: Investment Accountant

Manager: Fund Liability and Risk

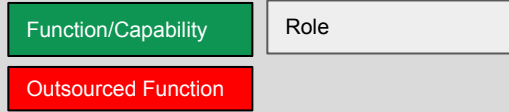
Manager: Financial Risk Management and Treasury

Manager: Actuarial x 2

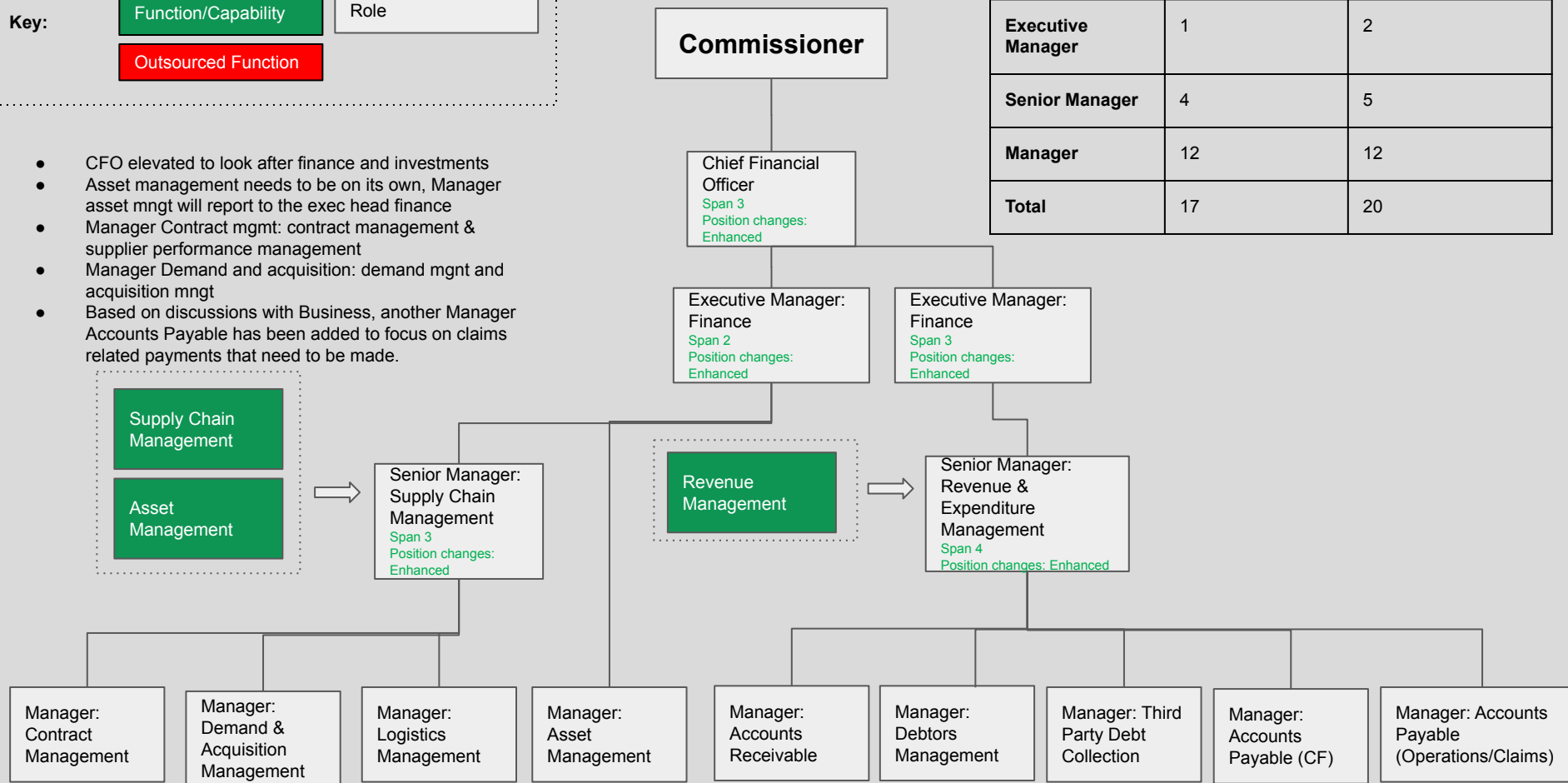
# Finance 1

Role	As is Number of Roles	To-be Number of Roles
CFO	0	1
Executive Manager	1	2
Senior Manager	4	5
Manager	12	12
<b>Total</b>	<b>17</b>	<b>20</b>

Key:

