



**OFFICE OF THE OMBUD FOR  
FINANCIAL SERVICES PROVIDERS**

**ANNUAL PERFORMANCE PLAN  
2024/25**

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## List of Acronyms

Acronyms	Description
<b>COFI Bill</b>	Conduct of Financial Institutions Bill
<b>DPSA</b>	Department of Public Service and Administration
<b>FAIS</b>	Financial Advisory and Intermediary Services
<b>FSB</b>	Financial Services Board
<b>FSCA</b>	Financial Sector Conduct Authority
<b>FSR Act</b>	Financial Sector Regulation Act, Act 9 of 2017
<b>FSOS Act</b>	Financial Services Ombud Schemes
<b>FST</b>	Financial Services Tribunal
<b>GDP</b>	Gross Domestic Product
<b>ICT</b>	Information and Communications Technology
<b>FAIS Ombud</b>	The Office of the Ombud for Financial Services Providers
<b>PA</b>	Prudential Authority
<b>PFMA</b>	Public Finance Management Act
<b>POPI Act</b>	Protection of Personal Information
<b>SARB</b>	South African Reserve Bank
<b>TCF</b>	Treating Customers Fairly

## EXECUTIVE AUTHORITY STATEMENT

Whilst much progress was made during the last couple of years in respect of market conduct regulation within the previously existing legal framework, it became evident that more could be done, and differently so, in order to achieve structural change and a more inclusive financial sector for all South Africans.

During December 2014, National Treasury released a document entitled “Treating Customers Fairly in the Financial Sector: A Draft Market Conduct Policy Framework for South Africa”. With this, the journey of the Twin Peaks Regulation Model commenced. This reform is intended to significantly improve consumer protection in the financial sector, address financial inclusion and transformation, and drive better consumer outcomes. Empowered consumers are able to make informed decisions about financial products and services and hold financial institutions accountable for failing to render financial services with the necessary due skill, care and diligence. The FAIS Ombud provides an avenue for consumers, free of charge, where they can lodge complaints and seek relief against those financial services providers that fail to uphold the General Code of Conduct for Financial Services Providers.

The introduction of the Ombud Council and a new Ombud system is intended to assist in ensuring that financial consumers have access to, and are able to use affordable, effective, independent and fair alternative dispute resolution processes for complaints against financial services providers. During the past financial year, the FAIS Ombud aligned its strategy, policies and internal processes with the objective of preparing the Office for changes that will be brought about by impending regulatory changes, once effective.

This Annual Performance Plan will ensure that the Office of the FAIS Ombud plays a critical role in the effective resolution of complaints and contribution towards consumer education. I take this opportunity to assure the Office of my support in its commitment to driving the outcomes of Treating Customers Fairly and holding accountable those financial services providers who fail in this regard.

**ENOCH GODONGWANA**  
**MINISTER OF FINANCE**



## FAIS OMBUD STATEMENT

The Office of the Ombud for Financial Services Providers (“the FAIS Ombud”) was established in terms of section 20 of the Financial Advisory and Intermediary Services Act, (Act 37 of 2002) (“the FAIS Act”). The FAIS Ombud is listed as a schedule 3A public entity in terms of the Public Finance Management Act of 1999 (“PFMA”). The Commissioner of the FSCA, appointed in terms of the regulations made under the Financial Sector Regulation Act of 2017 (“FSR Act”), was the Accounting Authority of the FAIS Ombud for purposes of the PFMA up until 31 March 2023. The Ombud was appointed on 1 November 2022. Following the amendment of sections 22 and 23(1) of the Financial Advisory and Intermediary Services Act, 2002 by implementation of the Financial Sector and Deposit Insurance Levies Act No. 11 of 2022 (‘Levies Act’), the Ombud became the Accounting Authority for the Office from 1 April 2023.

The FAIS Ombud reports to the Minister of Finance. This report includes reporting on its work and financial performance. The FAIS Ombud also submits its annual report to the National Assembly in terms of the PFMA.

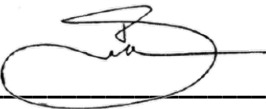
Due to the dynamic nature of the regulatory environment and industry within which the FAIS Ombud operates, the economic conditions as well as the needs and requirements of the various stakeholders, a review of the strategic plan is undertaken every 5 years to ensure it remains effective and relevant. An annual performance plan is then drafted to break the strategic outcomes down into annual targets and planned output. This assists the entity with the achievement towards the 5-year strategic outcomes it has set itself to achieve and the intended impact that it aims to have on the industry it serves. This has been the practice since the original strategy that was adopted in May 2005 by the FAIS Ombud and subsequent reviews have taken place annually since.

In the current plan, the FAIS Ombud continues with the alignment of its activities with the implementation of the 5-year strategic plan and the impact, outcomes and outputs it has set out to achieve as per the National Development Plan. One of the key standing features of the Government’s initiatives in transforming the society and the economy of South Africa, is the building of a capable and developmental state. Responsibility is placed on the public sector to deliver efficient service while contributing to the development of the skills of its people and the enhancement of experience and expertise.

The FAIS Ombud operations were impacted by a number of factors such as -

- Delays in the recruitment of critical ministerial senior executives (Deputy Ombud). The Ombud position has been filled, effective November 2022 and the appointment of the Deputy Ombud has been initiated.
- Delay in the filling of critical vacancies, some of which are those of specialised nature, resulting in capacity constraints. The HR manager's position was filled in May 2023 after being vacant for almost a year. Two of the three Assistant Ombud positions were filled in June and September 2023. The three vacant Senior Case Manager positions are in the process of being filled.
- Past leadership challenges which resulted in poor staff morale and inefficient processes.

The Office hereby presents its 4<sup>th</sup> year Annual Performance Plan for the 2024/25 financial year, 5<sup>th</sup> year in the 2020 – 2025 Strategic Planning period.



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**ADV. JOHN SIMPSON**

**FAIS OMBUD**

30 January 2024

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**DATE**





## OFFICIAL SIGN-OFF


It is hereby certified that this Annual Performance Plan:

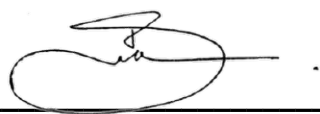
- was developed by the management of the FAIS Ombud under the guidance of the Honourable Minister of Finance – Enoch Godongwana, National Treasury and the Department of Monitoring and Evaluation (DMPE).
- takes into account its establishing legislation, its mandate and all the relevant policies, and other ancillary duties for which the FAIS Ombud is responsible.
- accurately reflects the Impact, Outcomes and Outputs which the FAIS Ombud will endeavour to achieve over the period 2024/25

Signature:   
Refilwe Kgaphola  
Head: Human Resources

Signature:   
Shaunil Maharaj  
Chief Financial Officer

Signature:   
Petronnell Sehlola  
Head: ICT

Signature:   
Karlien E Hechter  
Head: Governance Risk and Compliance / Strategic Planning

Signature:   
Adv. John Simpson  
Ombud

**Approved by**  
**Signature:** \_\_\_\_\_  
**Mr Enoch Godongwana**  
**Minister of Finance**

## PART A: OUR MANDATE

### 1 Constitutional mandate

The Constitution guarantees equality before the law and the right to equal protection and benefit of the Law. The FAIS Ombud promotes this right of our citizens, by providing an alternative dispute resolution mechanism in the financial services industry.

### 2 Legislative and policy mandates

The FAIS Ombud was established in terms of section 20 of the Financial Advisory and Intermediary Services Act (Act 37 of 2002) ('FAIS Act'). The FAIS Ombud is a schedule 3A entity in terms of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) ('PFMA') and reports to National Treasury.

#### 2.1 FAIS Act

The main objective of the FAIS Ombud is to investigate and resolve complaints in terms of the FAIS Act, the General Code of Conduct for Financial Services Providers and the Rules promulgated thereunder.

A complaint could arise where, in the rendering of a financial service by a Financial Services Provider or their representative, it is alleged that the financial services provider:

- the provider or its service supplier has contravened or failed to comply with an agreement, a law, a rule, or a code of conduct which is binding on the provider or to which it subscribes;
- the provider or its service supplier's maladministration or wilful or negligent action or failure to act, has caused the person harm, prejudice, distress or substantial inconvenience; or the provider or its service suppliers has treated the person unfairly.

In resolving complaints in terms of the FAIS Act and Rules, the FAIS Ombud acts independently and must be impartial.

## **2.2 Conduct of financial institutions bill (“Cofi”)**

Once enacted, this legislation will repeal the various sectoral pieces of financial sector regulation and will cater for the implementation of one piece of legislation across all financial services sectors with market conduct standards being set for each financial services sector. The Cofi legislation will centralise the market conduct legislative framework thereby eliminating the silo approach that existed before.

## **2.3 Financial Sector and Deposit Insurance Levies and Administration Act**

This legislation caters for the imposition of levies on the financial services industry and repealed the imposition of levies as previously provided in the FSB Act. The legislation created a mechanism for the imposition of levies to fund the FAIS Ombud’s office. Levies are invoiced and collected by the FSCA and transferred to the FAIS Office.

## **2.4 Public Finance Management Act (“PFMA”)**

The FAIS Ombud is a National Public entity and is listed under schedule 3A of the PFMA. Accordingly, it is bound by all the provisions of the PFMA. The PFMA regulates financial management in the national and provincial governments; ensures that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively, and it provides for the responsibilities of persons entrusted with financial management in those entities.

## **2.5 Institutional Policies and Strategies over the five-year planning period**

In this annual performance plan, the FAIS Ombud demonstrates the continued alignment in respect of its activities with the underlying objectives of the National Development Plan. One of the key standing features in the Government’s initiatives to transform society and the economy of South Africa is the building of a capable and developmental state. Responsibility is placed on the public sector to deliver efficient service while contributing to the development of the skills of its people and the enhancement of experience and expertise. The FAIS Ombud plans to increase its visibility and accessibility and to continue enhancing its consumer education initiatives through collaboration with the FSCA to join the

Money Smart week, various radio station interviews and newsletters, establishment of a social media footprint and various consumer outreach initiatives etc.

### 3 Government priorities

The sixth government administration has set itself the following seven priorities.

- i. Economic transformation and job creation
- ii. Education, skills and Health
- iii. Consolidating the social wage through reliable and quality basic services
- iv. Spatial integration, human settlement and local government
- v. Social cohesion and safe communities
- vi. Building a capable, ethical and developmental state
- vii. A better Africa and world

The FAIS Ombud will seek to contribute generally to the achievement of the government priorities listed above, in particular, priorities vi and vii, namely, “Building a capable, ethical and developmental state” and “A better Africa and world”.

#### 3.2 Five-year NDP plan

The five-year NDP plan requires the below mentioned areas be considered during the design and implementation of development priorities:

- Job creation
- Youth employment
- Gender equality
- Innovation through technology
- Transformation

### **3.3 Environmental sustainability**

The NDP provides an integrated approach for business, government and civil society to address the critical issues of income inequality, poverty and unemployment in South Africa.

The FAIS Ombud contributes to the above priorities through the graduate development programme which provides recent graduates with workplace skills that will increase their chances of being employed.

Furthermore, the recruitment practices are aligned towards ensuring that all designated groups are represented in the FAIS Ombud's workforce, contributing towards gender equality and transformation.

## **4 Relevant court rulings**

Any determination issued by the FAIS Ombud has the effect of a court of law civil judgment. In terms of Section 219 of the FSR Act, the Financial Services Tribunal, ("the Tribunal") will, on application by any aggrieved party, reconsider the final decisions and determinations made by the FAIS Ombud. The Tribunal assists the FAIS Ombud in the exposition and interpretation of the laws applicable to financial services providers.

## PART B: OUR STRATEGIC FOCUS

### 1 Vision

The vision of the FAIS Ombud is to be an independent, effective and trusted alternative dispute resolution office for complaints arising from the provision of financial services.

### 2 Mission

The FAIS Ombud's mission is to promote consumer protection and enhance the integrity of the financial services industry by the fair and expeditious resolution of complaints, informally and free of charge.

### 3 Credo

The values of FAIS Ombud are captured in the Credo statement below:

- We believe our first responsibility is to the Constitution of the Republic of South Africa and to the statutory mandate which created our organisation. We are completely independent and deal with all disputes fairly and impartially.
- Our service is for people from all backgrounds. We will look at the facts of each complaint, not at how well the case is presented. No one should need any special expertise or professional help in order to bring their complaint to us.
- We aim to give clear, sound and logical reasons for our decisions - any fair-minded person should understand why we reached a particular conclusion.
- We are not bound by formal and rigid procedures to resolve complaints and we aim to be flexible in our approach.
- We will engage all concerned to help both consumers and financial services providers understand their respective rights and responsibilities. Our ultimate aim is to reduce the level of complaints and improve confidence in the financial services industry.
- We must constantly strive to educate both ourselves and those we serve about our services and make our services easily accessible. We will ensure all parties in a dispute have an opportunity to present their case. In doing so, we will ensure the dignity of those we serve by treating each with utmost respect and courtesy.

