



ANNUAL PERFORMANCE PLAN

2022/23

Date: 31 January 2022



Financial Sector
Conduct Authority

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List of Acronyms

Acronyms	Description
AGSA	Auditor General of South Africa
APP	Annual Performance Plan
ASISA	Association for Savings and Investment South Africa
AUM	Assets Under Management
BPP	Banks and Payment Providers
BSD	Bank Supervision Department
CBR	Confidential Business Review
CED	Consumer Education Department
CIPC	The Companies and Intellectual Property Commission
CIS	Collective Investment Scheme
CISCA	Collective Investment Schemes Control Act
CISNA	Committee of Insurance, Securities and Non-banking Financial Authorities
COFI Act	Conduct of Financial Institutions Act
CRA	Credit Rating Agency
CRM	Customer Relationship Management
CTC	Cost to Company
DE	Divisional Executive
FAI	Financial Advisors and Intermediaries
FAIS	Financial Advisory and Intermediary Services
FIC	Financial Intelligence Centre
FincoNet	International Financial Consumer Protection Organisation
FSAP	Financial Sector Assessment Program
FSB	Financial Services Board
FSC	Financial Sector Code
FSCA	Financial Sector Conduct Authority
FSOS	Financial Services Ombud Schemes
FSR Act	Financial Sector Regulation Act, Act 9 of 2017
FSTC	Financial Sector Transformation Council
GDP	Gross Domestic Product
GEPF	Government Employees Pension Fund
GLEIF	Global Legal Entity Identifier Foundation
GRAP	Generally Recognised Accounting Policy
IA	Innovation Accelerator
IAIS	International Association of Insurance Supervisors
ICT	Information and Communications Technology
IFWG	International FinTech Work Group
IMF	International Monetary Fund
IOPS	International Organisation of Pension Supervisors
IOSCO	International Organisation of Securities Commissions

Acronyms	Description
IOSCO	International Organisation of Securities Commissions
IRF	Insurance and Retirement Funds
IRS	Integrated Regulatory Solution
JSE	Johannesburg Stock Exchange
M&E	Monitoring and Evaluation
MMoU	Multilateral Memorandum of Understanding
MOU	Memorandum of Understanding
MSW	Money Smart Week
NCA	National Credit Act 34 of 2005
NCR	National Credit Regulator
NDP	National Development Plan
NPA	National Prosecuting Authority
NT	National Treasury
ODP	Over the Counter Derivative Provider
OTC	Over the Counter
PA	Prudential Authority
PFA	Pension Fund Adjudicator
PFMA	Public Finance Management Act
PPI	Processing of Personal Information
RDR	Retail Distribution Review
RSB	Regulatory SandBox
SADC	South African Development Community
SAPS	South African Police Services
SARB	South African Reserve Bank
SLC	Service Level Commitment
SMEs	Small to Medium Enterprises
SRD	Social Relief of Distress
SRO	Self-Regulating Organisations
TCF	Treating Customers Fairly
TMC	Transitional Management Committee

EXECUTIVE AUTHORITY STATEMENT

When the FSCA was established in 2018 in terms of the FSR Act, it marked a significant change and provided clarity of roles emanating from the Twin Peaks model. It also ushered in a new era of regulation in the financial sector.

That transition from the Financial Services Board was accompanied by a broader scope in its mandate to now include the regulation of banks, and a 3-year Regulatory Strategy to guide the organisation in achieving its 5 Strategic Priorities to:

1. Improve industry practices to achieve fair consumer and investor outcomes.
2. Act against misconduct to support trust and integrity in the financial sector.
3. Promote the development of an innovative, inclusive, and sustainable financial system.
4. Empower households and small businesses to be financially resilient.
5. Transform the FSCA into a socially responsible, efficient, and responsive organisation.

The Annual Performance Plan builds on the Strategic Plan and provides an opportunity to assess its implementation so far, and to reconcile with new developments that warranted such changes, the Covid-19 pandemic notwithstanding. It gives me great pleasure to commend the FSCA for making great strides to date, having achieved most of its annual performance targets for 2020/21. The FSCA has and will continue to provide substantial technical support to the National Treasury in the development of policy, including the Conduct of Financial Institutions (COFI) Bill, as well as the broader objectives of the National Development Plan. Indeed, the stability of our financial markets, and the financial protection and economic inclusion of South African citizens, remain key objectives aligned to the NDP.

To that effect, it is with great pride that I convey my congratulations to everyone at the FSCA; especially the TMC and Ops Exco for the enthusiasm with which they provided stellar oversight as the new young organisation navigated its way through unprecedented changes.



Hon. Minister Enoch Godongwana

ACCOUNTING OFFICER STATEMENT

On behalf of the FSCA, I take pleasure in presenting the 2022-23 Annual Performance Plan (APP).

The Financial Sector Conduct Authority (FSCA) was established on 1 April 2018 by the Financial Sector Regulation Act, 9 of 2017 (FSR Act) as one of the peaks of the twin peaks model for regulating the financial sector, with the FSCA being the regulator of market conduct.

The FSCA operated under a Transitional Management structure until 30 September 2021. The ushering in of the new governance structure, comprising of a Commissioner and three Deputy Commissioners, coincided with the institution moving into a new phase, building on the important foundational work done to establish the new regulator.

This strategic plan outlines the progress achieved by the FSCA since its establishment and outlines how we intend to accelerate our impact over the coming period.

The APP builds on the Strategic Plan and provides direction for the implementation of the priorities identified in the latter. The priorities and a list of the intended outcomes are detailed in body of the Strategic Plan and the related outputs in the APP.

The FSCA executive management endorse this APP for the period April 2022 to March 2023 and commit to its implementation.

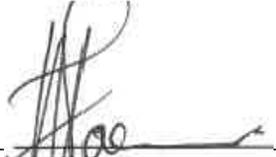


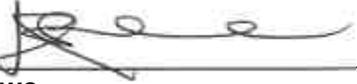
Mr U Kamlana
Commissioner

OFFICIAL SIGN-OFF

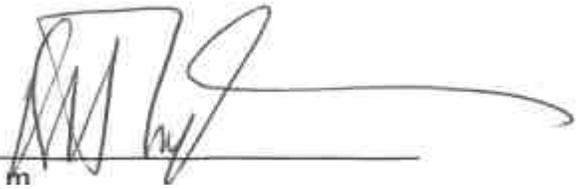
It is hereby certified that this Annual Performance Plan:

- was developed by the management of the FSCA under the guidance of the Honourable Minister of Finance – Enoch Godongwana;
- takes into account all the relevant policies, legislation, and other mandates for which the FSCA is responsible; and
- accurately reflects the Impact, Outcomes and Outputs which the FSCA will endeavour to achieve over the period 2022 – 2023.

