



The Financial Services Board

ANNUAL PERFORMANCE PLAN: 2018/2019

January 2018

Foreword

With the move to the twin peaks model for financial regulation the Financial Services Board will cease to exist in its current form. Established by the Financial Services Board Act, 97 of 1990, the FSB regulates the non-banking financial services industry. It is responsible for ensuring that the entities it regulates comply with legislation and capital adequacy requirements.

The FSB is in the process of transitioning into the market conduct regulator as envisaged by the twin peaks model. The Financial Sector Regulation Act 2017 (FSRA), enacted on 21 August, 2017 establishes a single regulator, the Financial Sector Conduct Authority (FSCA), to oversee the market conduct of the entire financial services sector and the Prudential Authority (PA), operating within the administration of the SA Reserve Bank, to promote and enhance the safety and soundness of financial institutions. In terms of the FSRA the FSB will transition to the FSCA. The implementation dates of the various sections of the FSRA are still undecided. However the draft Regulations for the implementation of certain sections of the FSRA was published for public comments in December 2017. The closing date for submission of written comments is 31 January 2018. At this point it is envisaged that the FSCA will commence operations during the 2018/19 financial year

A sub-committee of the FSB Exco, the Regulatory Strategy Committee (RSC), is overseeing and guiding the transition of the mandate and organizational structure of the FSB to the FSCA. A substantial amount of work has been done by the RSC in designing an appropriate operational and organizational structure and a regulatory strategy for the FSCA to enable it to deliver on its mandate.

The FSB will continue in its current form during the 2017/18 financial year, but will be ready to transform to the FSCA with effect from the effective date to be announced by the Minister. The draft Financial Sector Regulations empowers the FSB EXCO and the Executive Officer to perform the functions of the FSCA in terms of the FSRA. Upon signature of the Financial Sector Regulations by the Minister and publication in the Government Gazette, the FSB Exco will commence the process to transition from the FSB to the FSCA. Accordingly, this Annual Performance Plan (APP) has been prepared on the basis of the current continuing operations of the FSB, with an emphasis on the smooth transition to the FSCA.

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List of Acronyms

Acronyms	Description
AAISA	Association of African Insurance Supervisory Authorities
AIO	African Insurance Organisation
ASISA	Association for Savings & Investment SA
BSD	Bank Supervision Department
CISNA	Committee of Insurance, Securities and Non-banking Financial Authorities
CIO	Chief Information Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
CRAs	Credit Rating Agencies
CTC	Cost to Company
DEO	Deputy Executive Officer
DR	Disaster Recovery
EU	European Union
FAIS	Financial Advisory and Intermediary Services
FIC	Financial Intelligence Centre
FSAP	Financial Sector Assessment Programme
FSB	Financial Services Board
FSCA	Financial Sector Conduct Authority
FSRA	Financial Sector Regulation Act, 9 of 2017
FSOS	Financial Services Ombud Schemes
GDP	Gross Domestic Product
HOD	Head of Department
IAIS	International Association of Insurance Supervisors
IOPS	International Organisation of Pension Supervisors
IOSCO	International Organisation of Securities Commissions
ICT	Information and Communications Technology
JSE	Johannesburg Stock Exchange
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NCR	National Credit Regulator

NCA	National Credit Act 34 of 2005
OTC	Over-The-Counter
PA	Prudential Authority
PFA	Pension Fund Adjudicator
RSC	Regulatory Strategy Committee
SADC	South African Development Community
SAM	Solvency Assessment and Management
SARB	South African Reserve Bank
SASAS	South African Social Attitude Survey
SLC	Service Level Commitment
TCF	Treating Customers Fairly
TPISC	Twin Peaks Implementation Steering Committee

**PART A:
STRATEGIC OVERVIEW**

1 Introduction

Over the past five years the FSB has invested a large amount of resources and effort into preparing for the transition to the Financial Sector Conduct Authority (FSCA) in accordance with the twin peaks model of regulation. The enabling legislation for the FSCA, the FSRA was enacted on 21 August 2017. The implementation dates of the various sections of the Act are still undecided. It is expected that the FSCA will commence operations as the new market conduct authority in the 2018/19 financial year.

Due to this uncertainty, this plan has been prepared on the basis that the FSB will commence the 2018/19 financial year on the basis of “business as usual”. The FSB will continue in its current form during the 2018/19 financial year, but will transition to the FSCA upon gazetting of the Financial Sector Regulations which will empower the FSB EXCO and the Executive Officer to perform the functions of the FSCA in terms of the FSRA.

This Annual Performance Plan, which has been prepared in line with National Treasury requirements, elaborates on how the Financial Services Board (FSB) will implement its Transition Strategic Plan during the 2018/19 financial year. This plan is the basis for monitoring progress against the FSB’s Transition Strategic Plan and the reporting of performance against the targets.

The Executive Committee of the FSB conducted an update review of the strategic plan for purposes of assessing progress with achieving its strategic outcomes and setting performance targets for the Annual Performance Plan for the 2018/19 financial year.

1.1 Vision

The FSB’s vision is to promote and maintain a sound financial investment environment in South Africa.

1.2 Mission

The FSB’s mission is to promote the:

- Fair treatment of consumers of financial services and products;
- Financial soundness of financial institutions;
- Systematic stability of financial services industries; and
- Integrity of financial markets and institutions.