- We must at all times build a collegiate base that is diverse and equitable and encourage contributions to our core business. We are responsible to ensure that each of our colleagues is regarded as an individual and experiences an affirming and empowering learning environment.
- We must be mindful of the ways in which we help our colleagues fulfil their family responsibilities. We must encourage each other to communicate our opinions, feelings and indeed, our grievances in an environment conducive to amicable resolution, not recrimination. We will support each other, to be innovative, to exercise reasonable initiative, and to share our learning.
- We are responsible to the communities in which we live and work and to the larger international community. We must be good citizens and support civic initiatives.
- We believe our final responsibility is to industry. Business must make a sound profit, underpinned by good corporate governance and moral values. We must explore and suggest fresh approaches to consumer services in the course of our enterprise.
- We believe when we operate according to these principles, we will all realise a significant improvement.

## **4 Situational analysis**

### **4.1 External environmental analysis**

The external performance environment and the influences therefrom were considered and a PESTEL analysis (Political, Economic, Social, Technology, Environment and Legal) were completed for the entity. The assessment is reflected below.

#### **4.1.1 Political environment**

The governance and support structures are in a state of evolution due to the legislative changes, the provisions of some of which are not yet effective. The further implementation of the FSR Act will have an impact on the governance structures of the Ombud system in general, including the FAIS Ombud.



#### 4.1.2 Economic environment

Continued high levels of unemployment, low economic confidence, high levels of indebtedness, and low levels of government guaranteed investments such as bond markets have resulted in a decrease in investment activity. We anticipate that this may encourage people to be attracted to investment or investment vehicles with so called 'high' or unrealistic rates of return in a bid to address the unfavourable economic situation.

- According to the South African Reserve Bank (SARB), and after an estimated 2.1% real GDP growth in 2023, a 0.9% growth is expected in 2024. The real GDP growth is then expected to average 2.0 percent between 2024-2028, and 2.3 percent during 2029-2032
- This is an indication of how the South African economy is shrinking which will have a devastating effect on businesses and unemployment and place significant pressure on the financial services industry within which the Office of the FAIS Ombud operates.
- The above economic circumstances may likewise encourage people to pursue the emerging specialised financial products, such as crypto currencies, as an alternative to the financial products available in the traditional and predictable financial markets. Together with the inadequate deterrents to prevent or limit the influx of unscrupulous financial services providers, this points to the likelihood that there will be an increase.

#### 4.1.3 Social environment

- The majority of people in South Africa are inarguably illiterate. This illiteracy translates, in potentially greater respects, to financial illiteracy and consumer illiteracy of how financial services are regulated in South Africa. If consumers are unaware, first, of the nature of the service they are receiving and whether it accords with the service that they should be receiving, it bears on the likelihood that they may receive a financial service that does not comply with legislative prescripts without being aware.

Consumer illiteracy presents itself in primarily two ways. In the first place, if consumers do not know how the financial sector is regulated, it is unlikely that they would know where to go if they had an issue with a financial product or with the manner in which it was sold to them. Secondly, consumer illiteracy of the regulated environment may impact on the preparedness of the majority of the South African public to engage in formal investment activities given that people tend to be less willing to participate in an activity they do not understand and instead turn to activities in the informal sector which are more prone to result in a reproachful treating of consumers, thus increasing the risk of the complaints that may be lodged with this office.

- All of this results in the continued financial illiteracy by the public and increase in vulnerability to certain illegal, unregulated products, i.e., pyramid schemes, Ponzi schemes and any other product that may still require regulatory investigation, such as cryptocurrency.
- The Office's aim is to assist the public by means of continued awareness of financial products, the mandate of the Office and the manner in which the Office could provide assistance and recourse to the public in case of misconduct by financial services providers. The Office are planning to determine and monitor the impact of the awareness campaigns to ensure that meaningful services are being provided to increase general awareness of financial products, services as well as an increase in brand awareness and financial literacy during the next planning cycle (2026 – 2030)
- The social impacts of job losses, often involving the sole breadwinner, interruptions to public health programmes, loss of access to educational and other child support services, growing challenges with mental health, and increased gender-based violence are collectively deepening destitution in many communities. This will only aggravate the scenario presented above.

#### 4.1.4 Technology environment

In the same way that organisations in the country, and around the world, are improving their business processes by relying on technology, the FAIS Ombud has done the same through the introduction of a voice-log system that allows it to receive complaints by telephone and the implementation of a new CRM system. The Rules that govern the proceedings of the FAIS Ombud provide those complaints to the FAIS Ombud must be submitted in writing. The Rules however make provision for the FAIS Ombud to receive complaints in any other manner in circumstances deemed appropriate. The voice log system was introduced in response to the fact that the FAIS Ombud office is located in a single city in South Africa, in a metropolis, which materially affects the ability of a number of South Africans to access the office. The voice log system caters for the many South Africans without access to electronic means such as email as well as those without access to postal services and allows for the capability to receive complaints via telephone.

Developments and advancement in technology have also brought about a general increase in cyber-crime and theft of data. The FAIS Ombud implemented the Security Information Event Management solution (SIEM) to strengthen its overall security posture against cyber security/attack. The solution includes the following:

- A central view of potential threats
- Real-time threat identification and response
- Regulatory compliance auditing and reporting
- Greater transparency monitoring users, applications, and device.

The Office, by virtue of the work it undertakes, being a caretaker for a great deal of personal information, it is obliged to take certain measures to protect all the data and personal information it receives by, compliance with, primarily, the Protection of Personal Information Act, 4 of 2013 (“the PoPI Act”). The FAIS Ombud office, in a bid to comply with its legal obligations to protect the personal information of all stakeholders, it is compelled to take more strenuous measures to achieve this task. This means that the office must employ people with the appropriate expertise and procure appropriate systems to ensure that this information is secure. A general increase in cyber-crime and computer viruses therefore has a bearing on the legal

obligations this office has in terms of safeguarding personal information and also ultimately this will affect its budgetary needs in respect of a support function.

#### **4.1.5 Environmental impact**

We interpret environment to mean both the natural environment as well as the financial services environment and consider the impact of both.

As regards the natural environment, climate change has resulted in an increase in natural disasters and events. This has put a strain on insurance products because the premiums that are payable in exchange for cover are determined with reference to, amongst others, the propensity of a particular event occurring. Natural disasters that were not common in certain areas are now common in those areas. An insurer's ability to provide cover may be affected and this may give rise to an increase in complaints.

#### **4.1.6 Legislative environment**

The FAIS Ombud is a creature of statute. It was created by and derives its mandate from the FAIS Act. There are intended amendments to the legislative environment, one of which is the repeal of the FAIS Act. This will affect the way the FAIS Ombud operates. The Ombud Council is now responsible for overall monitoring and governance of the Ombud schemes recognised under the FSR Act. The intended amalgamation of all the financial ombuds offices into the National Financial Ombud office will directly impact the FAIS Office. The FAIS Office is fully cooperating with the process of integration which is expected to take place over the next 2 to 4 years.

In addition, there are also legislative prescripts that speak to the FAIS Ombud's support functions. Legislative, regulatory and policy changes by National Treasury and the DPSA, such as those that speak to cost containment, bear on the operations of the entity since they will affect procurement and may also affect the recruitment of staff.

## 4.2 Internal environmental analysis

The internal performance environment and the influences therefrom were considered, and an analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT) were completed for the entity.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Clear Legislative mandate which sets out the FAIS Ombud’s function, power and independence.</li> <li>• Strong oversight from National Treasury, audit processes and corporate governance structures.</li> <li>• Status of determinations as court rulings, same being in the public domain, thereby ensuring enforcement thereof and hopefully changing market behaviour in the industry and related business practices.</li> <li>• The FAIS Ombud is seen as independent by key stakeholders given its statutory nature, funding and the statutory reconsideration process via the Financial Services Tribunal.</li> <li>• Automated business processes involved in executing the mandate with the implementation of the new CRM system.</li> </ul>	<ul style="list-style-type: none"> <li>• Low financial jurisdictional limit for awards to complainants thereby jeopardising the restitution effect of determinations and willingness of stakeholders to approach the Office.</li> <li>• Difficulty in attracting and retaining specialist resources to execute on the core mandate and specialist support services.</li> <li>• Delays in the recruitment of ministerial positions; and</li> <li>• Succession planning challenges due to vacancies of senior positions.</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>• FAIS Ombud collaboration initiative with relevant stakeholders, i.e.               <ol style="list-style-type: none"> <li>1. collaboration with FSCA on consumer education initiatives</li> <li>2. Constant engagement with NT and the Ombud Council on legislative changes and amalgamation</li> <li>3. Regular engagement with the Chief Ombud with regard to the new Ombud landscape</li> </ol> </li> <li>• Improved office brand awareness, financial literacy and customer awareness by enhancing the social media footprint;</li> </ul>	<ul style="list-style-type: none"> <li>• Uncertainty regarding the future of the FAIS Ombud Office.</li> <li>• Influx of complex complaints regarding widely sold regulated and unregulated financial products.</li> <li>• Cyber-attacks.</li> <li>• Emergence of Fintech and International developments that may result in unregulated products.</li> <li>• Labour unrest resulting from Unionised environment.</li> </ul>

### 4.3 Risk Management Framework

The FAIS Ombud’s risk-management framework, includes policies and procedures that enable it to identify, measure, monitor and effectively manage the range of risks, including threats and weaknesses that arise in the course of business by the entity. It takes an integrated and comprehensive view of its risks. The framework also sets out the methodologies for identifying and assessing the impact of risks and the roles and

responsibilities of management in relation to risks. The Risk Committee ensures that the FAIS Ombud continues to maintain an effective risk management framework.

The FAIS Ombud's risk management processes are designed to identify, measure, manage and monitor strategic and operational risks across the entire organisation. It continues to use risk management techniques to identify potential threats that could impede its ability to achieve its strategic goals and objectives.

#### **4.4 Organisational environment**

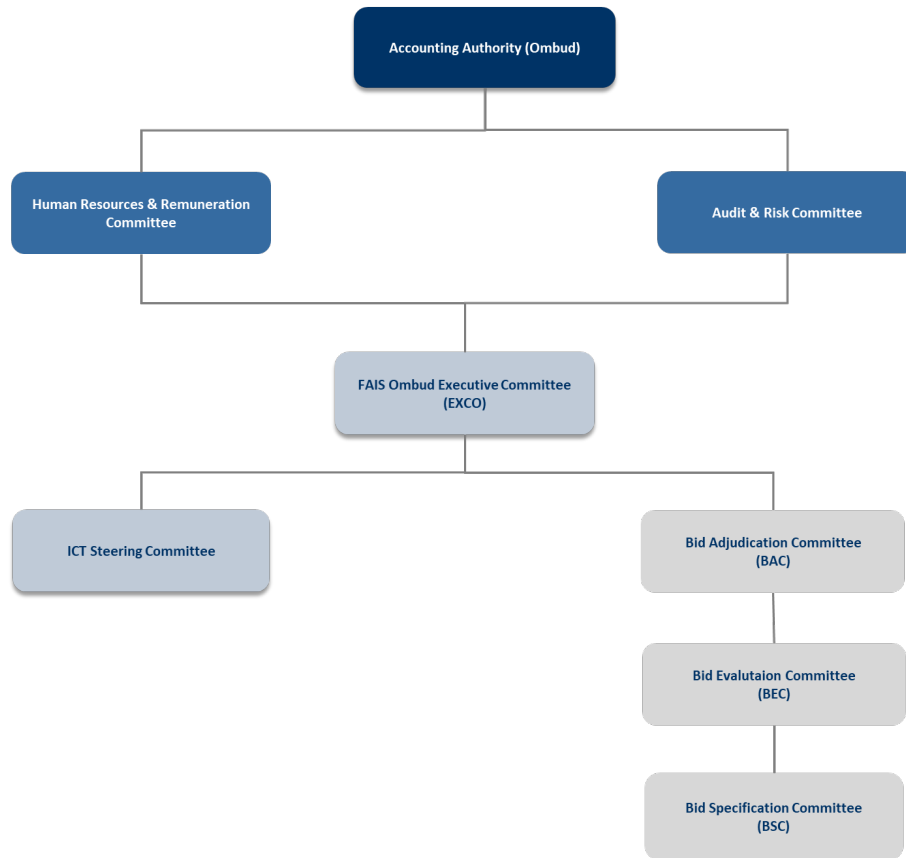
##### **4.4.1 FAIS Ombud governance structure**

The Executive Committee (EXCO) of the FAIS Ombud oversees the operations of the organisation. The EXCO comprises:

- FAIS Ombud
- Deputy Ombud (vacant)
- Chief Financial Officer
- Head: Governance Risk and Compliance
- Head: HR
- Head: ICT

The Ombud is the Accounting Authority of the institution. The legislative framework establishes independent governance committees, namely a combined Human Resources & Remuneration Committee as well as a combined Audit & Risk Committee which makes recommendations to the Ombud. EXCO is authorised to establish other subcommittees with functions that the EXCO may determine.