Signature: 
Ms F Mabaso
DE: Licensing & Business Centre

Signature: 
Ms K Dikokwe
DE: Conduct of Business Supervision

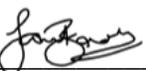
Signature: 
Mr OB Makhubela
Retirement Funds Supervision

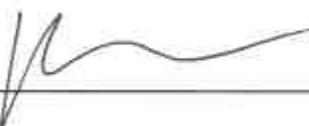
Signature: 
Mr B Topham
DE: Enforcement

Signature:  _____
Mr J Hlalethoa
DE: Corporate Services

Signature:  _____
Mr P Kekana
Chief Financial Officer

Signature:  _____
Ms P Mogase
Chief Information Officer

Signature:  _____
Ms F Badat
Deputy Commissioner

Signature:  _____
Ms K Gibson
Deputy Commissioner

Signature:  _____
Ms A Ludin
Deputy Commissioner

Signature:  _____
Ms R Mpete
Official responsible for Planning

Signature:  _____

Mr U Kamlana

Commissioner

Signature:  _____

Mr E Godongwana

Minister of Finance

PART A: OUR MANDATE

1. Constitutional mandate

As a statutory body performing a public function in the field of market conduct regulation and supervision of the financial sector, the FSCA is independent and impartial, exercises its powers, and performs its duties without fear, favour, or prejudice. It is governed by the democratic values and principles enshrined in the Constitution and seek to maintain high standards of professionalism and ethics. The FSCA reports to the Minister of Finance and is accountable to Parliament.

2. Legislative and policy mandates

The FSCA was created by the Financial Sector Regulation Act, Act 9 of 2017 (FSR Act) from which it derives its legislative mandate. In terms of the FSR Act, the FSCA is responsible to:

1. enhance and support the efficiency and integrity of the financial system, and
2. protect financial customers by -
3. promoting fair treatment of financial customers by financial institutions; and
4. providing financial customers and potential financial customers with financial education programs, and otherwise promoting financial literacy and the ability of financial customers and potential financial customers to make sound financial decisions; and
5. assist in maintaining financial stability.

The FSCA fulfils its responsibilities, amongst other, by

- a) **regulating and supervising** the conduct of financial institutions;
- b) **co-operating with (and assisting)** the Reserve Bank, the Financial Stability Oversight Committee, the Prudential Authority, the National Credit Regulator, the Financial Intelligence Centre, the Council for Medical Schemes, the Competition Commission, and its counterparts in other jurisdictions;
- c) promoting **sustainable competition** in the provision of financial products and financial services and **financial inclusion**;
- d) reviewing the **perimeter and scope** of financial sector regulation, conducting, and publishing relevant **research** and **monitoring** 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
- e) formulating and implementing strategies and programs for **financial education** for the general public.

The FSR Act enjoins the FSCA to perform its functions without fear, favour, or prejudice, and, in the exercise of its function, to take into account:

- a) **the National Credit Act and regulatory requirements for financial institutions that are authorised and regulated under that Act;**
- b) **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) **international regulatory and supervisory standards.**

In addition to its specific mandate under the FSR Act, the FSCA is responsible for administering the following sectoral financial legislation:

- i. Collective Investment Schemes Control Act 45 of 2002;
- ii. Credit Rating Services Act 24 of 2012
- iii. Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS Act)
- iv. Financial Markets Act 19 of 2012
- v. Friendly Societies Act 25 of 1956;
- vi. Pension Funds Act 24 of 1956
- vii. Long-term Insurance Act 52 of 1998 (for matters within the objectives of the FSCA)
- viii. Short-term Insurance Act 53 of 1998 (for matters within the objectives of the FSCA).

Much of this legislation is set to change over the coming period. The Conduct of Financial Institutions (COFI) Bill and the amendments to the FSR Act will have a significant impact on the way the FSCA approaches regulation of market conduct in the financial sector and will also clearly delineate the responsibilities of the various regulatory authorities. For example, the FSR Act amendments envisage a split in the responsibilities for market infrastructures, with the Prudential Authority having responsibility for the post-trade infrastructures, while the FSCA will remain responsible for the marketplaces.

3. Institutional policies and strategies over the five-year planning period

The FSCA aligns itself with government policies for planning, reporting as well as monitoring and evaluation of achievement of targets and planned outcomes.

3.1 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 FSCA will seek to contribute generally to the achievement of the government priorities listed above and, in particular, two priorities i and vi, namely, “Economic transformation and job creation” and “Building a capable, ethical and developmental state”.

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. The FSCA contributes to each of these areas in the following manner:

- i. **Job creation:** The FSCA will support job creation through regulation and supervision that promotes a competitive, inclusive and transformed financial sector, with an emphasis on increasing black participation in the sector as business owners, customers and suppliers. This will be complemented by financial education interventions that empower small business owners. The FSCA is collaborating with other regulators in the financial sector to support sustainable innovation within the sector consistent with South Africa’s growth strategy. With this growth and empowerment, more employment opportunities will be created.
- ii. **Empowerment of Youth employment and Women:** The FSCA continues to drive and sponsor financial education programmes targeted at women and youth, building

awareness of financial tools available to improve their financial confidence and health. Through the National Financial Literacy Speech Competition, the FSCA aims to attract and educate the youth in smart ways of managing money and this is rolled out across the nine provinces. In addition to this, the provincial winners were awarded bursaries to enrol and register at the university of their choice. The FSCA, through funding from the Financial Services Consumer Education Foundation, are paying all their tuition, accommodation, study resources, academic and psycho-social support fees.

- iii. **Poverty alleviation:** The delivery of more affordable and suitable financial products and services to all South African communities is being driven by further embedding the FSCA's approach to Treating Customer's Fairly into financial sector laws, including the COFI Bill, and supervisory approach. The FSCA is also committed to collaborate with the Financial Sector Transformation Council and the Broad-Based Black Economic Empowerment (B-BBEE) Commission to actively monitor the extent to which financial institutions are meeting their Financial Sector Code targets. Access to appropriate savings, insurance, payment and loan products assist vulnerable consumers to manage financial shocks through improved financial resilience. Indeed vulnerability will be emphasised within the evolving regulatory framework. :
- iv. **Innovation through technology:** Through the Regulatory Sandbox, the FSCA continues to collaborate with other organisations for ongoing monitoring, research and assessment of technological trends and innovations within the sector. Through this initiative, the FSCA will analyse external impact of new products to the financial sector business models, product and solution design and customer outcomes. The objective if this initiative is to inform appropriate regulatory and supervisory responses for the sector and eliminating legacy barriers.
- v. **Transformation:** the FSCAs transformation strategy will ensure that regulatory requirements do not restrict the diversification of financial institutions and products for new entrants to the market. In addition, the FSCA will integrate monitoring of the implementation of transformation plans into the supervisory framework for financial institutions. The FSCA has continued to hold training workshops with emerging financial services providers to inform and assist them with regulatory compliance, reaching hundreds of individuals each year. An MoU has been entered into between the FSCA and FSTC to ensure cooperation and coordination between the two organisations with the aim of supporting financial sector 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 FSCA will contribute to the above priorities through:

1. 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.
2. Aiding 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 FSCA, including retirement funds, friendly societies, insurers, and banks.
3. Supporting the design and implementation of cost-effective measures (including products) to promote savings, investments and risk reduction and thereby increase asset ownership.
4. Supporting measures to promote ‘active ownership’ and sustainable and responsible investments by retirement funds for the benefit of their members and other stakeholders.
5. Reducing cost of regulatory compliance, especially for small- and medium-sized firms.
6. Providing support to small businesses through better coordination of relevant agencies, development finance institutions, and public and private incubators.
7. Developing an appropriate regulatory framework to support innovation in the system consistent with the growth strategy.
8. Promoting access to employment, financial inclusion, and education.