1.3 Values

At the FSB we will act professionally at all times in all that we say and do. To this end we undertake to:

- Demonstrate the highest level of technical competence;
- Conduct all our business at the highest level of confidence;
- Collaborate effectively as team members to deliver effective services;
- Enhance stakeholder synergy through collaboration;
- Apply the regulatory framework in a consistent and fair manner; and
- Treat all people with respect and empathy.

1.4 Strategic Outcome Oriented Goals

The FSB strategy is anchored on 6 pillars. These pillars address the FSB's specific strategic imperatives. They form the basis on which the entity's performance plans and operational (business) plans are developed.

Strategic outcome orientated goal 1	Empowered consumers of financial products and services
Goal statement	Promote financial education to consumers of financial services and products by way of focused financial literacy interventions using the media, workshops, exhibitions, etc.

Strategic outcome orientated goal 2	Proactive stakeholder management
Goal Statement	Implement an effective communication, brand, reputation and stakeholder management strategy during the transition to the FSCA

Strategic outcome orientated goal 3	Sound financial institutions that treat their customers fairly
Goal statement 1	Ensure the regulatory and supervisory framework is in line with international standards and best practices.
Goal statement 2	Ensure effective and efficient prudential and conduct supervision processes.

Strategic outcome orientated goal 4	Promote transformation of the financial services industry
Goal statement	Promote entry to the financial services sector by Black and emerging entrepreneurs and broadening access to financial services and products by the previously excluded.

Strategic outcome orientated goal 5	Sound internal policies, systems, processes and procedures
Goal Statement	Maintain internal policies, systems, processes and procedures that meet the operational requirements of the FSB.

Strategic outcome orientated goal 6	Effective transition of the FSB to the FSCA.
Goal Statement	Develop recommendations on the future organisational structure and regulatory strategy and manage the transition from the FSB to the FSCA.

2 Updated situational analysis

2.1 Performance delivery environment

In order to re-confirm the performance environment and the influences thereon, an analysis of the Strengths, Weaknesses, Opportunities and Threats (SWOT) was completed. The consolidated assessment is reflected below:

Strengths	Weaknesses
<ul style="list-style-type: none"> • Adherence to mandate; • Collaborative and consultative regulator • Committed and professional staff; • Compliance with regulations applicable to the FSB; • Regulatory framework in line with 	<ul style="list-style-type: none"> • Supervision methods that are not sufficiently proactive; • Insufficient collection of data to perform data analytics; • Some legacy IT systems; • Ineffective communication;

- international best practice;
- Sound financial management;
- Willingness to confront regulatory issues / Supervising without fear or favour;
- Good standing with domestic and international bodies;
- Caring organisation;
- Institutional knowledge and understanding of industries;
- Strong business and ICT alignment through ICT governance;
- Appetite for change.

- Weak intelligence gathering with regards to industry financial innovation;
- Inconsistent visibility as a regulator among consumers;
- Working in silos;
- Inability to respond to financial innovation in a timely manner.
- Uncertainty relating to the effective date of establishment of the FSCA.

Opportunities

Threats

- New responsibilities arising from the twin peaks regulatory model;
- Opportunities presented by changes in the FSB's organisational design to harmonise and improve regulatory and supervisory standards, break down the silos that impede effective supervision and promote the FSCA as employer of choice for both highly skilled and experienced professionals and young professionals seeking opportunities for learning and development while serving the country.
- Opportunity to improve the profile of the FSB due to the broader recognition and buy-in into financial regulations/ stronger political backing/ expanded scope of financial regulation;
- Support National Treasury on financial inclusion through consumer protection and financial education;
- Expansion and strengthening of

- Gaps in the regulatory framework;
- Inability to respond to financial innovation in a timely manner;
- Litigation against the FSB;
- Non-availability and mobility of scarce skills to feed the organisation;
- The length of timelines involved in the criminal justice system process;
- Overlaps and gaps in legislative mandates;
- Cyber-attacks.

stakeholder relationships;

- Strengthening the collaboration with other relevant regulatory bodies;
- Responding to financial innovation.

2.2 Organisational environment

There have been no significant changes from the prior year and to the information presented in the updated Strategic Plan. The performance indicators in the APP addressing the transition give cognizance to the challenges that will arise from the transition to the FSCA.

The unique challenges to the FSB relating to the transition to the FSCA may be summarized as follows:

- The uncertainty as to when the different sections of the legislation will come into effect and when the Commissioner and Deputy Commissioners will be appointed.
- Change management issues relating to the change in the mandate of the FSB, new operational and hence organisational structure of the FSCA, re-deployment of staff in the changed organisational structure, including the transfer of insurance prudential supervision and actuarial staff to the SARB.
- Ensuring that the FSB current business operations are not negatively impacted during the transition.
- Preparing and staffing up for the additional regulatory responsibility of the FSCA, including market conduct supervision over the banking sector.
- Financial resources required to establish and operationalise the FSCA.

3 Revision to legislative and other mandates

The FSB's legislative mandate is derived from the Financial Services Board Act (Act 97 of 1990 as amended) which defines its function as:

- To supervise and enforce compliance with laws regulating financial institutions and the provision of financial services;
- To advise the Minister of Finance on matters concerning financial institutions and financial services, either of its own accord or at the request of the Minister;

- To promote programmes and initiatives by financial institutions and bodies representing the financial services industry to inform and educate users and potential users of financial products and services.

There were no changes to the FSB's legislative mandate during the year.