The governance structure of the institution is depicted below.



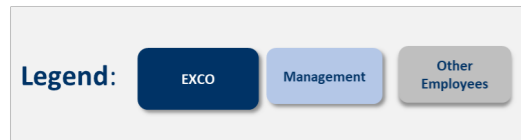
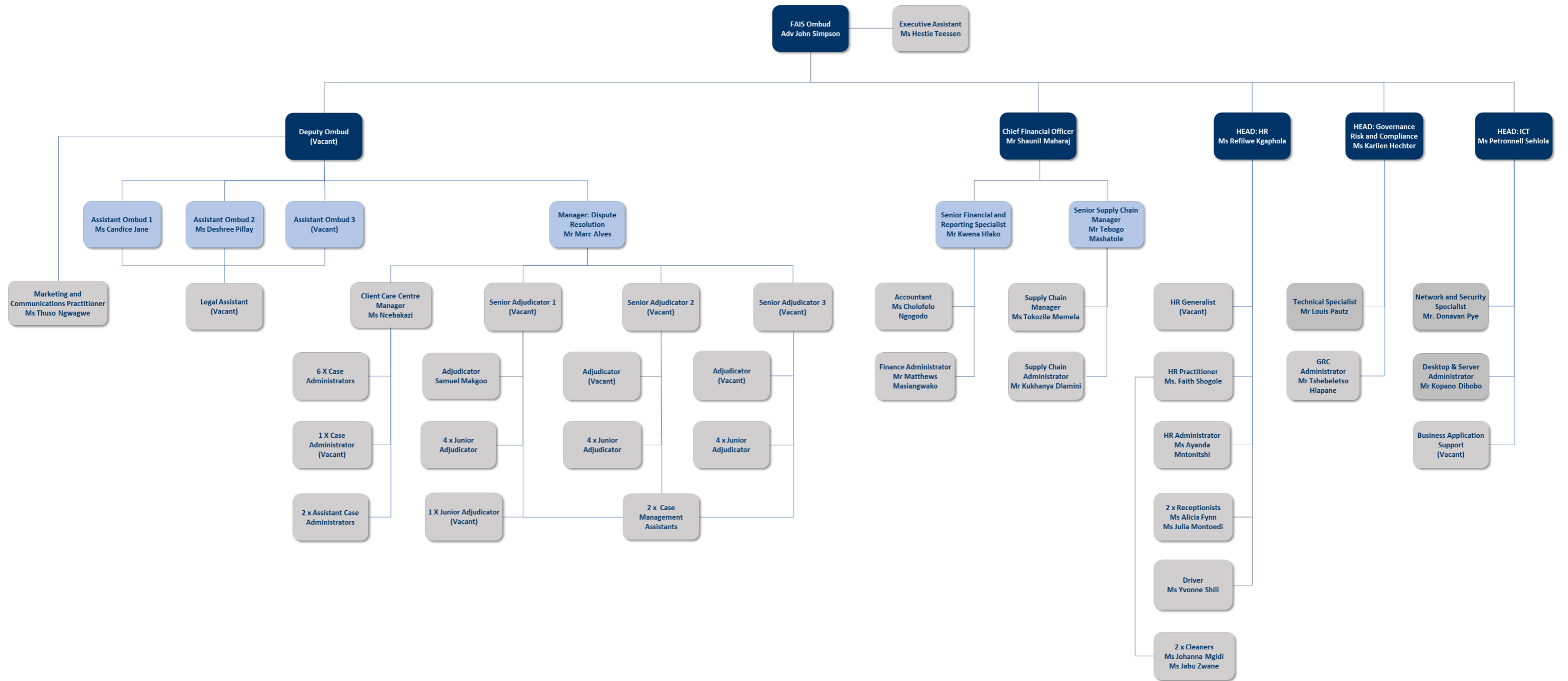
#### 4.4.2 FAIS Ombud organisational structure

The FAIS Ombud is organised into core departments which are supported by 4 support departments. Each department is headed by a manager or an EXCO member. The Chief Financial Officer (CFO) is responsible for sound financial governance. The Governance Risk and Compliance Officer is responsible for the second line assurance functions, and the ICT Manager is responsible for ensuring the development and implementation of a business-aligned FAIS Ombud ICT Strategy. The HR Manager is responsible to ensure the provision of comprehensive Human Resources Management services that will enable the office of the FAIS Ombud to achieve on its legislated mandate. All core and support departments report to the Ombud.

The organogram of the FAIS Ombud is reproduced below.



# FAIS Ombud Organogram



## PART C: MEASURING OUR PERFORMANCE

### 1 Institutional performance information

#### 1.1 Programme: Administration

**Purpose:** Provide support to core operating divisions of the FAIS Ombud

#### *Outcomes, Outputs, Performance Indicators and Targets*

Outcomes	Outputs	Output Indicator	Annual Targets					
			Audited/Actual Performance			Estimated Performance	MTEF Period	
			2020/2021	2021/2022	2022/2023	2023/24	2024/25	2025/26
Optimised internal capacity, business processes and systems to enhance operational excellence through the support services	External Audit Report	Clean audit opinion (AGSA)	AGSA clean audit opinion	AGSA Unqualified (with findings) audit opinion	Clean Audit opinion (Unqualified without findings)	Unqualified audit opinion (with no material findings)	Unqualified audit opinion	N/A – new planning period
	Management Accounts on Supplier invoices paid	Percentage suppliers' invoices paid within 30 days	N/A	Pay 99.47% of valid supplier's invoices within 30 days	99.81% of valid supplier's invoices paid within 30 days.	Pay 100% of valid supplier invoices within 30 days.	Pay 100% of valid supplier invoices within 30 days.	N/A – new planning period
	Quarterly report on Employment Equity Targets	Percentage achievement of FAIS Ombud EE targets	<ul style="list-style-type: none"> <li>- 67% female</li> <li>- 90% black.</li> <li>- 2% employees with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>- 63.8% female (5.5% white and 94.5% black)</li> <li>- 94% black; 3% employees with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>- 62% female</li> <li>- 92.25% black.</li> <li>- 5% employees with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>- 51% female</li> <li>- 92% black</li> <li>- 8% white</li> <li>- 2% employees with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>- 51% female</li> <li>- 92% black</li> <li>- 8% white</li> <li>- 2% employees with disabilities</li> </ul>	N/A – new planning period
	Signed trainee contracts	Number of trainees appointed per annum.	9 trainees appointed by 31 March 2021.	10 trainees appointed by 31 March 2022	8 trainees appointed by 31 March 2023	9 trainees appointed by 31 March 2024	9 trainees appointed by 31 March 2025	N/A – new planning period

### Indicators, Annual and Quarterly Targets

Output indicator	Annual target	Q1	Q2	Q3	Q4
Unqualified audit opinion	Unqualified audit opinion	N/A	Unqualified audit opinion	N/A	N/A
Percentage suppliers' invoices paid within 30 days	Pay 100% of valid supplier invoices within 30 days	Pay 100% of valid supplier invoices within 30 days	Pay 100% of valid supplier invoices within 30 days	Pay 100% of valid supplier invoices within 30 days	Pay 100% of valid supplier invoices within 30 days
Percentage achievement of FAIS Ombud EE targets	<ul style="list-style-type: none"> <li>- 51% female</li> <li>- 75% black.</li> <li>- 2% employees with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>- 51% female</li> <li>- 75% black.</li> <li>- 2% employees with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>- 51% female</li> <li>- 75% black.</li> <li>- 2% employees with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>- 51% female</li> <li>- 92% black</li> <li>- 8% white</li> <li>- 2% employees with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>- 51% female</li> <li>- 92% black</li> <li>- 8% white</li> <li>- 2% employees with disabilities</li> </ul>
Number of trainees appointed per annum.	9 trainees appointed by 31 March 2025	N/A	N/A	N/A	9 trainees appointed by 31 March 2025

### 1.2 Programme: Complaints resolution

**Purpose:** Achievement of the legislative mandate – Satisfied Customers

#### Outcomes, Outputs, Performance Indicators and Targets

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2020/2021	2021/2022	2022/2023	2023/24	2024/25	2025/26	
Achievement of legislative mandate - Satisfied Customers	Customer satisfaction forms	Percentage of satisfied customers as derived from the CSFs in 2023/24	96.90% satisfied customers as derived from the CSFs in	90% satisfaction rate as derived from the CSFs in the 2021/22 financial year	87.89% satisfaction rate as derived from the CSFs in the 2022/23 financial year.	Achieve 85% satisfaction rate as derived from the CSFs in the 2023/24 financial year	Achieve 85% satisfaction rate as derived from the CSFs in the 2024/25 financial year	N/A – new planning period	

Outcomes	Outputs	Output Indicator	Annual Targets							
			Audited/Actual Performance			Estimated Performance	MTEF Period			
			2020/2021	2021/2022	2022/2023	2023/24	2024/25	2025/26		
			2020/21							
	Report Complaints responded to within 4 working days of date of receipt of complaint	Percentage of complaints responded to within 4 working days of date of receipt of complaint	N/A	N/A	N/A	Respond to 100% of complaints within 4 days of date of receipt of complaint.	Respond to 100% of complaints within 4 days of date of receipt of complaint.	N/A – new planning period		
	Report on complaints closed within 9 months of date of receipt	Percentage of complaints closed within 9 months of receipt	94.99% of complaints closed within 9 months of receipt	94.23% complaints closed within 9 months of date of receipt	96.47% complaints closed within 9 months of date of receipt	92% complaints closed within 9 months of date of receipt.	92% complaints closed within 9 months of date of receipt.	N/A – new planning period		
	Report on complaints closed within 6 months of date of receipt	Percentage of complaints closed within 6 months of receipt	91.12% of complaints closed within 6 months of receipt.	88.60 % of complaints closed within 6 months of receipt	91.05% of complaints closed within 6 months of receipt	85% of complaints closed within 6 months of receipt.	85% of complaints closed within 6 months of receipt.	N/A – new planning period		
	Report on complaints closed within 3 months of date of receipt	Percentage of complaints closed within 3 months of receipt	84.43% of complaints closed within 3 months of receipt	82.14% of complaints closed within 3 months of receipt	84.04% of complaints closed within 3 months of receipt	75% of complaints closed within 3 months of receipt.	75% of complaints closed within 3 months of receipt.	N/A – new planning period		
	Report on Complaints older than 9 months	Percentage of active complaints that are older than 9 months (excluding property syndications)	19.27% active complaints older than 9 months by 31 March 2021	17.57% or less active complaints older than 9 months by 31 March 2022 (excluding property syndications)	15.20% or less active complaints older than 9 months by 31 March 2023 (excluding property syndications)	20% or less active complaints older than 9 months by 31 March 2024 (excluding property syndications)	20% or less active complaints older than 9 months by 31 March 2025	N/A – new planning period		

Outcomes	Outputs	Output Indicator	Annual Targets					
			Audited/Actual Performance			Estimated Performance	MTEF Period	
			2020/2021	2021/2022	2022/2023	2023/24	2024/25	2025/26
	Report on efficiency ratio (% closed complaints vs received complaints within the financial year)	Efficiency ratio	80.66% Efficiency ratio for the 2020/21 financial year	84.70% Efficiency ratio for the 2022/23 financial year	84.26% Efficiency ratio for the 2022/23 financial year	80% Efficiency ratio for the 2023/24 financial year	80% Efficiency ratio for the 2024/25 financial year	N/A – new planning period

### Indicators, Annual and Quarterly Targets

Output indicator	Annual target	Q1	Q2	Q3	Q4
Percentage of satisfied customers as derived from the CSFs in 2023/24	Achieve 85% satisfaction rate as derived from the CSFs in the 2024/25 financial year	Achieve 85% satisfaction rate as derived from the CSFs by 30 June 2024	Achieve 85% satisfaction rate as derived from the CSFs by 30 September 2024	Achieve 85% satisfaction rate as derived from the CSFs by 31 December 2024	Achieve 85% satisfaction rate as derived from the CSFs by 31 March 2025
Report Complaints responded to within 4 working days of date of receipt of complaint	Respond to 100% of complaints within 4 days of date of receipt of complaint.	N/A	N/A	N/A	Respond to 100% of complaints within 4 days of date of receipt of complaint.
Percentage of complaints closed within 9 months of receipt	92% complaints closed within 9 months of date of receipt.	92% complaints closed within 9 months of date of receipt measured at 30 June 2023	92% complaints closed within 9 months of date of receipt measured at 30 September 2023	92% complaints closed within 9 months of date of receipt measured at 31 December 2023	92% complaints closed within 9 months of date of receipt measured at 31 March 2024
Percentage of complaints closed within 6 months of receipt	85% of complaints closed within 6 months of receipt.	85% complaints closed within 6 months of date of receipt measured at 30 June 2023	85% complaints closed within 6 months of date of receipt measured at 30 September 2023	85% complaints closed within 6 months of date of receipt measured at 31 December 2023	85% complaints closed within 6 months of date of receipt measured at 31 March 2024
Percentage of complaints closed within 3 months of receipt	75% of complaints closed within 3 months of receipt.	75% complaints closed within 3 months of date of receipt measured at 30 June 2023	75% complaints closed within 3 months of date of receipt measured at 30 September 2023	75% complaints closed within 3 months of date of receipt measured at 31 December 2023	75% complaints closed within 3 months of date of receipt measured at 31 March 2024