4. Relevant court rulings

There were no court rulings that impact on the operations of the FSCA.

PART B: OUR STRATEGIC FOCUS

1 Vision

To foster a fair, efficient, and resilient financial system that supports inclusive and sustainable economic growth in South Africa.

2 Mission

The FSCA's mission is to promote an inclusive, customer-centric, and competitive financial sector wherein:

1. **Financial customers** have access to innovative and appropriate products and services and are empowered to make financially capable and informed decisions;
2. **Financial markets** function fairly, effectively, and efficiently; and
3. Pro-active and responsive regulation, supervision, and enforcement results in **accountable financial institutions.**

3 Values

Our actions and decisions are informed by our values, which drive the culture of our organisation.

Our values are:

1. **Excellence:** We set high standards for ourselves and strive to perform our functions with professionalism.
2. **Integrity and Accountability:** We are transparent, honest, fair, and consistent in our actions and decisions.
3. **Collaboration:** We work together in a spirit of consultation, cooperation, mutual respect, and trust.
4. **Agility:** We respond promptly, innovatively, and smartly to changing needs and circumstances.
5. **Sustainability:** We meet the needs of the present without compromising the ability of future generations to meet their own needs by adopting socially responsible practices.

4 Situational analysis

While the legislative and policy mandate of the FSCA provides the foundation for our strategy, other factors shaping the broader environment also need to be considered. These include the economic impacts, the evolving financial needs and vulnerabilities of households and small businesses, and local and international financial services and markets trends that influence the manner, in which its mandate is executed. A number of high-level factors that could have an immediate or longer-term are considered:

1. The slow recovery from the economic impact of the Covid-19 pandemic and the ongoing nature of the pandemic is likely to contribute to continued **household financial vulnerability** and lead to **failure and consolidation** in parts of the financial sector (e.g. pension funds). In circumstances where the sustainability of firms is at risk, a higher likelihood of undesirable practices, conduct and culture by financial service providers and institutions exists.
2. Technology, digital delivery, and distribution channels offer the opportunity for **new business and delivery models** and service providers, increasing **diversity of products** and providers and potentially enhancing **competition, innovation, and financial inclusion**. While offering exciting new opportunities for the digitally savvy, the move to digital channels has the potential to leave behind those that do not have access to smart phones, live in rural areas with limited network coverage, or are not comfortable with digital media. This may in part account for the **increased usage of informal financial products**, especially savings, credit and funeral cover that has been observed in South Africa, posing both opportunities and challenges for regulators. It also introduces **new risks**. These risks can occur due to new technologies implemented in the back end (e.g., for customer selection and risk rating), untested business models and market practices, and compromised security of customer assets and information (cyber security). The reach of **social media platforms** magnifies the potential impact of **scams and fraud**.
3. Current **supervisory practices** and teams are not necessarily equipped to deal with the emerging challenges of **new business, delivery and distribution models** and are not designed for **new, smaller entrants** (need for **proportionality**). The entry of new players into established markets raises a new set of (competition) issues about **access to critical market infrastructure**, often funded and owned by incumbents and designed for different circumstances. Market infrastructure also includes **data**.

4. **Concentration** in certain segments of the financial sector have delivered sub-optimal consumer outcomes in certain respects, such as **price transparency and comparability**, due to complex pricing structures and the variety of products and business models.
5. **Transparency** in financial markets is affected by **new forms of trading and trading platforms** that move transactions off-market and out of the public eye. Jurisdictions around the world have taken different views on dark pools and other off-market activities, although it is a growing trend, as is OTC market activity.
6. The margin squeeze experienced throughout the capital markets value chain as a result of investor expectations has challenged traditional business models and is resulting in consolidation, especially amongst smaller businesses. This also has an impact on transformation in the sector.
7. The impact of **climate change and sustainability** is increasingly recognized by listed companies, financial services firms, and investors, putting pressure on financial services and markets to play a more decisive role in a **just transition**. Financial conduct regulators are looking to **improved disclosure** to deliver greater trust to investors and to build a green finance market.

The FSCA will continue to scan its environment to identify and understand trends, enabling the institution to be more responsive and forward-looking. It will also keep building its specialist expertise to deal with the emerging issues such as climate change, and pro-actively monitor pricing and selling practices, new business models and financial products, as well as household financial resilience.

5 External environmental analysis

5.1 The economic context

South Africa entered the pandemic after several years of low growth. In 2019, the economy grew by 0.2% (in 2018 it was 0.8%). With the implementation of national lockdowns to curb the spread of the COVID-19 virus, the economy shrunk in 2020 (by as much as 7%) Both the consumer and business confidence indices recorded a record low point in the first quarter of 2020, reflecting the negative sentiments around economic activity by businesses and consumers.

Among other factors, regulatory changes implemented by the FSCA to alleviate the pressures on the financial sector, and the active steps taken to inform the industry of these changes, aided in improving business and consumer confidence in the second half of 2020.