The functions of the FSCA set out in Section 58 of the FSRA are as follows:

Section 58. (1) In order to achieve its objectives the FSCA must: -

- Regulate and supervise, in accordance with the financial sector laws, the conduct of financial institutions;
- Co-operate with and assist, the Reserve Bank, the Financial Stability Oversight Committee, the Prudential Authority, the National Credit Regulator and the Financial Intelligence Centre, as required in terms of this Act;
- Co-operate with the Council for Medical Schemes in the handling of matters of mutual interest;
- Promote, to the extent consistent with achieving the objectives of the FSCA, sustainable competition in the provision of financial products and financial services, including through co-operating and collaborating with the Competition Commission;
- Promote financial inclusion;
- Regularly review the perimeter and scope of financial sector regulation, and take steps to mitigate risks identified to the achievement of its objectives or the effective performance of its functions;
- Administer the collection of levies and the distribution of amounts so received;
- Conduct and publish research relevant to its objective;
- Monitor the extent to which the financial system is delivering fair outcomes for financial customers, with a focus on the fairness and appropriateness of financial products and financial services and the extent to which they meet the needs and reasonable expectations of financial customers; and
- Formulate and implement strategies and programs for financial education for the general public.

Section 58 (4): The FSCA may do anything else reasonably necessary to achieve its objective, including;

- Co-operating with counterparts in other jurisdictions; and
- Participating in relevant international regulatory, supervisory, financial stability and standard setting bodies.

Section 58 (5) When performing its functions, the FSCA must –

- a) Take into account the National Credit Act and regulatory requirements for financial institutions that are authorised and regulated under that act;
- b) Take into account the need for a primary pre-emptive, outcomes focussed and risk-based approach, and prioritise the use of its resources in accordance with the significance of risks to the achievement of its objective, and
- c) The extent practicable, have regard to international regulatory and supervisory standards set by bodies referred to in subsection (4) (b), and circumstances prevalent in the Republic.

Relevant Court Rulings

There are no specific court rulings that have a significant impact on the operations and service delivery obligations.

4 Government outcomes

The National Development Plan (NDP) sets out the government's approach to growth to 2030. It provides an integrated approach for business, government and civil society to address the critical issues of income inequality, poverty and unemployment in South Africa. Given its regulatory mandate, the FSB has a clear impact on the financial sector and the broader economy, and accordingly has a meaningful role to play in promoting growth, employment and poverty reduction.

The FSB is able to contribute to the area of poverty reduction through:

- The use of regulatory and supervisory measures to promote more 'value for money' financial products and services and reduce the abuse of savings and investments by unscrupulous providers of financial products and services.
- Providing assistance to government in designing and implementing measures to broaden social security for all, particularly in relation to retirement reform and roles that can and should be played by persons and entities subject to supervision by the FSB, including retirement funds, friendly societies and insurers.
- Supporting the design and implementation of cost effective measures to promote savings, investments and risk reduction and thereby to increase asset ownership and asset protection by the historically disadvantaged.
- Supporting measures to promote 'active ownership' and sustainable and responsible investments by retirement funds for the benefit of their members and other stakeholders.

- Reducing cost of regulatory compliance, especially for small- and medium-sized firms.
- Providing support for small businesses through better coordination of relevant agencies, development finance institutions, and public and private incubators.
- Strengthening financial services to bring down their cost and improve access for small and medium-sized businesses.
- Developing an appropriate regulatory framework to support innovation in the system consistent with the growth strategy.
- Promoting access to employment, financial inclusion and education. The NDP envisages that small and new entrepreneurs will account for the creation of the majority of new jobs in the economy. An important strategy for the FSB is the promotion of new entrants to the financial services industry.

Transformation and financial inclusion

An important focus for the FSB, and the future FSCA, is that of transformation in line with government policy. Internally, the FSB is largely transformed, as indicated by its employment and supply chain policies and practices. The FSB/FSCA will continue to offer employment opportunities to skilled Black professionals, promote the development of skills in all its employees and support emerging business when procuring goods and services.

Financial inclusion and the formulation and implementation of strategies and programs for financial education for the public are stated objectives of the FSCA in the FSR Act. The financial services industry is seen as largely untransformed, with barriers to entry by Black entrepreneurs and Black owned businesses. The strategy of the FSB and future FSCA will include strategies to address these issues, including short-term and long-term plans to support transformation in each sector in which the FSB operates.

5 Transition implications following enactment of the FSRA

Consequent on enactment of the FSRA the tenure of the FSB will come to an end. The uncertainty around the effective date of the empowering legislation and the appointment of the Exco of the FSCA complicates performance planning for the 2018/19 year.

In the light of this uncertainty this draft APP for the 2018/19 financial year extends performance plans based on the ongoing business operations of the FSB.

An appropriate activity based operational and organisational structure has been designed and a proposed regulatory strategy has been drafted for the FSCA by the FSB. The

organisational structure of the FSB catered for its various divisions, established in line with the sector specific legislation it oversees. These divisions will cease to exist and will be replaced by a functional, activity based organisation structure which is considered to be more appropriate to achieve the objectives of the FSCA in an efficient and effective manner.

The draft Financial Sector Regulations empowers the FSB EXCO and the Executive Officer to perform the functions of the FSCA in terms of the FSRA. Upon signature of the Financial Sector Regulations by the Minister and publication in the Government Gazette, the FSB Exco will commence the process to transition from the FSB to the FSCA.