Output indicator	Annual target	Q1	Q2	Q3	Q4
Percentage of all active complaints that are older than 9 months.	20% or less active complaints older than 9 months by 31 March 2024 (excluding property syndications)	N/A	N/A	N/A	20% or less of all active complaints are older than 9 months as at 31 March 2024
Efficiency ratio	80% Efficiency ratio for the 2023/24 financial year	N/A	N/A	N/A	80% Efficiency ratio by 31 March 2024

### 1.3 Programme: Stakeholder Management

**Purpose:** Achievement of the legislative mandate – Enhanced relationships (improved co-operation with stakeholders)

#### *Outcomes, Outputs, Performance Indicators and Targets*

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2020/2021	2021/2022	2022/2023	2023/24	2024/25	2025/26	
Enhanced relationships with stakeholders	Exco reports on stakeholder engagements	Number of stakeholder engagement with key stakeholders, including NT, Governance Committees, Union and Auditors	120	<ul style="list-style-type: none"> <li>- 13 National Treasury submissions</li> <li>- 16 Governance committee meetings</li> <li>- 3 Union engagement meetings</li> </ul>	<ul style="list-style-type: none"> <li>- 16 National Treasury submissions</li> <li>- 17 Governance committee meetings</li> <li>- 3 Union engagement meetings</li> </ul>	<ul style="list-style-type: none"> <li>- 13 National Treasury submissions</li> <li>- 8 Governance committee meetings</li> <li>- 4 Union engagement meetings</li> </ul>	<ul style="list-style-type: none"> <li>- 13 National Treasury submissions</li> <li>- 8 Governance committee meetings</li> <li>- 4 Internal Audit Engagement meeting</li> </ul>	N/A – new planning period	

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2020/2021	2021/2022	2022/2023	2023/24	2024/25	2025/26	
				<ul style="list-style-type: none"> <li>- 16 Internal Audit Engageme nt meeting</li> <li>- 3 External Audit Engageme nt meeting</li> </ul>	<ul style="list-style-type: none"> <li>- 7 Internal Audit Engageme nt meeting</li> <li>- 6 External Audit Engageme nt meeting</li> </ul>	<ul style="list-style-type: none"> <li>- 4 Internal Audit Engageme nt meeting</li> <li>- 4 External Audit Engageme nt meeting</li> </ul>	<ul style="list-style-type: none"> <li>- 4 External Audit Engageme nt meeting</li> </ul>		
Improved brand awareness, financial literacy and customer awareness	Exco reports on brand awareness, financial literacy and customer awareness activities	Number of activities relating to brand awareness, financial literacy and customer awareness activities	28	<ul style="list-style-type: none"> <li>- 1 MoneySma rt week</li> <li>- 176 posts on social media (Twitter, Facebook and LinkedIn)</li> <li>- 6 press releases</li> <li>- 2 Newsletters</li> </ul>	<ul style="list-style-type: none"> <li>- 1 MoneySma rt week</li> <li>- 353 posts on social media (Twitter, Facebook and LinkedIn)</li> <li>- 12 press releases</li> <li>- 4 Newsletters</li> </ul>	<ul style="list-style-type: none"> <li>- 1 MoneySma rt week</li> <li>- 100 posts on social media (Twitter, Facebook and LinkedIn)</li> <li>- 12 press releases</li> <li>- 4 Newsletters</li> </ul>	<ul style="list-style-type: none"> <li>- 1 MoneySmart week</li> <li>- 100 posts on social media (Twitter, Facebook and LinkedIn)</li> <li>- 12 press releases</li> <li>- 4 Newsletters</li> </ul>	N/A – new planning period	

### Indicators, Annual and Quarterly Targets

Output indicator	Annual target	Q1	Q2	Q3	Q4
Number of stakeholder engagement with key stakeholders, including NT, Governance Committees, Union and Auditors	<ul style="list-style-type: none"> <li>- 13 National Treasury submissions</li> <li>- 8 Governance committee meetings</li> </ul>	<ul style="list-style-type: none"> <li>- 5 National Treasury submissions</li> <li>- 2 Governance committee meetings</li> </ul>	<ul style="list-style-type: none"> <li>- 4 National Treasury submissions</li> <li>- 2 Governance committee meetings</li> </ul>	<ul style="list-style-type: none"> <li>- 2 National Treasury submissions</li> <li>- 2 Governance committee meetings</li> </ul>	<ul style="list-style-type: none"> <li>- 2 National Treasury submissions</li> <li>- 2 Governance committee meetings</li> </ul>

Output indicator	Annual target	Q1	Q2	Q3	Q4
	<ul style="list-style-type: none"> <li>- 4 Union engagement meetings</li> <li>- 4 Internal Audit Engagement meeting</li> <li>- 4 External Audit Engagement meeting</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>- 1 Union engagement meetings</li> <li>- 0 Internal Audit Engagement meeting</li> <li>- 0 External Audit Engagement meeting</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>- 1 Union engagement meetings</li> <li>- 0 Internal Audit Engagement meeting</li> <li>- 0 External Audit Engagement meeting</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>- 1 Union engagement meetings</li> <li>- 0 Internal Audit Engagement meeting</li> <li>- 0 External Audit Engagement meeting</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>- 1 Union engagement meetings</li> <li>- 2 Internal Audit Engagement meeting</li> <li>- 2 External Audit Engagement meeting</li> <li>-</li> </ul>
Number of activities relating to brand awareness, financial literacy and customer awareness activities	<ul style="list-style-type: none"> <li>- 1 MoneySmart week</li> <li>- 100 posts on social media (Twitter, Facebook and LinkedIn)</li> <li>- 12 press releases</li> <li>- 4 Newsletters</li> </ul>	<ul style="list-style-type: none"> <li>- 0 MoneySmart week</li> <li>- 25 posts on social media (Twitter, Facebook and LinkedIn)</li> <li>- 3 press releases</li> <li>- 1 Newsletter</li> </ul>	<ul style="list-style-type: none"> <li>- 0 MoneySmart week</li> <li>- 25 posts on social media (Twitter, Facebook and LinkedIn)</li> <li>- 3 press releases</li> <li>- 1 Newsletter</li> </ul>	<ul style="list-style-type: none"> <li>- 0 MoneySmart week</li> <li>- 25 posts on social media (Twitter, Facebook and LinkedIn)</li> <li>- 3 press releases</li> <li>- 1 Newsletter</li> </ul>	<ul style="list-style-type: none"> <li>- 1 MoneySmart week</li> <li>- 25 posts on social media (Twitter, Facebook and LinkedIn)</li> <li>- 3 press releases</li> <li>- 1 Newsletter</li> </ul>



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## PART D: FAIS OMBUD BUDGET FOR THE 2024/25 FINANCIAL YEAR

### 1 INTRODUCTION

The main objective of the FAIS Ombud is to investigate and resolve complaints in terms of the FAIS Act and the Rules promulgated there-under. A complaint could arise where, in the rendering of a financial service by a financial service provider or his representative, it is alleged that the financial service provider:

- has contravened the provisions of the FAIS Act and that the complainant has or is likely to suffer financial prejudice or damages.
- has acted wilfully and negligently in rendering the financial service and has caused or is likely to cause prejudice or damage to the complainant; and
- has treated the complainant unfairly.

In resolving complaints in terms of the FAIS Act and Rules, the FAIS Ombud acts independently and must be impartial. The FAIS Ombud resolves complaints through mediation or conciliation and if these methods are not successful in resolving the complaint, then the FAIS Ombud will issue a determination. The determination is binding and, subject to fulfilment of the requirements of section 28(5) of the FAIS Act, is enforceable like a judgment of a Court of Law and may be subject to reconsideration by the Financial Services Tribunal in terms of the FSR Act.

Due to the dynamic nature of the environment that the FAIS Ombud operates within, as well as the needs and requirements of the various stakeholders, more specific objectives have been highlighted.

- The need to ensure that cases are properly assessed and appropriately handled until finalisation;
- The need to inform stakeholders on the role and functions of the FAIS Ombud;
- The need to acquire appropriate skills to properly discharge the important mandate of the FAIS Ombud and to ensure that such skills are retained;

- 
- The need to ensure that risk is adequately managed across the enterprise;
  - The need to ensure proper financial functions; and
  - The need to ensure that appeals/reviews of decisions of the FAIS Ombud are appropriately dealt with.

The FAIS Ombud Budget for the financial year 2024/25 as presented was derived from the broader longer-term Strategic Objectives of the office as set out in its Strategic Plan 2020-2025.

## **2 HISTORICAL FUNDING AND CURRENT FUNDING**

Since inception, the Office of the FAIS Ombud (Office) has been funded by levies collected by the Financial Sector Conduct Authority (FSCA) (previously the Financial Services Board (FSB)) on behalf of the Office from the Financial Services industry. The levy applicable to the Office was previously calculated based on an approved formula per the FSB Act which used the number of service providers and the key representatives employed by the service providers as a key indicator as the basis of the calculation. Any shortfalls in the Office's funding requirements have always been augmented by the FSCA at the approval of the then Accounting Authority.

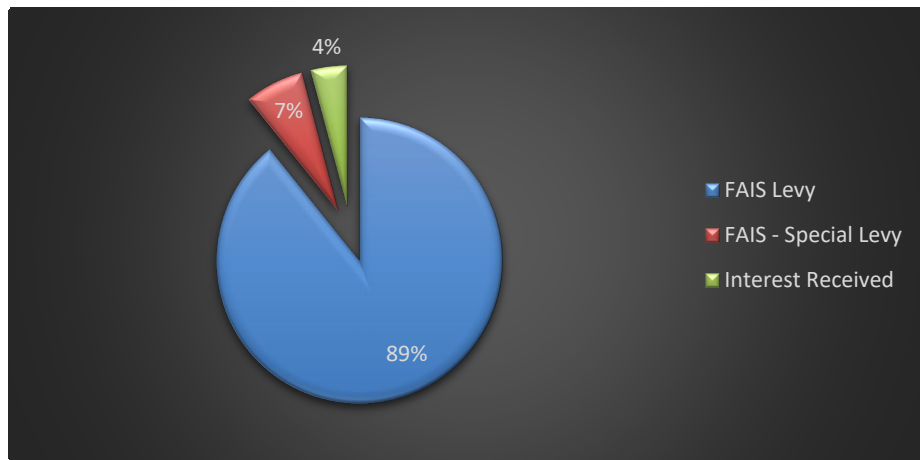
Effective 1 April 2023, *Financial Sector and Deposit Insurance Levies Bill (Levies Bill), 2021* came in effect which in effect results in the Office being financially independent from the FSCA. Accordingly, any shortfall in its funding requirements will no longer be bridged by the FSCA. The Office will be required to maintain its operational and capital requirements within the constraints of the levy received from industry and/or any reserves accumulated and retained from prior period operations. For the first two years of implementation of the Levies Bill, the Office will be entitled to a Special Levy equivalent to 7,5% of the estimated levy collectable in the 2023/24 and 2024/25 financial period. These additional funds will be utilised to for any operational and ad-hoc costs during this transitional period.