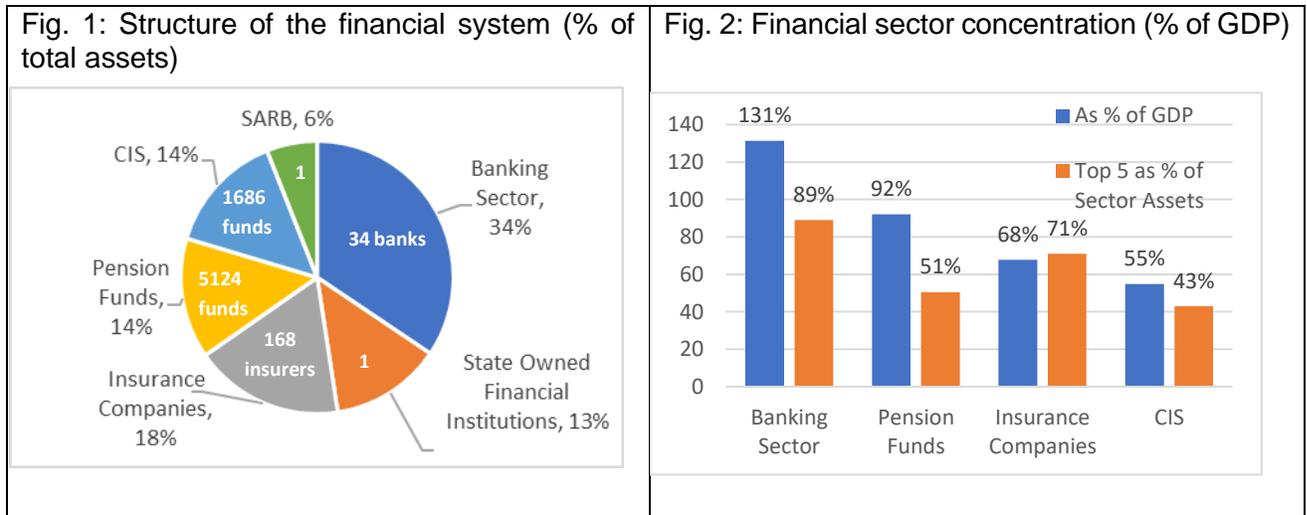
The South African economy has since experienced positive growth in three consecutive quarters, growing by 4.2% in the first quarter of 2021 and by 4.7% in the second quarter. However, business and consumer confidence was once again negatively impacted in the third quarter as a result of the unexpected unrest and looting experienced across parts of the country, albeit not as sharply as in 2020.

While manufacturing confidence was particularly affected in the business sector, retail and wholesale trade confidence were less negatively impacted. Consumer confidence was also bolstered by the reintroduction of the SRD grant and the rollout of COVID-19 vaccinations to both the 35-49 age group and the 18-35 age group.

South Africa is expected to experience a cyclical economic recovery in 2021, with growth forecasts ranging from 3.3 – 5.3%. Growth prospects remain muted over the medium term however, with the SARB in September reducing its growth forecast for 2022 to 1.7% (down from 2.3%) and for 2023 to 1.8% (down from 2.4%).

5.2 Financial sector overview

South Africa has a large and complex financial system, with financial sector assets amounting to 380% of GDP at the end of 2020. The financial system is dominated by the banking sector, which accounts for 34% of total assets. This is followed by the retirement funds sector, which, combined with the PIC, makes up 27% of assets. Assets under management (AUM) in the pension sector account for almost 100% of GDP and is dominated by the GEPF which accounts for 41% of the sector’s assets.



Notes: Pension Funds data as of 2018, SOFIs latest available. VBS Mutual Bank is under administration since 2018. Total assets exclude GEPF assets of R 1,835,265 million since these are included under PIC. Source: South African Reserve Bank (SARB), Financial Sector Conduct Authority (FSCA), The Association for Savings and Investments of South Africa (ASISA), Stats SA, staff calculations.

The banking and insurance sectors are considered concentrated sectors, with the top 5 companies accounting for 89% and 71% of total sector assets respectively. Insurance companies have a diverse range of business models, with significant variation in risk profiles, which, according to the IMF, is unique relative to other major insurance markets. Equity and government bond markets are highly developed, with a market capitalization (as a share of GDP) comparable to advanced economies. While smaller than the other sectors, collective investment schemes (CIS) have grown from 33% of GDP over the past decade to 55%. The fintech sector is small but growing and consists primarily of payments, business-to-business support, and lending activities.

5.3 Transformation in the sector – achievements and challenges

Over the past 25 years, some progress has been made toward both economic transformation in general and financial sector transformation specifically. However, the extent to which the majority of South Africans participate meaningfully in the financial sector remains limited.

During Parliamentary hearings regarding transformation of the financial sector in the first half of 2017, submissions from the public emphasised concerns about the high levels of concentration in the sector, barriers to entry for new and emerging entrants, and the need for stronger support of black industrialists and small to medium enterprises (SMEs). Submissions also noted the prevalence of poor market conduct practices and financial exclusion, compromising the transformative effects of the sector.

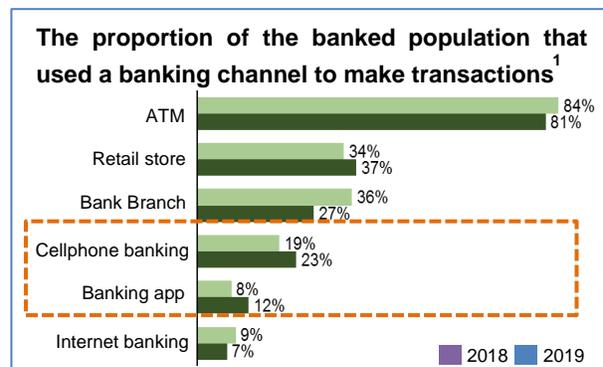
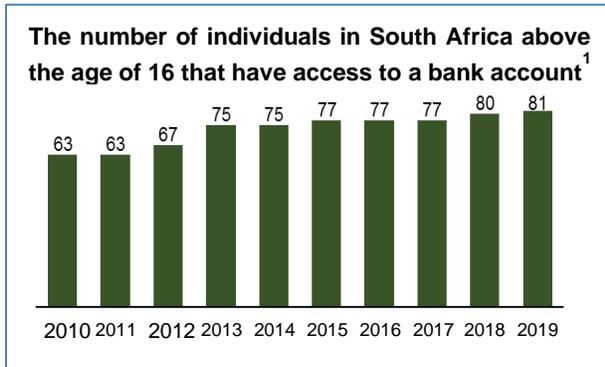
The Financial Sector Code, which was gazetted in 2012 and revised in 2017, is being further revised with a new Code expected to be gazetted in 2022.

5.4 Financial inclusion

Financial inclusion is measured across different types of financial products, including banking, investment and saving, credit and insurance. The IMF cites a broader metric that includes access to regulated, non-bank financial services indicates that 91 percent of adults are “formally included”.

South Africa has relatively high levels of banking access, with an estimated 81% of adult South Africans having at least one bank account. Bank accounts are primarily used for transactional purposes and high inclusion rates are reflective of salaries and welfare payments being deposited into bank accounts. However, household data shows that the majority of deposits are held in an account for up to a day and then withdrawn immediately. Only 31% of accounts are used more than 3 times per month. Cash is used to transact on a daily basis and the extremely low savings rate of 0.6% reflects the poor savings culture among households in South Africa. A trend towards greater use of digital banking channels was discernible between 2018 and 2019 and is likely to have been accelerated by the Covid-19 epidemic. As a result, banks have been reducing the number of physical facilities available for transactions. The aggregate number of bank branches owned by the 5 largest banks reduced by 56 branches in 2020 from 3 204 branches in 2019. Similarly, the number of ATMs available decreased in 2020.