6 Overview of 2017/18 budget and MTEF estimates

6.1 Expenditure estimates

Table 1: FSB Expenditure Estimate

Programmes (in Thousands) R'000	Audited outcome			Revised estimate	MTEF		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Administration	207 072	253 015	252 443	310 308	324 123	344 369	365 877
Supervise the financial advisory and intermediary activities in the financial services sector in terms of the Financial Advice and Intermediary Services Act of 2002	119 661	142 331	144 997	161 355	169 988	179 931	190 458
Supervise the long-term and short-term insurance industries in terms of the Long-term Insurance Act of 1998 and Short-term Insurance Act of 1998	86 368	94 137	105 663	116 584	122 821	130 006	137 611
Supervise retirement funds and friendly societies Pensions Fund Act.	108 542	109 331	126 612	143 768	151 469	160 319	169 698
Supervise Collective	21 592	28 269	37 810	43 670	46 006	48 697	51 546

Programmes (in Thousands) R'000	Audited outcome			Revised estimate	MTEF		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Investment Schemes in terms of the Collective Investment Schemes Act							
Supervise the South African licensed exchanges, central securities depositories and clearing houses, combat market abuse and regulating credit rating agencies	30 472	31 481	37 012	40 250	42 403	44 884	47 510
TOTAL	574 043	658 564	704 537	815 934	856 810	908 206	962 700

Estimated budget expenditure for 2018/19 is allotted to strategic outcome oriented goals as follows:

Strategic outcome orientated goal 1	Empowered consumers of financial products and services	Total budgeted amount during the 2018/2019 financial year (R'000s)
Goal statement	Promote financial education to consumers of financial services and products by way of focused financial literacy interventions using the media, workshops, exhibitions, etc.	R 29 964

Strategic outcome orientated goal 2	Proactive stakeholder management	Total budgeted amount during the 2018/2019 financial year (R'000s)
Goal statement	Implement an effective communication, brand, reputation and stakeholder management strategy during the transition to the FSCA	R 50 395

Strategic outcome orientated goal 3	Sound financial institutions that treat their customers fairly	Total budgeted amount during the 2018/2019 financial year (R'000s)
Goal statement 1	Ensure the regulatory and supervisory framework is in line with international standards and best practices.	R 574 424
Goal statement 2	Ensure effective and efficient prudential and conduct supervision processes.	

Strategic outcome orientated goal 4	Promote transformation of the financial services industry	Total budgeted amount during the 2018/2019 financial year (R'000s)
Goal statement	Promote entry to the financial services sector by Black and emerging entrepreneurs and broadening access to financial services and products by the previously excluded.	R 5 000

Strategic outcome orientated goal 5	Sound internal policies, systems, processes and procedures	Total budgeted amount during the 2018/2019 financial year (R'000s)
Goal statement	Internal policies, systems, processes and procedures that meet the operational requirements of the FSB.	R 180 884

Strategic outcome orientated goal 6	Effective transition of the FSB to the FSCA	Total budgeted amount during the 2018/2019 financial year (R'000s)
Goal statement	Develop recommendations on the future organisational structure and regulatory strategy and manage the transition from the FSB to the FSCA.	R 16 133

**PART B:
GOAL STATEMENTS AND PLANS**

7 STRATEGIC GOAL 1: Empowered consumers of financial products and services

7.1 Strategic objective, performance indicator and annual targets for 2018/19

Strategic objective	Performance Indicator	Audited/Actual performance			Estimated performance 2017/18	Medium term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
1 Promote financial education to consumers of financial services and products by way of focused financial literacy interventions using the media, workshops, exhibitions, etc..	Number of interventions to promote and provide financial education.	289 workshops, developed 4 consumer education resources/material, 32 exhibitions, 533 web content uploads/edits were performed. 113 radio and television interviews and programmes.	218 workshops 29 exhibitions 286 web content uploads 40 media activities 6 consumer education resources developed.	465 workshops 27 exhibitions 378 web content uploads/edits 162 media activities	200 workshops (including 2 "Taking regulation to the people" workshops). 25 Exhibitions. 4 reports on web content upload. 35 media activities. 5 CE resources.	6 research and M&E reports/case studies. 5 resources developed. 138 workshops. 4 reports on online activities. 10 media activities. 11 exhibitions. 1 money smart week. 81 interprovincial speech contest events.	As the FSB will not be in existence in this year no targets have been projected for this financial year.	As the FSB will not be in existence in this year no targets have been projected for this financial year.

7.2 Quarterly targets for 2018/19

The table below presents all the key performance indicators and annual targets for the budget year (2018/19). Where necessary these annual targets have then been disaggregated to quarterly targets to more meaningfully measure and track delivery.

Performance indicator	Baseline	Targets for year	Q1 (Apr-Jun)	Q2(Jul – Sept)	Q3 (Oct – Dec)	Q4 (Jan – March)
Number of interventions to promote and provide financial education.	465 workshops. 27 exhibitions. 378 web content uploads/edits. 162 media activities.	6 research and M&E reports/case studies. 5 resources developed. 138 workshops. 4 reports on online activities. 10 media activities. 11 exhibitions. 1 money smart week. 81 interprovincial speech contest events.	2 research and M&E reports/case studies. 2 resources developed. 68 workshops. 1 reports on online activities. 6 media activities. 4 exhibitions. 4 events	4 research and M&E reports/case studies. 111 workshops. 2 reports on online activities. 8 media activities. 7 exhibitions. 80 events	 124 workshops. 3 reports on online activities. 10 exhibitions. 1 event. 81 events	6 research and M&E reports/case studies. 5 resources developed. 138 workshops. 4 reports on online activities. 10 media activities. 11 exhibitions. 3 reports.