### 3 2024/25 BUDGET HIGHLIGHTS

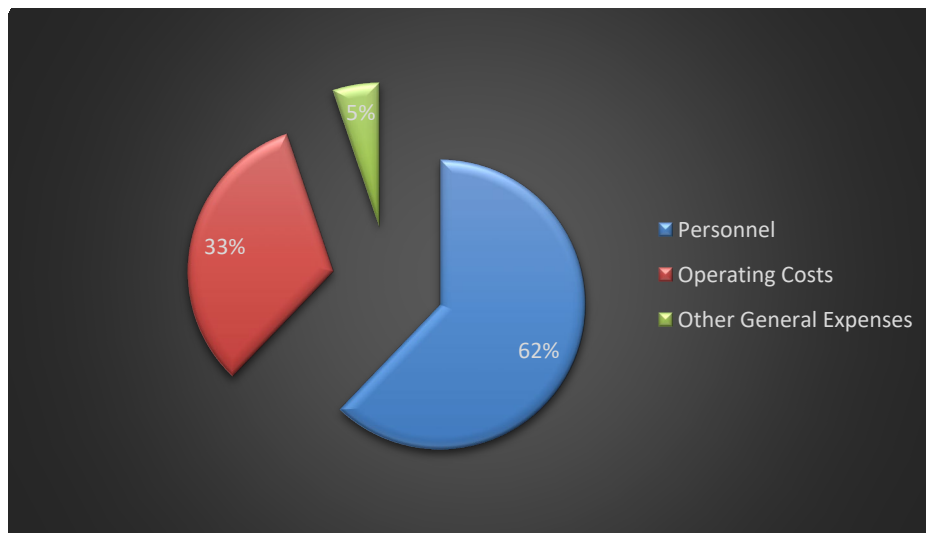
#### 3.1 General budget assumptions applied – Economic Indicators

MTEF budgeting guidelines	Where practically possible, budgeting is aligned to MTEF guidelines in reducing costs overall.
CPI	Annual CPI inflation 6%.
Interest on investments	The current yield on Corporation of Public Deposits (CPD) is 8.25%

Graph 1 – Gross Revenue



Graph 2 – Expenditure Breakdown



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## 4 2024/25 BUDGET ASSUMPTIONS

### 4.1 General budget assumptions applied– Economic Indicators

MTEF budgeting guidelines	Where practically possible, budgeting is aligned to MTEF guidelines in reducing costs overall.
CPI	Annual CPI inflation 6%.
Interest on investments	The current yield on Corporation of Public Deposits (CPD) is 8.25%

### 4.2 Staff Expenses

Cost to Employer (CTE)	Actual salaried, with budgeted increase of 6% from 1 January 2024.
Contractors	Actual cost adjusted for CPI increase on renewal of contracts.
Outsourcing	Specialist skills as required on ad-hoc basis by business units.
Staff Training	As budgeted by HR based on user department requirements.
UIF	Per the statutory requirement.
SETA levy	Per the statutory requirement.

## 5 FAIS OMBUD BUDGET 2024/25

		2024/25	2023/24	Difference	% Variance
<b>Revenue</b>		<b>(88 211 293,50)</b>	<b>(83 485 072,50)</b>	<b>(4 874 562,00)</b>	<b>3%</b>
Levy Income	6.1	(78 708 180,00)	(76 730 300,00)	(2 126 221,00)	3%
Special Levy	6.2	(5 903 113,50)	(5 754 772,50)	(148 341,00)	3%
Interest income	6.3	(3 600 000,00)	(1 000 000,00)	(2 600 000,00)	260%
<b>Expenses</b>		<b>87 164 293,50</b>	<b>81 606 149,62</b>	<b>5 558 143,88</b>	
Personnel costs	7	54 163 794,45	49 935 741,21	4 228 053,24	8%
Committee members	-	903 461,85	949 604,00	(46 142,15)	-5%
Other general expenses	17	4 501 590,47	4 524 562,76	(22 972,29)	-1%
Annual report and promotions	-	400 000,00	400 000,00	-	0%
Communication costs	8	2 276 420,40	2 037 120,00	239 300,40	12%
Computer maintenance and support	9	3 929 000,00	2 407 220,00	1 521 780,00	63%
Operating lease - Printers	10	124 554,00	120 000,00	4 554,00	4%
Capacity building	11	2 337 181,00	2 101 679,53	235 501,47	11%
Consulting and professional fees	12	3 752 300,00	3 086 000,00	666 300,00	22%
Subscription and membership	13	103 793,93	76 550,75	27 243,18	36%
External audit	-	2 035 000,00	1 850 000,00	185 000,00	10%
Internal audit	-	770 000,00	700 000,00	70 000,00	10%
Depreciation and amortization	14	3 470 500,00	3 512 000,00	(41 500,00)	-1%
Finance costs	-	72 000,00	70 000,00	2 000,00	3%
Operating lease - office premises	15	4 164 044,20	4 164 044,20	-	0%
Rates and electricity	15	2 849 978,59	2 676 600,00	173 378,59	6%
Operating costs - Office building	15	810 674,61	695 027,17	115 647,44	17%
Litigation	16	500 000,00	2 300 000,00	(1 800 000,00)	-78%
<b>(Surplus)/ Deficit</b>		<b>(1 047 000,00)</b>	<b>(1 878 922,88)</b>		
Capital expenditure	18	1 047 000,00	1 878 922,88	(831 922,88)	-44%
<b>Surplus/ Deficit</b>		<b>0,00</b>	<b>0,00</b>		

## 6 REVENUE

### 6.1 Levy Income – R78,708 million (2023/24 – R76,730 million)

A zero percent increase was proposed in the general levy for the 2024/25 period. Increased income is purely as a result of the increase in registered key individuals and their representatives per the information maintained by the FSCA.

### 6.2 Special Levy – R5,903 million (R5.754 million)

The Levies Act allows the FAIS Ombud to raise a special levy in the first two years of its enactment to cover establishment costs. The levy is calculated at 7.5% of the amount to be invoiced as is included in the overall FAIS levy.

### 6.3 Interest Income – R3.6 million (2023/24 – R1 million)

Funds invested in the CPD Account at the South African Reserve Bank as per the Treasury Instruction on surplus funds.

## 7 PERSONNEL COSTS

Description	2024/25	2023/24	Difference	% Difference
Salaries	53 384 726,00	49 169 295,42	4 215 430,58	9%
Long Service Awards	78 000,00	102 000,00	(24 000,00)	-24%
UIF	153 740,66	153 094,60	646,06	0%
SETA levy	510 327,80	476 351,19	33 976,61	7%
Workmen's Compensation	37 000,00	35 000,00	2 000,00	6%

### 7.1 Salaries

The high ratio of salaries to total expenditure is attributable to the FAIS Ombud being a service organisation with personnel costs being the main cost driver. Salaries are budgeted to increase by an average of 6% effective from 1 January 2025 aligned mainly to the forecasted SA consumer price index.

### 7.2 SETA Levy, UIF and Workmen's Compensation

Statutory costs catered for under the personnel costs of the organisation.

## 8 COMMUNICATION COSTS

*Communication costs – R2,276 million (2023/24 – R2,037 million)*

Relates to the costs, mainly contractual that related to the costs associated with telephone, email and internet which is essential for the operations of the office to achieve on its mandate.

## 9 COMPUTER MAINTENANCE AND SUPPORT

*Computer maintenance and support – R3,929 million (2023/24 – R2,407 million)*

Consists of the costs associated with the services required to ensure that the ICT environment including, computer software and computer hardware are kept at their optimal to ensure no disruption in service delivery. The costs also include the costs of service providers providing ICT security needs as well the applicable licensing of the software utilised by the Office.

## 10 OPERATING LEASES - PRINTERS

*Operating Leases - Printers – R0,124 million (2023/24 – R0,120 million)*

Contractual costs to be incurred for the lease of the Office printers.

## 11 CAPACITY BUILDING

*Capacity building – R2,337 million (2023/24 – R2,101 million)*

The Office encourages staff to keep abreast with developments within their fields of expertise and to address identified gaps in individual staff performance through relevant training. Departments are required to submit their training requirements in accordance with the staff personal development. The training is to also align staff to the office's strategic objectives in achieving its mandate.

Also, included are the costs of staff attendance at seminar and conferences aligned to the requirements of the Office in order to ensure that the staff are up to date with the relevant changes to the industry and environment.

## 12 CONSULTING AND PROFESSIONAL FEES

*Consulting and professional fees – R3,752 million (2023/24 – R3,086 million)*

The expenses to be incurred relate mainly to the services required for the support to the ICT department and include the following which amount to approximately R1,7 million:

- SIEM Security
- Disaster Recovery
- Advisory services.

The remainder of the amount budgeted have been allocated to amongst other the following services required by the various departments:

- Performance management and job profiling
- Anti-Fraud programmes
- Secretarial fees
- End-term performance management evaluations
- Ethics seminars
- HR Advisory Support services
- Etc.

### **13 SUBSCRIPTIONS AND MEMBERSHIPS**

*Subscriptions and Memberships – R0,103 million (2023/24 – R0,076 million)*

The Office pays the professional membership fees of the employees belonging to recognised professional bodies.

### **14 DEPRECIATION AND AMORTISATION**

*Depreciation and Amortisation – R3,470 million (2023/24 – R3,512 million)*

The depreciation budget includes the depreciation and amortisation charge for the existing assets and the projected depreciation and amortisation charge for acquisition assets and intangible assets as detailed per capital expenditure budget on note 18 of this document. The decrease in the depreciation and amortisation charge is mainly attributable to the revision of the useful life of certain existing assets, namely the CRM system, computer equipment and office furniture etc.

### **15 OPERATING LEASE (OFFICE PREMISES); ELECTRICITY AND RATES AND TAXES; OPERATING COSTS (OFFICE PREMISES)**

*Operating lease (Premises); Electricity and Rates and Taxes; Operating Costs (Office premises) – R7,825 million (2023/24 – R7,536 million)*

The increase relates to the rental of the office premises which incorporates the above costs. The budgeted costs of the rental have been aligned to the contractual obligations of the office whilst the electricity costs have been budgeted for considering the effects of loadshedding. These costs escalate based on the diesel costs charged by the landlord for use of the generators to power the office whilst loadshedding occurs.

### **16 LITIGATION COSTS**

*Litigation Costs – R0,500 million (2023/24 – R2,3 million)*



The decrease is attributable to the Office taking a decision not to pursue matters in the High Court of South Africa, the budgeted costs relate to the finalisation of certain matters.

## 17 OTHER GENERAL COSTS

*Other General Costs – R4,501 million (2023/24 – R4,525 million)*

Description	Notes	2024/25	2023/24	Difference	% Variance
Relief staff	17.1	100 000,00	52 500,00	47 500,00	90%
Travel - Local and Foreign	17.2	630 000,00	294 729,09	335 270,91	114%
Pool car maintenance and fuel	-	30 000,00	30 000,00	-	0%
Offsite Storage	17.3	84 700,00	77 000,00	7 700,00	10%
Stationery	-	78 000,00	75 000,00	3 000,00	4%
Office Maintenance	17.4	144 936,86	261 250,00	(116 313,14)	-45%
Strategic Planning & Workshops	17.5	120 000,00	-	120 000,00	100%
Recruitment and Advertising	17.6	1 723 400,00	1 603 082,78	120 317,23	8%
Library costs	-	-	756 377,37	(756 377,37)	-100%
Bank charges	17.7	65 000,00	40 000,00	25 000,00	63%
Consumables	17.8	213 353,61	220 000,00	-	-3%
Wellness Costs	-	10 000,00	-	10 000,00	100%
Entertainment (Internal)	-	30 000,00	32 000,00	(2 000,00)	-6%
Insurance - Short Term	17.9	254 100,00	231 000,00	23 100,00	10%
Security Cost	17.10	23 100,00	21 000,00	2 100,00	10%
Postage and couriers	-	5 000,00	4 000,00	1 000,00	25%
Tender Costs	17.11	40 000,00	140 000,00	(100 000,00)	-71%
Assets expensed	17.12	50 000,00	-	50 000,00	100%
Promotions	17.13	900 000,00	686 623,52	213 376,48	31%
		<b>4 501 590,47</b>	<b>4 524 562,76</b>	<b>(22 972,28)</b>	<b>-1%</b>

### 17.1 Relief Staff – R0,100 million (2023/24 – R0,053 million)

Relief staff are utilised in positions when the need for temporary resources arise.

### 17.2 Travel (Local and Foreign) – R0,630 million (2023/24 – R0,295 million)

The local travel budget includes budget for local travel and accommodation for onsite visits, attendance of local seminars, conferences and meetings. Foreign travel relates to the attendance of the INFO conference and other Ombud conferences abroad by the Ombud.

### 17.3 Offsite storage– R0,085 million (2023/24 – R0,077 million)

Offsite storage is utilised by the Office for the purposes of archiving purposes in terms of the respective legislative requirements.

### 17.4 Office maintenance – R0,145 million (2023/24 – R0,261 million)

Contractual costs associated with the maintenance of the office.

**17.5 Strategic Planning and workshops– R0,120 million (2023/24 – R NIL)**

Costs to be incurred in preparation of the updated strategic plan for the 2025/26 to 2029/30 periods.

**17.6 Recruitment and Advertising– R1,723 million (2023/24 – R1,603 million)**

The Office has undertaken to prioritise the recruitment of staff to fill critical vacancies to achieve its mandate and to improve on its set KPIs.

Further, the Office has embarked on an advertising drive to create awareness of the Office in provinces outside of Gauteng where the services provided by the Office are relatively unknown.

**17.7 Bank charges – R0,065 million (2023/24 – R0,040 million)**

Estimated costs of fees to be charged by the bank.

**17.8 Consumables – R0,213 million (2023/24 – R0,220 million)**

Relates to the costs associated with the daily operations of the Office and includes refreshments, cleaning, disinfection and general presentation of the office premises.

**17.9 Insurance – Short term – R0,254 million (2023/24 – R0,220 million)**

Insurance cost based on the actual cost incurred with a predicted escalation due to the increase in cover required.

**17.10 Security Costs – R0,023 million (2023/24 – R0,021 million)**

Costs expected to be incurred for the security needs for the protection of the Office premises.