The uptake of digital channels has lagged in rural areas, while there has been a dramatic shift in urban areas, including amongst the low-income population, with fast growing smart phone usage. The FSCA remains concerned about adequate access for rural populations, and in the absence of physical banking facilities, will monitor the opportunities for non-bank savings and transacting opportunities. Data confirms the increased usage of non-bank service providers such as retail stores for transaction purposes, although it is not clear whether this is primarily urban or rural.



An important source of long-term savings for households are pensions, primarily for those in formal employment. There has been an upward trend in the number of individuals who have a pension scheme in the past 5 years, with an increase of approximately 1 million individuals between 2015 and 2019 (an estimated 6% increase). However, since 2017, the number of individuals that received retirement income gradually declined, despite the increase in South Africa’s population above 65 years of age. In 2020, only 12% of the 3.6 million individuals in the retired age group were receiving retirement income, highlighting the need for more education on the importance of a pensions fund, mechanisms to encourage improved contributions (e.g. auto-escalations), and appropriate retirement options to improve pension coverage, especially among low-income and informal workers. Of equal concern is the large amount of unclaimed pension fund benefits, amounting to over R42 billion, in the industry. While progress has been made towards the repossession of unclaimed benefits with the FSCA unclaimed benefits search engine helping over 14 000 individuals to receive payments worth approximately R1.2 billion, the progress needs to be accelerated.

As savings rates lag, the total value of household debt continues to increase. In 2020 South Africa’s consumer debt amounted to R 2.01 trillion, with 82.6% of the debt was held with banks, 6% with non-bank vehicle financiers, 2% with retailers, and 9.2% with other non-bank credit providers. Over the past 5 years, the number of individuals with an active credit account has increased.

Although always prominent in South Africa, the usage of informal financial products appears to be growing in South Africa, particularly in informal savings mechanisms such as stokvels and burial societies.

5.5 Household financial resilience

Low savings rates and high household indebtedness exposed poor household financial resilience during the Covid pandemic, as income sources for many households contracted with the economic impact of the pandemic. Households sought to finance the shortfalls through increases in credit from formal and informal sources and reduced expenditure on long-term savings in the form of credit, as well as increased state assistance.

A recent report by the UK Financial Resilience Task Team defines financial resilience as “[t]he ability to cope financially when faced with a sudden fall in income or unavoidable rise in expenditure.” In the UK, the financial resilience of households is affected by income shocks resulting from ill health, relationship breakdowns or the death of a partner, job loss and caring responsibilities, and are exacerbated by fluctuating income levels.

In South Africa, households experience the similar shocks. However, due to high unemployment levels, the seasonal nature of employment in certain sectors, the fluctuating incomes of low-income employees and the dependence on government grants, households in South Africa tend to be quite vulnerable. Those that are fortunate to have formal sector employment tend to have broader family responsibilities, which exacerbate financial pressures.

During 2020, the FSCA saw a large uptake in relief from paying contributions applied during 2020 by pension funds, with 47.54% of the regulated funds seeking contribution relief measures on behalf of their members. The disruption in business activity due to the pandemic affected the ability of pension funds and their members to sustain contributions, particularly for smaller businesses in the manufacturing and services sectors. In response, the FSCA introduced relief measures that funds could implement, including the suspension of contribution payments or a reduction of pensionable service where employees were working lesser hours.

2021 also saw a significant increase in individuals acquiring credit in Q1 2021 from formal and informal sources.

The vulnerability and low levels of financial resilience experienced by household also appears to have had positive behavioural impacts, with households focussing on reducing debt where

possible and increasing savings and contributions to insurance. Old Mutual’s Savings and Investment Monitor for 2021¹ found that more people are using stokvels, rainy day funds and loyalty programmes to save - as well as paying off debt faster. This messaging was communicated through financial education campaigns by many financial institutions.

6 Internal environmental analysis

6.1 Achievements against the regulatory and organisational strategy

The FSR Act required the FSCA to adopt and publish a three-year regulatory strategy by 1 October 2018. The regulatory strategy also formed the basis for the previous strategic plan of the organisation. The inaugural regulatory strategy set out the roadmap for the establishment of the FSCA, the priority areas for the regulatory strategy, intended outcomes and identified the following six strategic priorities:

1. Building a new organisation

Intended outcome	Achievement
<p>Through our new organisational design, capacity building and infrastructure upgrades, the FSCA aims to be:</p> <ul style="list-style-type: none"> • Trusted by financial customers to promote their fair treatment by financial institutions and take visible, meaningful action against those that jeopardise their financial wellbeing or the integrity or efficiency of the financial markets • Respected by all stakeholders as a competent, effective, and accountable regulator that engages with them openly and transparently and without fear, favour, or prejudice • Proactive in identifying conduct risks across the financial sector and taking evidence-based actions to respond to those risks • Respected as a global leader in the area of market conduct regulation and supervision by both domestic stakeholders and international peers • A modern organisation that draws on international best practice and leverages technology to respond 	<ul style="list-style-type: none"> • New operating model with new roles, skills and competencies designed and implemented (shift from sector-based to functional structure) • All key and critical positions at Executive, Senior Management, and Senior Specialist levels were filled • Revised competency framework aligned to the new operating model. All role profiles were updated to align to strategic focus of the organization; skills audit conducted to gain insights into skills base. • Change initiatives aimed at embedding new organisational values and improving employee performance and engagement. • Targeted training interventions • Talent Council and Talent Management Forums established • Data driven digital strategy adopted; supported by new strategies and policies (information strategy, cybersecurity strategy, cloud strategy.)

¹ Find reference

<p>flexibly, proactively and pragmatically to new risks and opportunities.</p>	<ul style="list-style-type: none"> • Business intelligence and analytics platform is assisting the FSCA with management and supervisory information. • Solutions implemented to enable remote working for all FSCA staff
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2. An inclusive and transformed financial sector

Intended outcome	Achievement
<ul style="list-style-type: none"> • Formalised relationships with the FSTC • Licensing conditions and other provisions in the COFI Act (or other financial sector laws) that cater for transformation commitments aligned to FSC • FSCA monitors progress against transformation plans, assists with driving achievement of commitments to FSC targets, including consequences for failure to demonstrate progress • Proportionality and progression built into supervisory and regulatory frameworks • FinTech Department suitably resourced and actively engaged with FinTech start-ups and incumbents using FinTech • Inclusion Research unit suitably resourced and engaged to ensure regulatory and supervisory frameworks cater for transformation and inclusion • Training and support initiatives for small financial services businesses held every year. 	<ul style="list-style-type: none"> • MOU entered into with Financial Sector Transformation Council • Draft COFI Bill provisions amended to more clearly allow FSCA to support Financial Sector Code targets • Regulatory and supervisory frameworks reviewed to support financial inclusion: <ul style="list-style-type: none"> • draft conduct standards for cell captives and Co-operative Financial Institutions • amendments to microinsurance product standards, • regulatory approaches and framework for the funeral parlour market • Conduct of Business returns • Financial Inclusion Strategy developed to guide FSCA operations (<i>to be published in 2022</i>) • Transformation Strategy developed to guide FSCA operations (<i>to be published in 2022</i>)

¹ When considering exemptions from the requirements of the Conduct Standard for Cell Captive Insurers, issues relating to transformation will be taken into account (progressing small black-owned cell businesses to microinsurers).