8 STRATEGIC GOAL 2: Proactive stakeholder management

8.1 Strategic objective, performance indicators and annual targets for 2018/19

Strategic objective	Performance Indicator	Audited/Actual performance			Estimated performance 2017/18	Medium term targets			
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	
1	Implement an effective communication, brand, reputation and stakeholder management strategy during the transition to the FSCA.	Number of meetings to monitor progress with achievement of targets in stakeholder outreach plans.	N/A revised performance indicator	N/A revised performance indicator	N/A revised performance indicator	Hold 4 meetings with HODs to monitor progress with achievement of targets in the stakeholder outreach plans. (CIS, FAIS, Investment Institutions, Insurance and Pensions divisions).	Hold 4 meetings with HODs to monitor progress with achievement of targets in the stakeholder outreach plans. (CIS, FAIS, Investment Institutions, Insurance and Pensions divisions).	As the FSB will not be in existence in this year no targets have been projected for this financial year.	As the FSB will not be in existence in this year no targets have been projected for this financial year.
		Number of media engagements	54 advertorials in print media Interviews on 13 National radio stations 4 media round table discussions 4 News Reports	43 media releases. 3 FSB bulletins. 3 buzz from the board. 4 media round table discussions. 12 media monitoring	61 advertorials in print media 15 interviews in National Radio stations. 4 media round table discussions 12 reports on news relating to	Interviews in 12 TV/radio stations. 4 media round table discussions. 4 reports on news relating to the FSB. 1 Media lunch. 1 media list updated	Interviews in 12 TV/radio stations. 4 media round table discussions. 4 reports on news relating to the FSB. 1 Media lunch.	As the FSB will not be in existence in this year no targets have been projected for this financial year.	As the FSB will not be in existence in this year no targets have been projected for this financial year.

Strategic objective	Performance Indicator	Audited/Actual performance			Estimated performance 2017/18	Medium term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
			reports. 1 media list update. 44 radio & TV interviews.	the FSB. 6 video recordings 1 Media lunch.	quarterly, 1 annual media survey.	1 media list updated quarterly, 1 annual media survey.		
	Number and achievement of internal communications, industry and public communications targets.	N/A	N/A	Produced 2 FSB bulletins 4 Buzz from the Board 5 FSB exhibitions. 100% implementation of portal maintenance.	4 FSB Bulletins, 4 Buzz from the Board, 4 FSB exhibitions, 1 CEO breakfast, 1 industry workshop, 1 FSB commemorative "Coffee table book".	4 FSB Bulletins, 4 Buzz from the Board, 4 FSB exhibitions, 1 CEO breakfast, 1 industry workshop, 1 FSB commemorative "Coffee table book".	As the FSB will not be in existence in this year no targets have been projected for this financial year.	As the FSB will not be in existence in this year no targets have been projected for this financial year.

8.2 Quarterly targets for 2018/19

The table below presents all the key performance indicators and annual targets for the budget year (2018/19). Where necessary these annual targets have then been disaggregated to quarterly targets to more meaningfully measure and track delivery.

Performance indicator	Baseline	Targets for year	Q1 (Apr- Jun)	Q2 (Jul – Sept)	Q3 (Oct – Dec)	Q4 (Jan – March)
Number of meetings to monitor progress with achievement of targets in stakeholder outreach plans.	N/A revised performance indicator	Hold 4 meetings with HODs to monitor progress with achievement of targets in the stakeholder outreach plans. (CIS, FAIS, Investment Institutions, Insurance and Pensions divisions).	1 meeting	2 meeting	3 meeting	4 meeting
Number of media engagements	61 advertorials in print media 15 interviews in National Radio stations. 4 media round table discussions 12 reports on news relating to the FSB.	Interviews in 12 TV/radio stations. 4 media round table discussions. 4 reports on	Interviews in 2 TV/radio stations. 1 report on	Interviews in 6 TV/radio stations. 2 media round table discussions. 2 reports on	Interviews in 10 TV/radio stations. 3 reports on	Interviews in 12 TV/radio stations. 4 media round table discussions. 4 reports on

Performance indicator	Baseline	Targets for year	Q1 (Apr-Jun)	Q2 (Jul – Sept)	Q3 (Oct – Dec)	Q4 (Jan – March)
	6 video recordings 1 Media lunch.	news relating to the FSB. 1 Media lunch. 1 media list updated quarterly, 1 annual media survey.	news relating to the FSB. 1 Media lunch. 1 media list updated quarterly,	news relating to the FSB. 1 Media lunch. 1 media list updated quarterly,	news relating to the FSB. 1 Media lunch. 1 media list updated quarterly,	news relating to the FSB. 1 Media lunch. 1 media list updated quarterly, 1 annual media survey.
Number and achievement of internal communications, industry and public communications targets.	Produced 2 FSB bulletins 4 Buzz from the Board 5 FSB exhibitions. 100% implementation of portal maintenance.	4 FSB Bulletins, 4 Buzz from the Board, 4 FSB exhibitions, 1 CEO breakfast, 1 industry workshop, 1 FSB commemorative “Coffee table book”.	1 FSB Bulletin, 1 Buzz from the Board, 1 FSB exhibition,	2 FSB Bulletins, 2 Buzz from the Board, 2 FSB exhibitions, 1 FSB commemorative “Coffee table book”.	3 FSB Bulletins, 3 Buzz from the Board, 3 FSB exhibitions,	4 FSB Bulletins, 4 Buzz from the Board, 4 FSB exhibitions, 1 CEO breakfast, 1 industry workshop,