**17.11 Tender Costs – R0,040 million (2023/24 – R0,140 million)**

Anticipated costs related to the tender process to be followed in terms of the annual procurement plan.

**17.12 Assets expensed – R0,050 million (2023/24 – R NIL million)**

Anticipated costs associated with the assets to be purchased that are less than R5,000 which will not be capitalised per the policy requirements.

**17.13 Promotions– R0,900 million (2023/24 – R0,687 million)**

Costs to be incurred to attend consumer awareness initiatives to promote the Office.

**18 CAPITAL EXPENDITURE BUDGET (CAPEX)**

	<b>2024/25</b>	<b>2023/24</b>
Computer software and hardware	1 007 000.00	1 495 000.00
Office equipment	40 000.00	-
Website	-	383 922.88
<b>TOTAL</b>	<b>1 047 000.00</b>	<b>1 878 922,88</b>

It is anticipated that the office will incur the above investment in capital items for the financial period to ensure up to date tools are available to the staff to carry out their functions efficiently and effectively.

**PART D: MATERIALITY AND SIGNIFICANCE FRAMEWORK FOR THE  
2024/25 FINANCIAL YEAR**

**MATERIALITY AND SIGNIFICANCE FRAMEWORK**

*FINANCIAL YEAR 2024/25*

## 1. SCOPE

The Office of the Ombud for Financial Services Providers (FAIS Ombud) is responsible for developing a Materiality and Significance Framework that must be updated annually before the start of the financial year. The Materiality and Significance Framework must be incorporated into the Strategic Plan of the FAIS Ombud and the annual report should detail the framework applied during the year.

## 2. LEGISLATIVE REQUIREMENTS

Section 54(2) of the Public Finance Management Act (Act no. 1 of 1999) (PFMA) requires that the Ombud as Accounting Authority must inform the relevant treasury and submit relevant particulars to its executive authority (in both cases National Treasury) for approval in respect of any of the following qualifying transactions:

- participation in a **significant** partnership, trust, unincorporated joint venture or similar arrangements [section 54(2)(b)];
- acquisition or disposal of a **significant** shareholding in a company [section 54(2)(c)];
- acquisition or disposal of a **significant** asset [section 54(2)(d)];
- commencement or cessation of a **significant** business activity [section 54(2)(e)]; and
- a **significant** change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement [section 54(2)(f)].

Section 55(2)(b)(i) of the PFMA requires the annual report and financial statements of a public entity to “include particulars of any **material** losses through criminal conduct and **any** irregular and fruitless and wasteful expenditure that occurred during the financial year”.

In terms of section 55(1)(d) of the PFMA the annual report and financial statements of the FAIS Ombud must be submitted to the National Treasury. Based on the submitted information, the National Treasury may decide to conduct further investigations into the activities of the FAIS Ombud. As a result, it is important for the FAIS Ombud to set the materiality and significance figures at an appropriate level to ensure that the correct information is included in the annual report and financial statements and communicated to the National Treasury for approval.

The Treasury Regulations regarding materiality and significance include the following:

- TR 28.3.1 – “for purposes of material (section 55(2) of the PFMA) and significant (section 54(2) of the PFMA), the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority.”
- TR 28.2.1 – “Any material losses through criminal conduct and any irregular and fruitless and wasteful expenditure must be disclosed as a note to the annual financial statements of the public entity.”
- TR 30.1.3(e) – The strategic plan must include the materiality / significant framework.’

### **3. DEFINING “MATERIALITY” AND “SIGNIFICANCE”**

#### **3.1 Materiality**

Materiality is defined in the *Handbook of International Auditing, Assurance, and Ethics Pronouncements* as follows:

“Information is material if its omission or misstatement could influence the *economic decisions of users taken* on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cutoff point rather than being a primary qualitative characteristic which information must have if it is to be useful.”

The materiality of losses through criminal conduct, irregular expenditure and fruitless and wasteful expenditure should be evaluated both individually and in aggregate.

#### **3.2 Significance**

“Significant is defined as “extensive or important enough to merit attention” and may, therefore, be interpreted as of relative importance to the FAIS Ombud as a whole. Thus, a transaction will be significant if conducting the transaction is vitally important in order to fulfil the FAIS Ombud’s mandate and for it to operate effectively. These types of transactions could include a major restructuring of the balance sheet through changes in financing or accounting policies, etc.

As with “material” there is no set rule for calculating a “significant monetary value”. The FAIS Ombud should consider the importance of the transaction, that is, the impact of the transaction on the FAIS Ombud as a whole.

From the interpretations above, it can be seen that there is a difference between “material” and “significant”. Significant is larger than material, as a significant transaction impacts on the FAIS Ombud as a whole. An occurrence may be material but not necessarily significant, whereas any occurrence that is significant will be material.

The materiality figure calculated by the FAIS Ombud should not exceed the figure used (reviewed annually) by the external auditors, because it could indicate a difference in opinion regarding the materiality of misstatements.

### **4. DETERMINING THE MATERIALTY / SIGNIFICANCE LEVELS**

Factors to consider in determining the materiality and significance levels for the FAIS Ombud include, but are not limited to:

#### 4.1 Nature of the FAIS Ombud business

The FAIS Ombud should be guided by its accountability and the sensitivity of its accounts, activities and functions regarding its regulatory duties. The FAIS Ombud should also consider the impact that its materiality and significance framework, and therefore the information reported to the National Treasury, could have on decisions and actions taken by the National Treasury.

#### 4.2 Statutory requirements

Materiality and significance levels may be influenced by considerations such as the legal impact of the Acts administered by the FAIS Ombud, as well as those Acts with which the FAIS Ombud is required to comply. The FAIS Ombud should consider all pertinent statutory requirements in formulating its materiality and significance framework.

#### 4.3 Risks

There is an inverse relationship between materiality / significance and the level of risk; that is, the lower the risk, the higher the materiality / significance level, and vice versa. For example, where the internal controls preventing / detecting irregular, fruitless or wasteful expenditure are insufficient, the control risk is high, and the materiality needs to be set at a lower level. The FAIS Ombud should look at risk management limits set for transactions of an operational nature.

#### 4.4 Quantitative and qualitative factors

The FAIS Ombud should take both quantitative (amount) and qualitative (nature) factors into consideration. Although significance may contain quantitative elements, it may require more qualitative considerations in comparison to materiality. This in turn requires professional judgment and particular regard for the specific transaction in the context of the FAIS Ombud as a whole. Due to the fact that the decision as to which qualitative factors should be considered in setting the significance level requires notably more professional judgment, the Accounting Authority should consider this decision.

#### 4.5 Nature of the transaction

**In setting a monetary value for significance, it may be practicable to differentiate between the following two types of transactions:**

- transactions that are operational in nature, that is, part of the FAIS Ombud's normal, everyday business of regulating financial institutions; and
- transactions that are strategic in nature, that is, outside the FAIS Ombud's normal, everyday business, or transactions that are non-routine or that would impact on the business or financial position of the FAIS Ombud as a whole.

Losses resulting from criminal conduct may be seen as material based on the public accountability of the FAIS Ombud, regardless of the monetary value of the amount.

Refer to **Annexure A** for the materiality factors that have been taken into account in arriving at the Materiality Level for the FAIS Ombud.

## 5. COMPLIANCE

To ensure compliance to the PFMA the following steps will be taken:

	DETAIL	Person Responsible	Date
1	Review materiality and significance framework in consultation with Auditor-General	CFO	Annually
2	Approval of framework	Minister	Annually – January
3	Include framework in annual performance plan	GRCO	Annually– January
4	Include particulars of any material losses through criminal conduct, material irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year in annual report	CFO	Annually – July
5	Maintain a register on all material irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year	CFO	Ongoing
6	Maintain a register of any material losses through criminal conduct that occurred during the financial year	CFO	Ongoing
7	Report all material / significant items to the Accounting Authority	CFO	As and when they occur



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**ANNEXURE A**


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**a. MATERIALITY (Factors and Calculations)****DETERMINING THE MATERIALITY LEVELS****1 APPROACH**

To determine the materiality amount, the following principles will be applied:

**1.1 Main factor to determine material amount.**

The operating requirements of the FAIS Ombud are to ensure that all its expenses are recovered through levies receivable from industry through the Levies Bill. Any material losses through criminal conduct, irregular expenditure and fruitless and wasteful expenditure therefore need to be recovered.

The factor that will be considered in calculating the material amount is budgeted total expenditure for the following year's financial year.

**1.2 Percentage to be used.**

The percentage used will be calculated by using the following factors as a guideline:

- percentage used in prior year; and;
- percentage used by Auditor-General in determining the external audit materiality amount.

The percentage will be adjusted taking qualitative factors into consideration.

**2. PARAMETERS TO USE FOR QUALITATIVE MATERIALITY FACTORS****2.1 Expenditure budget**

Category	2024/25	2023/24	2022/23	2021/22
Total expenditure	87 164 294	81 606 150	72 952 342	R66 991 403

## 2.2 Basis percentage to be used.

As stated in the framework the materiality amount should not be more than the materiality amount used for external audit purposes. The guideline that is used by the external auditors is based on total expenditure and is between 0.5% and 1%.

It is therefore recommended that 0.5% is used on total expenditure budget to determine the materiality level for the FAIS Ombud for the financial year 2024/25.

## 3. QUALITATIVE FACTORS

The following qualitative factors are considered:

DETAIL	IMPACT ON RISK	PERCENTAGE
<p><b>Internal control framework</b></p> <p>The following processes are in place to enhance the internal control framework of the FAIS Ombud:</p> <ul style="list-style-type: none"> <li>• Fraud prevention plan</li> <li>• Internal audit based on risks identified.</li> <li>• Detailed delegations for operational actions</li> <li>• Supply chain management</li> <li>• Risk department</li> <li>• Governance structure</li> </ul>	Reduce	(5%)
<p><b>Professional judgment</b></p> <ul style="list-style-type: none"> <li>• Impact due to decisions and determinations made that have a negative impact on industry and may lead to legal actions against the FAIS Ombud</li> </ul>	Increase	5%
<p><b>Fraud</b></p> <ul style="list-style-type: none"> <li>• Bribery accepted by management and employees in the performance of their regulatory functions.</li> <li>• Current economic conditions and impact on individuals.</li> <li>• Employing mainly people with professional qualifications and experience</li> </ul>	Increase Increase Reduce	5% 3% (2%)
<p><b>Human Resources</b></p> <ul style="list-style-type: none"> <li>• Limited leadership and management skills and limited succession planning.</li> </ul>	Increase	2%
<b>TOTAL IMPACT OF QUALITATIVE FACTORS</b>	Increase	<b>8%</b>

**4. FINAL PERCENTAGE APPLIED**

	2024/25	2023/24	2022/23	2021/22
	%	%	%	%
Base percentage	0.50	0.50	0.50	0.50
Qualitative impact 8% of 0.50	(0.04)	(0.04)	(0.04)	(0.03)
Percentage to be used	<b>0.46</b>	<b>0.46</b>	<b>0.46</b>	<b>0.47</b>

The materiality level will therefore be reduced with the above risk impact percentage determined.

**5. CALCULATION OF MATERIALITY AMOUNT**

	2024/25	2023/24	2022/23	2021/22
Total expenditure budget	<b>87 164 294</b>	<b>R81 606 150</b>	<b>R72 952 342</b>	<b>R66 991 403</b>
Percentage used	0.46%	0.46%	0.46%	0.47%
<b>Materiality amount</b>	<b>400 956</b>	<b>R375 388</b>	<b>R335 581</b>	<b>R314 860</b>

**6. CONCLUSION**

From a quantitative perspective, the materiality amount recommended for the FAIS OMBUD for the financial year 2024/25 is **R400 956**.

## b. SIGNIFICANCE (FACTORS AND CALCULATIONS)

### 7. FACTORS DETERMINING THE SIGNIFICANCE OF A TRANSACTION

SIGNIFICANCE FRAMEWORK		
Section 54(2) PFMA – Before a public entity concludes any of the following transaction, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars to its executive authority for approval of transactions:		
PFMA Subsection	Qualitative	Quantitative
a) Establishment or participation in the establishment of a company	All transaction or actions entered in relation to section 54(2)(a) to (c) of the PFMA	All transactions as it is NOT in ordinary course of business
b) Participation in a significant partnership, trust unincorporated joint venture or similar arrangement.		
c) Acquisition or disposal of a significant shareholding in a company.		
d) Acquisition or disposal of a significant asset.	Any acquisition or disposal in relation to section 54(d) of the PFMA.	<ul style="list-style-type: none"> <li>Acquisition of single tangible or intangible asset to the value of 10% of the total expenditure budget for the financial year in which the acquisition takes place.</li> <li>Disposal of any tangible or intangible asset individually to the value of 10% % of the total expenditure budget for the financial year in which the disposal takes place.</li> <li>Scrapping of any tangible or intangible asset individually to the value of 10% of the total expenditure budget for the financial year in which the scrapping takes place.</li> </ul>
e) Commencement or cessation of significant business activity.	Any commencement or cessation of business activity outside of SARS' core business in relation to section 54(2)(e).	All transactions as it is NOT in ordinary course of business
f) A significant change in the nature or extent of its interest in a significant partnership, trust, incorporated joint venture or similar arrangement.	Any change in nature or extent of interest in relation to section 54(2)(f).	All transactions as it is NOT in ordinary course of business

**8. CALCULATIONS OF THE SIGNIFICANCE AMOUNT:**

In applying section 54(2)(d) above, any acquisition or disposal of any tangible or intangible asset exceeding 10% or R8 716 429 of the 2024/25 expenditure budget will be considered significant in nature and would require section 54(2) of the PFMA to be applied.