3. A robust regulatory framework that promotes fair customer treatment

Intended outcome	Achievement
<ul style="list-style-type: none"> • Increasingly aligned and harmonised conduct standards under existing sectoral laws. • New conduct standards under the FSR Act for financial institutions and activities not covered by existing sectoral laws. 	<ul style="list-style-type: none"> • Work underway to embed TCF principles in sector laws, supervision increasingly Pro-active Pre-emptive Intensive and Intrusive.

<ul style="list-style-type: none"> • A holistic TCF-aligned supervisory approach to monitor and enforce delivery of these conduct standards. • Ongoing implementation of key TCF-aligned regulatory projects, including achieving the outcomes of the RDR. • Readiness for a smooth transition to the overarching licensing and conduct standards framework under the COFI Act. 	<ul style="list-style-type: none"> • Harmonisation project initiated (identifying themes and developing regulatory frameworks applicable across the entire financial sector). • Conduct standards developed and published. <ul style="list-style-type: none"> • Conduct Standard for Banks • Conduct Standard on Net Asset Valuation Calculation and Pricing for Collective Investment Scheme Portfolios • Requirements for Delegation of administration functions by a manager of a Collective Investment Scheme • Conditions for Smoothed Bonus Policies to form part of Default Investment Portfolios • Minimum Skills and Training Requirements for Board Members of Pension Funds • Joint Standard on fitness, propriety and other matters related to Significant Owners • Development of risk-based supervisory framework near completion. • Omni-CBRs developed to be published for consultation.
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4. Informed financial customers

Intended outcome	Achievement
<ul style="list-style-type: none"> • Broader consumer protection. • Integration of financial education with regulatory functions. • Coordinated industry financial education activities. • Improved data on consumer behaviour. • Positive consumer behavioural change. 	<ul style="list-style-type: none"> • Developing draft conduct standards for consumer education. • Greater internal communication to coordinate and enhance messaging. • Coordinated activities with national consumer protection fora and committees. • Conducted research on consumer behaviour. • National Speech Competition; Youth Campaign; Expanded Public Works Programme; Money Smart Week.

5. Strengthening the efficiency and integrity of our financial markets

Intended outcome	Achievement
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<p>This strategic priority is intended to ensure that South African financial markets are:</p> <ul style="list-style-type: none"> • fair, efficient and transparent, with reliable and effective price discovery • supported by robust and efficient post-trade systems • provide a diverse and competitive range of products and services to meet investors' needs. 	<p>Conduct Standards and Joint Standards developed, including:</p> <ul style="list-style-type: none"> • Conduct Standard for Authorised OTC Derivative Providers¹ • Joint Standard on Margin requirements for non-centrally cleared over the counter derivative transactions • Joint Standard on Requirements relating to Central Counterparty Licence Applications • Conduct standard for exchanges, to address issues • Conduct standard for exchanges, to address issues of interoperability (<i>published for consultation</i>) • Local CCP regime introduced; applications being assessed. • Participation in GLEIF meetings • Published discussion paper on short selling • Exemption criteria framework for external market infrastructures being drafted together with a determination and equivalence framework
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6. Understanding new ways of doing business

Intended outcome	Achievement
<ul style="list-style-type: none"> • Creation of dedicated FinTech Department • Active participation in the IFWG • Finalisation and establishment of an Innovation Hub protocol through the IFWG • Establishment of a Regulatory Sandbox, or participation in multi-regulator sandboxing with other financial sector regulators through the IFWG • Co-hosting, with IFWG members, of engagement conferences with the FinTech sector • Co-hosting of hackathons with IFWG members • Development and implementation of the FSCA data strategy • Recruitment of necessary specialist skills. 	<ul style="list-style-type: none"> • The FSCA with the IFWG launched a Regulatory Guidance Unit, a Regulatory Sandbox and an Internal Innovation Hub • Fintech department published joint papers and reports with the IFWG (SA Fintech Landscape Report; Crypto Assets Working Paper; Non-Traditional Data Report; Suptech report) • Published report on Open Finance

As is clear from the above, the FSCA has successfully implemented a new organisational design, moving from a sector regulator to a functionally structured conduct regulator, and has established the technological foundation. In addition, significant progress has been made in developing regulatory frameworks, especially to fill regulatory gaps, and to develop new supervisory approaches. The regulatory and organisational strategy was very ambitious, and a more focussed strategic approach will be adopted going forward.

6.2 A new organisational strategy

A new organisational strategy has been developed, taking into consideration the achievements of the FSCA over the first three years of its existence, as well as the evolving external environment and the risks and opportunities presented. This new strategy is designed around five strategic objectives, designed to:

1. Improve industry practices to achieve fair outcomes for financial customers
2. Act against misconduct to support confidence and integrity in the financial sector
3. Promote the development of an innovative, inclusive and sustainable financial sector
4. Empower households and small businesses to be financially resilient
5. Accelerate the transformation of the FSCA into a socially responsible, efficient, and responsive conduct regulator

The strategy aims to focus the work of the FSCA on the key outcomes that must be achieved, which are summarised below:

Strategic objective	Expected Outcomes
Improve industry practices to achieve fair outcomes for financial customers	Good conduct and Treating Customers Fairly (TCF) principles embedded consistently across the financial sector Conduct risks mitigated
Act against misconduct to support confidence and integrity in the financial sector	Trust in the financial sector maintained
Promote the development of an innovative, inclusive, and sustainable financial system	Transformation in the financial sector supported Financial inclusion of low-income households and small businesses deepened Greater competition and contestability in the financial system enabled Sustainable finance and investment in the financial sector fostered

Strategic objective	Expected Outcomes
Empower households and small businesses to be financially resilient	Financial customers able to make better and more informed financial decisions
Accelerate the transformation of the FSCA into a socially responsible, efficient, and responsive organization	Operational excellence embedded across all functions of the FSCA is recognised and trusted by financial institutions, financial customers, financial sector ombuds and other financial sector regulators in South Africa and internationally

The work of the FSCA will be informed by the key considerations related to the value that the institution adds to both regulated entities and financial customers, the regulatory burden that it imposes on regulated entities and the efficiency and effectiveness of the organisation.

6.3. Collaboration and co-ordination with other regulators

Collaboration and coordination between the financial sector regulators is important to ensure effective oversight, while limiting the regulatory burden of reporting and oversight on regulated entities. The FSCA interacts closely with the Prudential Authority, the SARB, the National Credit Regulator, the Financial Intelligence Centre, the Council for Medical Schemes, and other local regulators, in the performance of its regulatory and supervisory duties. Co-ordination meetings with regulatory institutions are scheduled on a regular basis and provide the opportunity for exchange of information and alignment between the institutions.