9 STRATEGIC GOAL 3: Sound financial institutions that treat their customers fairly

9.1 Strategic objectives, performance indicators and annual targets for 2018/19

Strategic objective	Performance Indicator	Audited/Actual performance			Estimated performance 2017/18	Medium term targets			
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	
1	Regulatory framework in line with international standards and best practices. 80% of principles partly, broadly or fully implemented.	Number of progress reports of findings and recommendations of peer review considered by the FSB Exco.	Not applicable	4 reports	4 reports on progress with implementation of findings and recommendations of international peer review bodies.	4 reports on progress with implementation of findings and recommendations of international peer review bodies.	4 reports on progress with implementation of findings and recommendations of international peer review bodies.	As the FSB will not be in existence in this year no targets have been projected for this financial year.	As the FSB will not be in existence in this year no targets have been projected for this financial year.
		Adherence to the legislative review deadline for the year.	The legislative review programme was submitted to National Treasury on 26 September 2014.	Legislative review programme submitted to National Treasury by 30 September 2015.	Legislative review programme submitted to National Treasury on 29 September 2016.	Submit legislative review programme to NT by 30 September 2017.	Submit legislative review programme to NT by 30 September 2018.	As the FSB will not be in existence in this year no targets have been projected for this financial year.	As the FSB will not be in existence in this year no targets have been projected for this financial year.
2	Conduct risk based supervision to monitor and improve financial investment environment.	% achievement targets set out in risk based supervision plans.	Average of 96%	Average of 93%	Achieved average of 92% for the FSB.	Achieve 80 % of the targets set out in risk based supervision plans.	Achieve 80 % of the targets set out in risk based supervision plans.	No targets have been projected for this financial year.	No targets have been projected for this financial year.

Strategic objective		Performance Indicator	Audited/Actual performance			Estimated performance 2017/18	Medium term targets		
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
3	Effective enforcement of compliance with legislation	Percentage achievement of commitment time lines in the service level agreement/commitment (Inspectorate and Enforcement)	The target was achieved.	Achieved 91%.	Achieved 95%	80% achievement of targets.	90% achievement of targets.	As the FSB will not be in existence in this year no targets have been projected for this financial year.	As the FSB will not be in existence in this year no targets have been projected for this financial year.
		Percentage compliance with timelines set out in each division's SLCs.	Achieved lead times and performance requirements as set out in the SLCs.	Achieved 96%	Achieved average of 90% for the FSB	Achieve the turnaround times set in each division's SLCs with regard to licensing, registrations and other applications/submissions, for at least 90% of the cases received. (Where all information necessary for the processing has been provided.)	Achieve the turnaround times set in each division's SLCs with regard to licensing, registrations and other applications/submissions, for at least 90% of the cases received. (Where all information necessary for the processing has been provided.)	As the FSB will not be in existence in this year no targets have been projected for this financial year.	As the FSB will not be in existence in this year no targets have been projected for this financial year.

9.2 Quarterly targets for 2018/19

The table below presents all the key performance indicators and annual targets for the budget year (2018/19). Where necessary these annual targets have then been disaggregated to quarterly targets to more meaningfully measure and track delivery.

Performance indicator	Baseline	Targets for year	Q1 (Apr – Jun)	Q2 (Jul – Sept)	Q3 (Oct – Dec)	Q4 (Jan – March)
Number of progress reports of findings and recommendations of peer review considered by the FSB Exco.	4 reports on progress with implementation of findings and recommendations of international peer review bodies	4 reports on progress with implementation of findings and recommendations of international peer review bodies.	1 progress report. (update of matrix)	2 progress reports. (update of matrix)	3 progress reports. (update of matrix)	4 progress reports. (update of matrix)
Adherence to the legislative review deadline for the year.	30 September 2017.	30 September 2018.		30 September 2018.		
Percentage achievement of targets set out in risk based supervision plans.	Achieved average of 92% for the FSB.	Achieve 80 % of the targets set out in risk based supervision plans.	Achieve 80 % of the targets set out in risk based supervision plans.	Achieve 80 % of the targets set out in risk based supervision plans.	Achieve 80 % of the targets set out in risk based supervision plans.	Achieve 80 % of the targets set out in risk based supervision plans.
Percentage achievement of commitment time lines in the service level agreement/commitment (Inspectorate and Enforcement)	Achieved 95%	80% achievement of commitment time lines in the service level agreement/comm	90% achievement of commitment time lines in the service	90% achievement of commitment time lines in the service	90% achievement of commitment time lines in the service	90% achievement of commitment time lines in the service

Performance indicator	Baseline	Targets for year	Q1 (Apr-Jun)	Q2 (Jul – Sept)	Q3 (Oct – Dec)	Q4 (Jan – March)
		itment.	level agreement/commitment.	level agreement/commitment.	level agreement/commitment.	level agreement/commitment.
Percentage compliance with timelines set out in each division's SLCs.	Achieved average of 90% for the FSB	Achieve the turnaround times set in each division's SLCs with regard to licensing, registrations and other applications/submissions, for at least 90% of the cases received. (Where all information necessary for the processing has been provided.)	90% achievement of target for quarter			