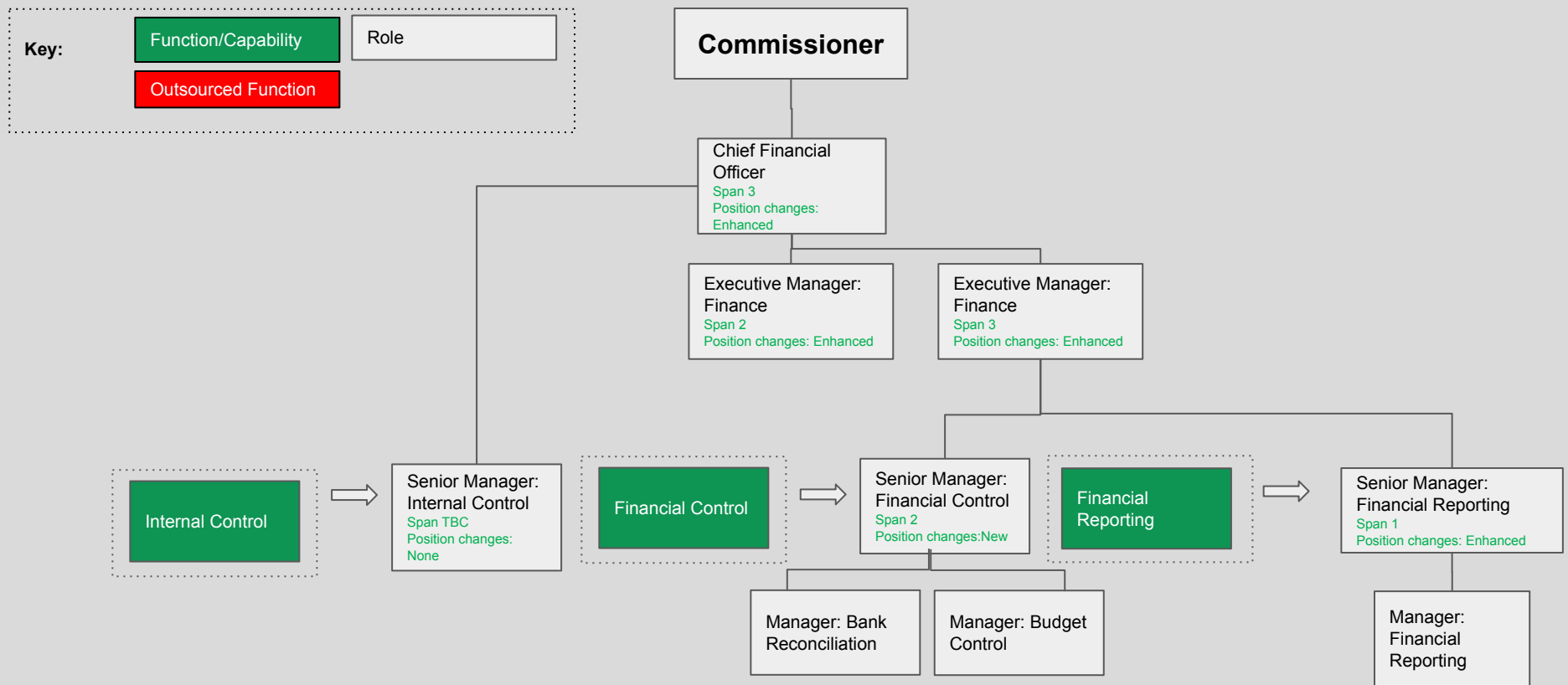


- CFO elevated to look after finance and investments
- Asset management needs to be on its own, Manager asset mngt will report to the exec head finance
- Manager Contract mgmt: contract management & supplier performance management
- Manager Demand and acquisition: demand mgmt and acquisition mngt
- Based on discussions with Business, another Manager Accounts Payable has been added to focus on claims related payments that need to be made.



# Finance 2

- Executive Finance will oversee Internal Control, Financial Control as well as Financial Reporting.
- There are two Managers to report into the Senior Manager Financial Control and two Managers to report into the Senior Manager Financial Reporting.





# As-is vs to-be (number of roles)

**Key**

As-is

To-be

Directorate	As-Is (Chief Officer)	To-be (Chief Officer)	As-Is (Chief Director)	To-be (Executive Manager)	As-Is (Director)	To-be (Senior Manager)	As-Is (Deputy Director)	To-be (Manager)
Internal Audit	0	0	0	0	1	1	4	5
Executive Support	0	0	0	1	1	0	3	3
Governance and Assurance (Combined function)	0	1	0	1	3	4	7	8
Strategy & Transformation (New function)	0	0	0	1	0	2	0	5
Corporate Support (Combined function)	0	0	1	1	3	4	9	8
Technology & Digital	0	1	0	2	1	5	2	11
Finance	0	1	1	2	4	5	12	12
Investment and Fund Management	0	1	0	2	0	7	0	12
<b>Totals</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>10</b>	<b>13</b>	<b>28</b>	<b>37</b>	<b>64</b>

Directorate	As-Is (Chief Officer)	To-be (Chief Officer)	As-Is (Chief Directorate)	To-be (Executive Manager)	As-Is (Director)	To-be (Senior Manager)	As-Is (Deputy Director)	To-be (Manager)	As-Is (DDLCO)	To-be (Manager)
Operations (Combined function)	0	1	12	7	10	19	27	31	126	54
<b>Totals</b>	<b>0</b>	<b>1</b>	<b>12</b>	<b>7</b>	<b>10</b>	<b>19</b>	<b>27</b>	<b>31</b>	<b>126</b>	<b>54</b>

Current Total	To-be Total
227	218

# Thank You...



**employment & labour**

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Employment and Labour  
**REPUBLIC OF SOUTH AFRICA**