**c. FRAUD AND CORRUPTION**

The office has adopted a zero tolerance towards fraud and corruption and as a result any amount identified/ recognised will be deemed to be material in nature and disclosed accordingly.

## PART E: TECHNICAL INDICATOR DESCRIPTIONS (TID)

### - Programme: Administration

<b>Indicator Title</b>	Unqualified Audit Opinion
<b>Definition</b>	This indicator sets out to measure compliance by the FAIS Ombud with the PFMA/NT regulations requirements and GRAP standards
<b>Source of data</b>	<ul style="list-style-type: none"> <li>AGSA external audit report</li> <li>FAIS Ombud Annual Report</li> </ul>
<b>Method of Calculation / Assessment</b>	<ul style="list-style-type: none"> <li>Audit opinion signed off by the AGSA.</li> <li>FAIS Ombud Annual Report signed by the FAIS Ombud and Commissioner</li> </ul>
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Sound financial and performance controls and reporting environment
<b>Indicator Responsibility</b>	Governance Risk and Compliance Officer / Chief Financial Officer

<b>Indicator Title</b>	Percentage suppliers' invoices paid within 30 days
<b>Definition</b>	This indicator sets out to Monitor the FAIS Ombud's compliance with the PFMA/NT regulations requirements that supplier's accounts be settled within 30 days of receipt of a valid invoice. A valid invoice is defined as an invoice against actual services rendered or good delivered by a service provider in accordance with proper procurement processes, permitted that there are no outstanding queries on invoices. Where an invoice is under a dispute process or requires an approval outside the approved delegation of authority it does not constitute a valid invoice.
<b>Source of data</b>	FAIS Ombud's accounts payable records
<b>Method of Calculation / Assessment</b>	Number of suppliers paid within 30 days / total number of valid invoices received from suppliers (no unresolved queries) * 100
<b>Assumptions</b>	Management Accounts Report
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A

<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	100% of Suppliers valid invoices paid within 30 days, permitted that there are no outstanding queries,
<b>Indicator Responsibility</b>	Chief Financial Officer

<b>Indicator Title</b>	Percentage achievement of FAIS Ombud EE targets
<b>Definition</b>	This indicator measures whether the FAIS Ombud's approved EE targets are met in contribution towards gender equality and transformation.
<b>Source of data</b>	One or more of the following documents may be used as source of evidence: <ul style="list-style-type: none"> <li>• HR report to Exco</li> <li>• HR reports to NT (as part of the performance reports)</li> <li>• HR's quarterly feedback to Exco</li> </ul>
<b>Method of Calculation / Assessment</b>	Comparison between targeted percentages and actual achieved percentages
<b>Assumptions</b>	N/A
<b>Disaggregation of Beneficiaries (where applicable)</b>	1 Target for Women: 51% 2 Target for People with Disabilities: 2%
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	a) 51% female b) 92% black c) 8% white d) 2% employees with disabilities
<b>Indicator Responsibility</b>	HR Manager

<b>Indicator Title</b>	Number of trainees appointed per annum.
<b>Definition</b>	This indicator sets out to measure the FAIS Ombud's commitment to provide recent graduates with workplace skills that will increase their chances of being employed through the graduate development programme. It measures that the

	committed number of graduates are employed within each financial year.
<b>Source of data</b>	One or more of the following documents may be used as source of evidence: <ul style="list-style-type: none"> <li>• HR report to Exco</li> <li>• HR reports to NT (as part of the performance reports)</li> <li>• HR's quarterly feedback to Exco</li> <li>• Signed trainee contracts</li> </ul>
<b>Method of Calculation / Assessment</b>	Comparison between targeted number of graduates employed and actual number of graduates employed in the financial year
<b>Assumptions</b>	N/A
<b>Disaggregation of Beneficiaries (where applicable)</b>	3 Target for Women: 50% 4 Target for Youth: 100% 5 Target for People with Disabilities: 1%
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	9 trainees appointed by the 31 March 2022/23
<b>Indicator Responsibility</b>	HR Manager

### - Programme: Complaints Resolution

<b>Indicator Title</b>	Percentage of satisfied customers as derived from the CSFs in 2023/24
<b>Definition</b>	This indicator sets out to measure the FAIS Ombud's customer experience and satisfaction rate.
<b>Source of data</b>	<ul style="list-style-type: none"> <li>• Customer satisfaction forms (CSFs) that have been returned by either the complainant or respondent to a complaint that has been closed as a dismissal, referral or settlement.</li> <li>• Feedback reports on customer satisfaction rate by Team Resolution Manager</li> <li>•</li> </ul>
<b>Method of Calculation / Assessment</b>	<ul style="list-style-type: none"> <li>• The CSF consists of 8 questions for Complainants and Respondents.</li> <li>• Only 6 questions are scored for both Complainants and Respondents as detailed below:</li> <li>• The 6 questions will provide for a total score out of 24.</li> <li>• A percentage will be derived from the score out of 24, that will determine whether the CSF is rated as satisfied or dissatisfied.</li> <li>• All CSFs with a percentage score of 50% or more are classified as satisfied.</li> </ul>



	<ul style="list-style-type: none"> <li>All CSFs with a percentage of 49% or lower are classified as dissatisfied.</li> <li>The total number of satisfied CSFs in relation to the total number of CSFs received within a specific quarter will provide a percentage of the satisfied customers for that specific quarter.</li> </ul> <p><b>Question 1</b> Easy = 4 Difficult – 1</p> <p><b>Question3</b> Outstanding=4 Good=3 Needs Improvement=2 Poor=1</p> <p><b>Question 4</b> Yes=4 No-1</p> <p><b>Question 5 (Complainant Only)</b> Yes=4 No-1</p> <p><b>Question 6 (Respondent Only)</b> Yes=4 No-1</p> <p><b>Question 7</b> Yes=4 No-1</p> <p><b>Question 8</b> Yes=4 No-1</p>
<b>Assumptions</b>	Not all CSFs sent out will be responded to.
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	85% Customer Satisfaction rate according to CFS
<b>Indicator Responsibility</b>	Manager: Dispute Resolution

<b>Indicator Title</b>	Respond to 100% of complaints within 4 days of date of receipt of complaint.
<b>Definition</b>	<p>This indicator sets out to track the performance of the FAIS Ombud's Complaints Resolution Team to acknowledge receipt of complaints within 4 days of receipt. A complaint will be deemed to have been responded to if the following was undertaken:</p> <ul style="list-style-type: none"> <li>• Complainant contacted by telephone or e-mail to obtain additional information (Record on CRM)</li> <li>• An acknowledgement letter was sent and saved on CRM.</li> <li>• A closure letter, Dismissal/Referral, was sent and saved on CRM.</li> <li>• The matter was allocated to Case Management (These will be matters that receive acknowledgement letters.)</li> </ul>
<b>Source of data</b>	<ul style="list-style-type: none"> <li>• CRM spreadsheets</li> <li>• Audit trail on CRM</li> <li>• Notes made on CRM.</li> <li>• Acknowledgement Letter sent via e-mail/post.</li> <li>• Closure Letters sent via e-mail/post</li> </ul>
<b>Method of Calculation / Assessment</b>	The number of complaints responded to within 4 days divided by the total number of complaints received. (A complaint is considered as received when it is registered on CRM and receives a FAIS Reference Number.)
<b>Assumptions</b>	<p>The following instances will be considered as dies non periods in respect of the Office of the FAIS Ombud and will be excluded from the calculation of the 4 day period:</p> <ul style="list-style-type: none"> <li>• Annual Office closure during festive period.</li> <li>• All weekends and public holidays.</li> <li>• Any emergency closure of the Office.</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	<ul style="list-style-type: none"> <li>• Annually (Calculation Type Cumulative)</li> <li>• Reported on Quarterly</li> </ul>
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	100%
<b>Indicator Responsibility</b>	Client Care Centre Manager

<b>Indicator Title</b>	Percentage of complaints closed within 9 months of receipt
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<b>Definition</b>	This indicator sets out to measure the adherence to the FAIS Ombud's commitment for complaints to be resolved expeditiously and to abide by resolution of 92% of complaints within 9 months.
<b>Source of data</b>	<ul style="list-style-type: none"> <li>• Report from CRM on complaints closed within 9 months of date of receipt.</li> <li>• Feedback reports on complaints resolution by Team Resolution Manager</li> <li>•</li> </ul>
<b>Method of Calculation / Assessment</b>	<p>This is measured from 1 April 2023 to 31 March 2024 on a quarterly basis as detailed below:</p> <p><b>Quarter 1: April – June 2023</b></p> <ul style="list-style-type: none"> <li>• April 2023 (Complaints that were received during July 2022 and closed by 30 April 2023)</li> <li>• May 2022 (Complaints that were received during August 2022 and closed by 31 May 2023).</li> <li>• June 2022 (Complaints that were received during September 2022 and closed by 30 June 2023).</li> </ul> <p><b>Quarter 2: July - September 2023</b></p> <ul style="list-style-type: none"> <li>• July 2023 (Complaints that were received during October 2022 and closed by 31 July 2023)</li> <li>• August 2023 (Complaints that were received during November 2022 and closed by 31 August 2023).</li> <li>• September 2023 (Complaints that were received during December 2022 and closed by 30 September 2023)</li> </ul> <p><b>Quarter 3: October - December 2023</b></p> <ul style="list-style-type: none"> <li>• October 2023 (Complaints that were received during January 2023 and closed by 31 October 2023)</li> <li>• November 2023 (Complaints that were received during February 2023 and closed by 30 November 2023).</li> <li>• December 2023 (Complaints that were received during March 2023 and closed by 31 December 2023)</li> </ul> <p><b>Quarter 4: January – March 2024</b></p> <ul style="list-style-type: none"> <li>• January 2024 (Complaints that were received during April 2023 and closed by 31 January 2024)</li> <li>• February 2023 (Complaints that were received during May 2023 and closed by 27 February 2024).</li> </ul>

	<ul style="list-style-type: none"> <li>• March 2023 (Complaints that were received during June 2023 and closed by 31 March 2024) <ul style="list-style-type: none"> <li>– The total number of complaints closed in relation to the number of complaints received for a specific month is used to provide a percentage value for the complaints closed within 9 months for each month of the quarter.</li> <li>– The average of the percentage achievement for all three months of the quarter is then used to calculate the achievement of this goal.</li> </ul> </li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>– The calculation of this target assumes that the date of receipt for all cases received in a specific month will be last day of that specific month. (i.e., The month in which a complaint is received is seen as month '0' (Zero) which effectively means this calculation is over a period of 10 months.)</li> <li>– Complaints that are ring-fenced will not form part of the calculation. (Ring-fenced complaints are those as defined on the Case Management Complaints Procedure Manual)</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	92% complaints closed within 9 months of date of receipt
<b>Indicator Responsibility</b>	Manager: Dispute Resolution

<b>Indicator Title</b>	Percentage of complaints closed within 6 months of receipt
<b>Definition</b>	This indicator sets out to measure the adherence to the FAIS Ombud's commitment for complaints to be resolved expeditiously and to abide by resolution of 80% of complaints within 6 months.
<b>Source of data</b>	<ul style="list-style-type: none"> <li>• Report from CRM on complaints closed within 6 months of date of receipt.</li> <li>• Feedback reports on complaints resolution by Team Resolution Manager</li> <li>•</li> </ul>
<b>Method of Calculation /</b>	This is measured from 1 April 2023 to 31 March 2024 on a quarterly basis as