10 STRATEGIC GOAL 4: Promote transformation of the financial services industry

10.1 Strategic objectives, performance indicators and annual targets for 2018/19

Strategic objective	Performance Indicator	Audited/Actual performance			Estimated performance 2017/18	Medium term targets			
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	
1	Promote entry to the financial services sector by Black and emerging entrepreneurs and broadening access to financial services and products by the previously excluded.	Number of interventions and reports covering the promotion of transformation and financial inclusion.	N/A new objective	N/A new objective	13 workshops with emerging financial services providers	<p>FAIS division will develop a transformation driven policy/strategy for granting exemptions to small and emerging FSPs.</p> <p>Amend the FAIS Code of Conduct to promote enterprise development of Black brokers.</p> <p>4 specialised training workshops for African candidates to equip them to pass the FAIS exams.</p>	<p>Amended FAIS Code of Conduct to promote enterprise development of Black brokers published in the Government gazette.</p> <p>8 workshops with small and emerging FSPs</p> <p>4 specialised training workshops for African candidates to equip them to pass the FAIS exams.</p> <p>Promote the</p>	As the FSB will not be in existence in this year no targets have been projected for this financial year.	As the FSB will not be in existence in this year no targets have been projected for this financial year.

Strategic objective	Performance Indicator	Audited/Actual performance			Estimated performance 2017/18	Medium term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
					<p>Amend the FAIS licence application form to include information on the race of applicants to track transformation in the financial sector.</p> <p>Provide training to FSB staff to succeed in the FAIS exams thereby increasing technical financial knowledge of staff.</p> <p>8 workshops with small and emerging FSPs (Funeral parlours).</p> <p>Promote the "Trustee Tool Kit" training amongst Black trustees and report</p>	<p>"Trustee Tool Kit" training amongst Black trustees and report quarterly on the training.</p> <p>Provide internship and learnership training to 20 unemployed graduates to enhance their opportunities for employment in the financial sector. (10 interns and 10 learnership).</p>		

Strategic objective	Performance Indicator	Audited/Actual performance			Estimated performance 2017/18	Medium term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
					<p>quarterly on the training.</p> <p>Provide learnership training to unemployed graduates to enhance their opportunities for employment in the financial sector.</p>			

10.2 Quarterly Targets for 2018/19

The table below presents all the key performance indicators and annual targets for the budget year (2018/19). Where necessary these annual targets have then been disaggregated to quarterly targets to more meaningfully measure and track delivery.

KPI	Baseline	Targets for year	Q1 (Apr – Jun)	Q2 (Jul – Sept)	Q3 (Oct – Dec)	Q4 Jan – March)
Number of interventions and reports covering the promotion of transformation and financial inclusion.	13 workshops with emerging financial services providers	Amended FAIS Code of Conduct to promote enterprise development of Black brokers published in the Government gazette.				Amended FAIS Code of conduct to promote enterprise development of Black brokers published in the Government gazette.
		8 workshops with small and emerging FSPs	2 workshops with small and emerging FSPs	4 workshops with small and emerging FSPs	6 workshops with small and emerging FSPs	8 workshops with small and emerging FSPs
		4 specialised training workshops for African candidates to equip them to pass the FAIS exams.		2 specialised training workshops for African candidates to equip them to pass the FAIS exams.	3 specialised training workshops for African candidates to equip them to pass the FAIS exams.	4 specialised training workshops for African candidates to equip them to pass the FAIS exams.
		Promote the	Promote the	Promote the	Promote the	Promote the

KPI	Baseline	Targets for year	Q1 (Apr – Jun)	Q2 (Jul – Sept)	Q3 (Oct – Dec)	Q4 (Jan – March)
		<p>“Trustee Tool Kit” training amongst Black trustees and report quarterly on the training.</p> <p>Provide internship and learnership training to 20 unemployed graduates to enhance their opportunities for employment in the financial sector. (10 interns and 10 learnership).</p>	<p>“Trustee Tool Kit” training amongst Black trustees and report quarterly on the training.</p> <p>Provide internship and learnership training to 20 unemployed graduates to enhance their opportunities for employment in the financial sector. (10 interns and 10 learnership).</p>	<p>“Trustee Tool Kit” training amongst Black trustees and report quarterly on the training.</p>	<p>“Trustee Tool Kit” training amongst Black trustees and report quarterly on the training.</p>	<p>“Trustee Tool Kit” training amongst Black trustees and report quarterly on the training.</p>

11 STRATEGIC GOAL 4: Sound internal policies, processes and procedures

11.1 Strategic objectives, performance indicators and annual targets for 2018/19

Strategic objective	Performance Indicator	Audited/Actual performance			Estimated performance 2017/18	Medium term targets			
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	
1	Internal policy framework updated annually.	Annual review and updating of policies relating to: Human Resources, Finance, ICT, Supply Chain, Security and Risk Management.	All policies reviewed and approved during the year.	Policies reviewed and approved during the year.	Policies relating to Human Resources, Finance, ICT and Risk Management were reviewed and updated during the year.	Annual review and updating of policies relating to: Human Resources, Finance, ICT and Risk Management.	Annual review and updating of policies relating to: Human Resources, Finance, ICT and Risk Management.	As the FSB will not be in existence in this year no targets have been projected for this financial year.	As the FSB will not be in existence in this year no targets have been projected for this financial year.
2	Effective and efficient systems, processes and procedures.	Percentage of implementation of approved projects and percentage of ICT SLC met.	96% implementation of all approved projects with business sign-off. 97% of ICT SLC met.	96% implementation of all approved projects with business sign-off. 96% of ICT SLC met.	99% implementation of all approved projects with business sign-off. 98% of SLC met.	90% implementation of approved projects 90% of ICT SLC met.	90% implementation of approved projects 90% of ICT SLC met.	As the FSB will not be in existence in this year no targets have been projected for this financial year.	As the FSB will not be in existence in this year no targets have been projected for this financial year.