Although the Prudential Authority and the FSCA have coordinated supervisory plans and engagements to the extent possible, care needs to be taken not to duplicate data collection and supervisory engagement.

To this end, the authorities are considering ways in which data collection could be coordinated through a shared service, which could potentially include the Prudential Authority, the SARB, the National Credit Regulator and the Financial Intelligence Centre.

6.4 PESTEL and SWOT analysis

The performance environment and the influences therefrom were considered and a PESTEL analysis (Political, Economic, Social, Technology, Environment and Legal) and an analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT) were completed for the entity. The assessment is reflected below.

PESTEL

Political	Political instability resulting in change of policies and government priorities, thus creating volatility, and negatively affecting financial markets.
Economic	<ul style="list-style-type: none"> Challenges of being funded from National Revenue Fund. Weak SA economy impacts negatively on stakeholders and revenue collection. Money Bill not yet enacted Global pandemic has worsened the outlook on the South African economy.
Social	<ul style="list-style-type: none"> Attacks by political parties and other stakeholders. Global pandemic outbreaks.
Technology	<ul style="list-style-type: none"> Cyber security remains a challenge globally. Fintech landscape is changing which forces the regulator to align its regulations to the changing needs of the financial markets.
Environment	N/A
Legal	There are legislative gaps in relation to the FSR act which will be addressed by the CoFI bill once it becomes enacted. Ineffective implementation of legislation and standards.

SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> Experienced regulator. Competent, willing and enthusiastic staff. Institutional commitment to ensuring consumer protection, expanded customer access and public confidence in the financial sector. Robust and enabling regulatory and supervisory framework environment. Good standing with domestic and international bodies. 	<ul style="list-style-type: none"> Insufficient skills and resource constraints due to expanded regulatory and supervisory mandate. Legacy systems and inadequate data capabilities. Weak intelligence gathering with regard to industry emerging and systemic conduct risks, especially in relation to financial innovation.

Opportunities	Threats
<ul style="list-style-type: none"> • Enhance external stakeholder support and buy-in. • Attract, develop, and retain new and critical skills (new and existing). • Strengthen regulatory and supervisory frameworks by leveraging enhanced research capabilities and accessibility to international leading practices. • Ensure delivery of better outcomes for financial customers as a result of expanded mandate and focus areas. • Elevate efforts to strengthen the efficiency of financial markets. • Promote responsible innovation in the financial sector. • Transform the FSCA into a digitalised, innovative, and agile regulator. 	<ul style="list-style-type: none"> • Corruption in the both the public and private sector. • Potential political interference affecting the work of the FSCA. • Pandemic in relation to the safety of our employees and the ability to effectively deliver on our mandate. • Rapid pace of financial sector digitalisation and increasing emergence of Responding to emerging digital assets resulting in delayed regulatory responses. • Inability to respond to financial innovation in a timely manner.

6.5 Key Risks

The following key risks to the FSCA strategy and mitigating controls are identified in the table below:

No	Strategic Objective	Outcomes	Strategic Risk	Risk Definition	Mitigating Controls
1	2,5	<ul style="list-style-type: none"> • Operational excellence embedded across all functions of the FSCA • Improved trust in the financial sector maintained 	Cyber Risk	The risk of financial and data loss as result of unauthorised and illegal access to the FSCA ICT infrastructure.	<ul style="list-style-type: none"> - Policy review processes. - Continuous vulnerability management and remediation. - Disaster Recovery Plan/ replication of business data on a daily basis at remote location. - Security Incidents and Event Management. - Non-disclosure agreements. - Cyber security risk management. - Recovery assisted by experts provided by the

No	Strategic Objective	Outcomes	Strategic Risk	Risk Definition	Mitigating Controls
					<ul style="list-style-type: none"> - Malware protection controls. - Continuous employee awareness. - Malware protection controls. - Proactive threat management. - Control Self-Assessment. - Independent assurance (external auditing). - Password self-services.
2	1,2,3,5	<ul style="list-style-type: none"> • Sustainable finance and investment in the financial sector fostered • Greater competition and contestability in the financial system enabled • Greater competition and contestability in the financial system enabled • Improved trust in the financial sector maintained • Conduct risks mitigated 	Data Risk	Exposure to loss of value or reputation caused by issues or limitations to an organisations ability to acquire, store, transform, move, and use its data assets.	<ul style="list-style-type: none"> - Establishment of a dedicated information hub (Business Centre). - Adoption of sound policies and procedures. - CCM meetings. - ICT steering committee. - Sound governance structures. - Sound internal controls. - Malware protection controls. - BCM and data recovery. - Information Governance Committee (IGC). - Information Stewards Board.
3	1,2,3,5	<ul style="list-style-type: none"> • Sustainable finance and investment in the financial sector fostered • Greater competition and contestability in the financial system enabled • Greater competition and contestability in the financial system enabled • Improved trust in the financial sector maintained • Conduct risks mitigated 	IRS Projects Risk	Failure of strategic IRS projects.	<ul style="list-style-type: none"> - ICT Steering Committee comprising all OPS EXCO and TMC members. - Project Management Office(PMO). - Established Enterprise Architecture. - Project management framework. - Existing experienced ICT resources. - Contract and SLA with service providers. - BAC. - Internal audit to review every stage of the procurement process. - Senior Counsel to review processes.

No	Strategic Objective	Outcomes	Strategic Risk	Risk Definition	Mitigating Controls
		<ul style="list-style-type: none"> Operational excellence embedded across all functions of the FSCA 			
4	5	Operational excellence embedded across all functions of the FSCA	Talent Risk	Attracting and retaining critical skills, keeping in mind post pandemic issues around hybrid working model exacerbate talent management issues.	<ul style="list-style-type: none"> - Recruitment and retention strategy and policy in place. - Remuneration benchmarked to industry. - Talent management initiatives . - Ongoing training and upskilling of staff. - Implementation of the Talent management framework. - Implementation of fair employment practices. - Implement effective training and development programs. - Expedite / streamline the recruitment process. - Establish employee secondment opportunities.
5	5	Operational excellence embedded across all functions of the FSCA	Staff Safety Risk	The risk of death / injury to employees while carrying out their mandate including the executives.	<ul style="list-style-type: none"> - SAP accompanying investigators and CED staff. - Group personal accident insurance cover.
6	4,5	<ul style="list-style-type: none"> FSCA is recognised and trusted by financial institutions, financial customers, financial sector ombuds and other financial sector regulators in South Africa and internationally Financial customers empowered to make better and more informed financial decisions 	Stakeholder Risk	The risk that overlooking stakeholder concerns, misunderstanding or miscommunication could develop into complex stakeholder issues.	<ul style="list-style-type: none"> - Stakeholder engagement plan. - Contracted reputation management company.