<b>Assessment</b>	<p>detailed below:</p> <p><b>Quarter 1: April – June 2023</b></p> <ul style="list-style-type: none"> <li>• April 2023 (Complaints that were received during July 2022 and closed by 31 January 2023)</li> <li>• May 2023 (Complaints that were received during August 2022 and closed by 28 February 2023).</li> <li>• June 2023 (Complaints that were received during September 2022 and closed by 31 March 2023).</li> </ul> <p><b>Quarter 2: July - September 2023</b></p> <ul style="list-style-type: none"> <li>• July 2023 (Complaints that were received during October 2022 and closed by 30 April 2023)</li> <li>• August 2023 (Complaints that were received during November 2022 and closed by 31 May 2023).</li> <li>• September 2023 (Complaints that were received during December 2022 and closed by 30 June 2023)</li> </ul> <p><b>Quarter 3: October - December 2023</b></p> <ul style="list-style-type: none"> <li>• October 2023 (Complaints that were received during January 2023 and closed by 31 October July 2023)</li> <li>• November 2023 (Complaints that were received during February 2023 and closed by 31 August 2023).</li> <li>• December 2023 (Complaints that were received during March 2023 and closed by 30 September 2023)</li> </ul> <p><b>Quarter 4: January – March 2024</b></p> <ul style="list-style-type: none"> <li>• January 2024 (Complaints that were received during April 2023 and closed by 31 October 2023)</li> <li>• February 2024 (Complaints that were received during May 2023 and closed by 30 November 2023).</li> <li>• March 2024 (Complaints that were received during June 2023 and closed by 31 December 2023)</li> </ul> <ul style="list-style-type: none"> <li>• The total number of complaints closed in relation to the number of complaints received for a specific month is used to provide a percentage value for the complaints closed within 6 months for each month of the quarter.</li> <li>• The average of the percentage achievement for all three months of the quarter is then used to calculate the achievement of this goal.</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>• The calculation of this target assumes that the date of receipt for all cases</li> </ul>

	<p>received in a specific month will be last day of that specific month. (i.e., The month in which a complaint is received is seen as month '0' (Zero) which effectively means this calculation is over a period of 7 months.)</p> <ul style="list-style-type: none"> <li>Complaints that are ring-fenced will not form part of the calculation. (Ring-fenced complaints are those as defined on the Case Management Complaints Procedure Manual)</li> </ul>
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	85% of complaints closed within 6 months of receipt
Indicator Responsibility	Manager: Dispute Resolution

Indicator Title	Percentage of complaints closed within 3 months of receipt
Definition	This indicator sets out to measure the adherence to the FAIS Ombud's commitment for complaints to be resolved expeditiously and to abide by resolution of 70% of complaints within 3 months.
Source of data	<ul style="list-style-type: none"> <li>Report from CRM on complaints closed within 3 months of date of receipt.</li> <li>Feedback reports on complaints resolution by Team Resolution Manager</li> <li></li> </ul>
Method of Calculation / Assessment	<p>This is measured from 1 April 2023 to 31 March 2024 on a quarterly basis as detailed below:</p> <p><b>Quarter 1: April – June 2023</b></p> <ul style="list-style-type: none"> <li>April 2023 (Complaints that were received during July 2022 and closed by 31 October 2022)</li> <li>May 2023 (Complaints that were received during August 2022 and closed by 30 November 2022).</li> <li>June 2023 (Complaints that were received during September 2022 and closed by 31 December 2022).</li> </ul> <p><b>Quarter 2: July - September 2023</b></p> <ul style="list-style-type: none"> <li>July 2023 (Complaints that were received during October 2022 and closed by 31 January 2023)</li> <li>August 2023 (Complaints that were received during November 2022 and</li> </ul>

	<p>closed by 28 February 2023).</p> <ul style="list-style-type: none"> <li>September 2023 (Complaints that were received during December 2022 and closed by 31 March 2023)</li> </ul> <p><b>Quarter 3: October - December 2023</b></p> <ul style="list-style-type: none"> <li>October 2023 (Complaints that were received during January 2023 and closed by 30 April July 2023)</li> <li>November 2023 (Complaints that were received during February 2023 and closed by 31 May 2023).</li> <li>December 2023 (Complaints that were received during March 2023 and closed by 30 June 2023)</li> </ul> <p><b>Quarter 4: January – March 2024</b></p> <ul style="list-style-type: none"> <li>January 2024 (Complaints that were received during April 2023 and closed by 31 July 2023)</li> <li>February 2024 (Complaints that were received during May 2023 and closed by 31 August 2023).</li> <li>March 2024 (Complaints that were received during June 2023 and closed by 30 September 2023)</li> </ul> <ul style="list-style-type: none"> <li>The total number of complaints closed in relation to the number of complaints received for a specific month is used to provide a percentage value for the complaints closed within 3 months for each month of the quarter.</li> <li>The average of the percentage achievement for all three months of the quarter is then used to calculate the achievement of this goal.</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>The calculation of this target assumes that the date of receipt for all cases received in a specific month will be last day of that specific month. (i.e., The month in which a complaint is received is seen as month '0' (Zero) which effectively means this calculation is over a period of 4 months.)</li> <li>Complaints that are ring-fenced will not form part of the calculation. (Ring-fenced complaints are those as defined on the Case Management Complaints Procedure Manual)</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly

<b>Desired performance</b>	75% of complaints closed within 3 months of receipt
<b>Indicator Responsibility</b>	Manager: Dispute Resolution

<b>Indicator Title</b>	Percentage of active complaints that are older than 9 months (excluding property syndications)
<b>Definition</b>	This indicator sets out to measure those complaints that are not finalised within a 9-month period are tracked in order to flag those complaints for the attention of management in order for it to be resolved.
<b>Source of data</b>	<ul style="list-style-type: none"> <li>• Report from CRM on complaints older than 9 months. (Excluding Property Syndication Complaints)</li> <li>• Feedback reports on complaints resolution by Team Resolution Manager</li> <li>• Exco minutes</li> <li>•</li> </ul>
<b>Method of Calculation / Assessment</b>	<ul style="list-style-type: none"> <li>• This is measured on an annual basis as at 31 March 2024</li> <li>• The number of Active Complaints is drawn from CRM.</li> <li>• The age of the complaints is calculated by determining the difference between the date of calculation i.e., 31 March 2024 and the date the complaint was received.</li> <li>• Once the age of all the Active Complaints is determined we calculate the number of complaints that are 9 months and older on that date, i.e., 31 March 2024</li> <li>• The number of complaints 9 months and older is then utilised to generate a percentage in relation to the total number of active complaints, excluding property syndication complaints.</li> <li>• This percentage is then used to determine the achievement against this outcome.</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>• Complaints that are ring-fenced will not form part of the calculation. (Ring-fenced complaints are those as defined on the Case Management Complaints Procedure Manual)</li> <li>• This calculation excludes Property Syndication Complaints.</li> <li>• This calculation excludes duplicated complaints and complaints that have been cancelled.</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative



<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	20% or less active complaints older than 9 months by 31 March 2024
<b>Indicator Responsibility</b>	Manager: Dispute Resolution

<b>Indicator Title</b>	Efficiency ratio
<b>Definition</b>	This indicator sets out to measure the FAIS Ombud's efficiency ratio in terms of complaint resolution by means of comparison between the number of cases closed vs. the number of complaints received during the financial year.
<b>Source of data</b>	<ul style="list-style-type: none"> <li>Report from CRM on complaints received within a specific financial year, i.e., 1 April 2023 – 31 March 2024</li> <li>Feedback reports on complaints resolution by Team Resolution Manager</li> <li></li> </ul>
<b>Method of Calculation / Assessment</b>	<ul style="list-style-type: none"> <li>This is measured on an annual basis as at 31 March 2024 and reported on a quarterly basis.</li> <li>The number of complaints received within a specific financial year are drawn from CRM.</li> <li>We then calculate the number of complaints that remain active on that date, i.e., 31 March 2024</li> <li>The number of active complaints is then utilised to generate a percentage in relation to the total number of complaints, received within a specific financial year.</li> <li>This percentage is then used to determine the achievement against this outcome.</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Complaints that are ring-fenced will not form part of the calculation. (Ring-fenced complaints are those as defined on the Case Management Complaints Procedure Manual)</li> <li>This calculation excludes duplicated complaints and complaints that have been cancelled.</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	80% Efficiency ratio by 31 March 2024
<b>Indicator Responsibility</b>	Manager: Dispute Resolution

**- Programme: Stakeholder Management**

<b>Indicator Title</b>	Number of stakeholder engagement with key stakeholders, including NT, Governance Committees, Union and																											
<b>Definition</b>	This indicator sets out to measure adherence to required engagements with key stakeholders to maintain or enhance the relationship.																											
<b>Source of data</b>	<ul style="list-style-type: none"> <li>Email correspondence between key stakeholders and any staff members of the FAIS Ombud</li> <li>Exco minutes</li> <li>Feedback reports by core and support departments</li> <li>Minutes of / Agenda for Governance committee meetings, union engagements and audit meetings</li> </ul>																											
<b>Method of Calculation / Assessment</b>	<p>Simple count</p> <p>Note:</p> <ul style="list-style-type: none"> <li>12 National Treasury submissions consist of:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #1a3d54; color: white;">Apr – Jun (Q1)</th> <th style="background-color: #1a3d54; color: white;">Jul – Sept (Q2)</th> <th style="background-color: #1a3d54; color: white;">Oct – Dec (Q3)</th> <th style="background-color: #1a3d54; color: white;">Jan – March (Q4)</th> </tr> </thead> <tbody> <tr> <td>- 1 quarterly Performance report to NT by 30 April 2023</td> <td>- 1 quarterly Performance report to NT by 30 September 2023</td> <td>- 1 quarterly Performance report to NT by 30 October 2023</td> <td>- 1 quarterly Performance report to NT by 31 January 2024</td> </tr> <tr> <td>- 1 MTEF Template to NT by 31 May 2023</td> <td>- 1 Audited Annual Financial Statements submitted to NT by 31 July 2023</td> <td>- First Draft of the APP and Strategic Plan by 30 October 2023</td> <td>- Final Draft of the APP and Strategic Plan by 31 January 2024</td> </tr> <tr> <td>- 1 Draft Annual Financial Statements to NT by 31 May 2023</td> <td>- 1 Audit Report submitted to NT by 31 July 2023</td> <td></td> <td></td> </tr> <tr> <td>- 1 Confirmation of Bank Accounts submitted to NT by 31 May 2023</td> <td>- 1 ENE Template and Narrative submission to NT by 30 September 2023</td> <td></td> <td></td> </tr> <tr> <td>- 1 Retention of surplus funds submitted to NT by 31 May 2023</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				Apr – Jun (Q1)	Jul – Sept (Q2)	Oct – Dec (Q3)	Jan – March (Q4)	- 1 quarterly Performance report to NT by 30 April 2023	- 1 quarterly Performance report to NT by 30 September 2023	- 1 quarterly Performance report to NT by 30 October 2023	- 1 quarterly Performance report to NT by 31 January 2024	- 1 MTEF Template to NT by 31 May 2023	- 1 Audited Annual Financial Statements submitted to NT by 31 July 2023	- First Draft of the APP and Strategic Plan by 30 October 2023	- Final Draft of the APP and Strategic Plan by 31 January 2024	- 1 Draft Annual Financial Statements to NT by 31 May 2023	- 1 Audit Report submitted to NT by 31 July 2023			- 1 Confirmation of Bank Accounts submitted to NT by 31 May 2023	- 1 ENE Template and Narrative submission to NT by 30 September 2023			- 1 Retention of surplus funds submitted to NT by 31 May 2023			
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	<ul style="list-style-type: none"> <li>8 Governance committee meetings constitute a quarterly Audit and Risk Committee meeting, Human Resource and Remco Committee meeting.</li> </ul>																											

	<ul style="list-style-type: none"> <li>• 4 Union engagement meetings – one per quarter</li> <li>• 2 Internal Audit Engagement meetings consist of the initial kick-off meeting as well as the close-out meeting with the internal auditors.</li> <li>• 2 External Audit Engagement meetings consist of the initial kick-off meeting as well as the close-out meeting with the internal auditors</li> </ul>
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	<ul style="list-style-type: none"> <li>• 13 National Treasury submissions</li> <li>• 8 Governance committee meetings</li> <li>• 4 Union engagement meetings</li> <li>• 2 Internal Audit Engagement meetings</li> <li>• 2 External Audit Engagement meetings</li> </ul>
<b>Indicator Responsibility</b>	Exco

<b>Indicator Title</b>	Number of activities relating to brand awareness, financial literacy and customer awareness activities
<b>Definition</b>	This indicator sets out to measure that all activities in relation to brand awareness and financial literacy and customer awareness are conducted as planned.
<b>Source of data</b>	<ul style="list-style-type: none"> <li>• Quarterly feedback reports to EXCO</li> <li>• Other supporting documentation for proof of evidence that activities relating to brand awareness, financial literacy and customer awareness initiatives have taken place.</li> <li>• Email communications to media houses</li> <li>• Radio recordings / proof of interviews</li> <li>• Posts on Twitter, Facebook and LinkedIn</li> </ul>

	<ul style="list-style-type: none"> <li>• Press releases</li> </ul>
<b>Method of Calculation / Assessment</b>	Simple count
<b>Assumptions</b>	None
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	<ul style="list-style-type: none"> <li>• 1 MoneySmart week</li> <li>• 100 posts on social media (Twitter, Facebook and LinkedIn)</li> <li>• 12 press releases</li> <li>• 4 Newsletters</li> </ul>
<b>Indicator Responsibility</b>	Manager: Dispute Reolution (previously titled Teams Resolution Manager) – Until Deputy Ombud appointed