Strategic objective	Performance Indicator	Audited/Actual performance			Estimated performance 2017/18	Medium term targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
	Audit report issued by the Auditor General	Unqualified audit report	Unqualified audit report	Clean audit report	Achieve a clean audit report from the Auditor General for the 2017/18 audit.	Achieve a clean audit report from the Auditor General for the 2018/19 audit.	As the FSB will not be in existence in this year no targets have been projected for this financial year.	As the FSB will not be in existence in this year no targets have been projected for this financial year.
	Percentage achievement of employment equity staff targets.	N/A – not measured	N/A – not measured	N/A – not measured	2% disabled employees. 50% female employees. 73% Black employees.	2% disabled employees. 50% female employees. 73% Black employees.	As the FSB will not be in existence in this year no targets have been projected for this financial year.	As the FSB will not be in existence in this year no targets have been projected for this financial year.

11.2 Quarterly Targets for 2018/19

The table below presents all the key performance indicators and annual targets for the budget year (2018/19). Where necessary these annual targets have then been disaggregated to quarterly targets to more meaningfully measure and track delivery.

KPI	Baseline	Targets for year	Q1 (Apr – Jun)	Q2 (Jul – Sept)	Q3 (Oct – Dec)	Q4 (Jan – March)
Annual review and updating of policies relating to: Human Resources, Finance, ICT, Supply Chain, Security and Risk Management.	Policies reviewed and approved during the year.	Annual review and updating of policies relating to: Human Resources, Finance, ICT			Annual review and updating of policies relating to: Human Resources,	

KPI	Baseline	Targets for year	Q1 (Apr – Jun)	Q2 (Jul – Sept)	Q3 (Oct – Dec)	Q4 (Jan – March)
		and Risk Management.			Finance, ICT and Risk Management	
Percentage implementation of approved projects and percentage of ICT SLC met.	96% implementation rate. 96.2% of SLC targets met.	90% implementation of all approved projects with business sign-off. 90% of ICT SLC met.	90% implementation of all approved projects with business sign-off. 90% of ICT SLC met.	90% implementation of all approved projects with business sign-off. 90% of ICT SLC met.	90% implementation of all approved projects with business sign-off. 90% of ICT SLC met.	90% implementation of all approved projects with business sign-off. 90% of ICT SLC met.
Audit report issued by the Auditor General	Clean audit report	Achieve a clean audit report from the Auditor General for the 2018/19 audit.				
Percentage achievement of employment equity staff targets.	None	2% disabled employees. 50% female employees. 73% Black employees.	2% disabled employees. 50% female employees. 73% Black employees..	2% disabled employees. 50% female employees. 73% Black employees.	2% disabled employees. 50% female employees. 73% Black employees.	2% disabled employees. 50% female employees. 73% Black employees.

12 STRATEGIC GOAL 5: Effective transition to market conduct regulator.

12.1 Strategic objectives, performance indicators and annual targets for 2018/19

Strategic objective		Performance Indicator	Audited/Actual performance			Estimated performance 2017/18	Medium term targets		
			2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
1	Transition to the FSCA, with minimum disruption to the FSB's on-going functions.	Number of targets in the project plans to guide transitional projects that have been implemented.	N/A	N/A	N/A	N/A	Achieve the targets set out in the approved transition project plans.	N/A	N/A
2	Handover Report with final recommendations on the Regulatory Strategy and Organisational Design for the FSCA approved by FSB Exco.	Date of approval of Handover Report.	N/A	N/A	N/A	FSB Exco approve Handover Report by 30 June 2018.	FSB Exco approve final Handover Report by date of appointment of the FSCA EXCO.		

12.2 Quarterly Targets for 2018/19

The table below presents all the key performance indicators and annual targets for the budget year (2018/19). Where necessary these annual targets have then been disaggregated to quarterly targets to more meaningfully measure and track delivery.

KPI	Baseline	Targets for year	Q1 (Apr – Jun)	Q2 (Jul – Sept)	Q3 (Oct – Dec)	Q4 Jan – March)
Number of targets in the project plans to guide transitional projects that have been implemented.	N/A	Achieve the targets set out in the approved transition project plans.	Achieve the targets set out in the approved transition project plans.	Achieve the targets set out in the approved transition project plans.	Achieve the targets set out in the approved transition project plans.	Achieve the targets set out in the approved transition project plans.
Date of approval of Handover Report.	N/A	FSB Exco approve final Handover Report by date of appointment of the FSCA EXCO.		FSB Exco approve final Handover Report by date of appointment of the FSCA EXCO.		



**Appendix A –
Draft Materiality and Significance Framework – Financial year 2017/18**

Refer to attached document.