No	Strategic Objective	Outcomes	Strategic Risk	Risk Definition	Mitigating Controls
7	1,2,3,	<ul style="list-style-type: none"> Sustainable finance and investment in the financial sector fostered Greater competition and contestability in the financial system enabled Greater competition and contestability in the financial system enabled Conduct risks mitigated 	Regulatory and Supervisory Framework Risk	Ineffective and inadequate regulation of regulated entities.	<ul style="list-style-type: none"> Regulatory Policy Forum. Harmonisation of legislative framework. CCM reporting.. Annual risk-based supervision plans. FSCA representatives serving on regional and international standard setting bodies. Self assessment and peer reviews. Co-ordination of on-site inspections. Recruitment of skilled skills. Experienced supervision staff. Continuous development of staff. Regulatory policy. Stakeholder engagement plan. Improved Supervisory approach to strengthen enforcement. Embed MoUs with other regulators. Staying abreast with international trends (Training and conferences).
8	1,2,3,4	<ul style="list-style-type: none"> Good conduct and Treating Customers Fairly (TCF) principles embedded consistently across the financial sector Transformation in the financial sector supported Financial customers able to make better and more informed financial decisions Financial inclusion of low-income households and small businesses deepened 	Mandate Risk	The risk of not achieving the mandate of the FSR Act that comes with the roles of enforcement, supervision, and Conduct Culture.	<ul style="list-style-type: none"> Signed MoUs to govern collaboration with co-regulators and other stakeholders. On-going engagement / Relationships management. Process mapping. Identifying system gaps. Mapping of concurrence and delegation Negotiations and discussions with NT. Lobbying. Ongoing review of Regulatory Strategy. Perimeter risk assessment. Research to support evidence-based policy and decision-making. COFI Bill and harmonisation of subordinate regulation to

No	Strategic Objective	Outcomes	Strategic Risk	Risk Definition	Mitigating Controls
		<ul style="list-style-type: none"> Improved trust in the financial sector maintained 			strengthen Regulatory Frameworks.
9	2,5	<ul style="list-style-type: none"> Operational excellence embedded across all functions of the FSCA Improved trust in the financial sector maintained 	Fraud and corruption Risk	The vulnerability that an organization faces from individuals capable of combining opportunity, rationalization and pressure to commit fraud.	<ul style="list-style-type: none"> - Approved policies. - Sound accounting and systems controls. - Comprehensive Fraud and Corruption Prevention strategy (including Tip-Offs Anonymous reporting line). - Sound HR processes in vetting new employees and checking of conflicts of interest in existing employees. - Comprehensive awareness programme on Fraud and Corruption Prevention.
10	5	Operational excellence embedded across all functions of the FSCA	Endemic Covid-19 Risk	The risk of perpetual cycles of outbreaks and lockdowns triggered by COVID-19 variants.	<ul style="list-style-type: none"> - Robust Business Continuity Management. - Dedicated Crisis Communication and Management Teams. - Stringent DR capabilities and sufficient DR facilities. - Remote working capability (telecommuting / working from home). - Arrangement for vulnerable employees to work from home. - FSCA Pandemic Management Plan. - Ops Exco resolutions to invoke Essential Services Teams per Division. - VPN Access. - Ability to perform desktop reviews instead of conducting onsite visits of regulated entities. - Implementation of mandatory quarantine for employees possibly affected. - Installation of hand sanitizers on each floor. - Cancellation of all physical meetings with outside parties and making use of Skype to conduct meetings. - Self-isolation of staff.

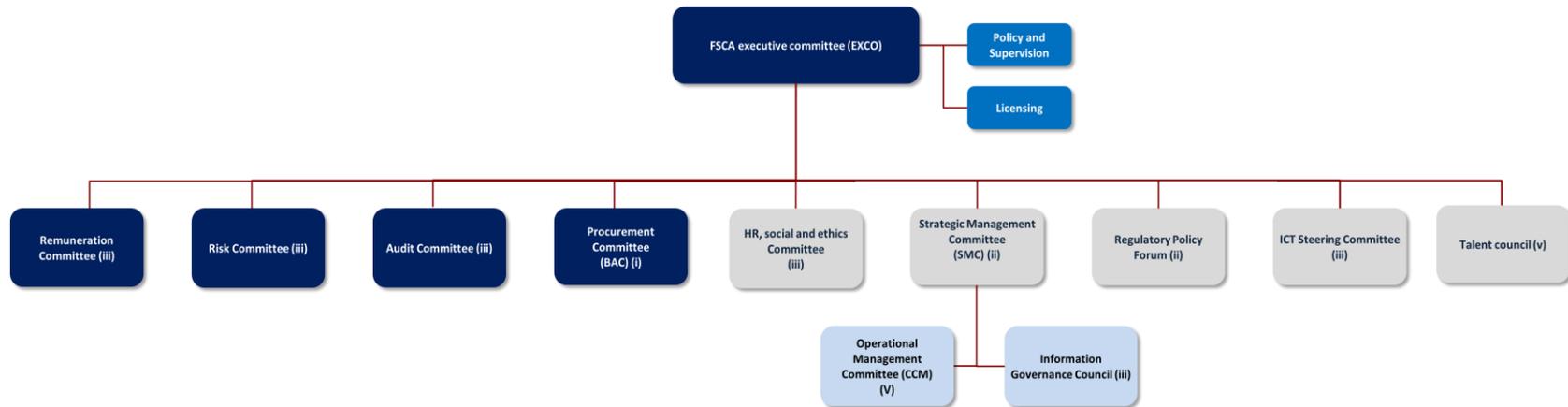
No	Strategic Objective	Outcomes	Strategic Risk	Risk Definition	Mitigating Controls
					<ul style="list-style-type: none"> - Tracking of staff disclosures and reported cases of infection. - Implementation of travel bans. - Bi-monthly medical screening of staff. - Awareness on the pandemic, including effective communication. - Media monitoring and communication with Department of Health.
11	2,5	<ul style="list-style-type: none"> • Operational excellence embedded across all functions of the FSCA • Improved trust in the financial sector maintained 	Sustainability Risk	An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the organisation.	<ul style="list-style-type: none"> - Social and Ethics Committee - Environmental, Social and (Corporate) Governance (ESG) Policy - Annual Integrated Report

7 Organisational environment

7.1 FSCA governance structure

The Executive Committee (EXCO) of the FSCA oversees the operations of the organisation. The EXCO comprises the Commissioner and three Deputy Commissioners, all of whom are appointed by the Minister of Finance. The appointment and roles of the EXCO and Commissioners are set out in sections 60 to 62 of the FSR Act. Section 68 (1) of the Act establishes a Remuneration Committee and a Risk Committee. Section 68 (2) authorises the EXCO to establish other subcommittees with functions that the EXCO may determine.

During the transitional phase until the Commissioners were appointed, the operations of the FSCA were being overseen by a Transitional Management Committee (TMC), chaired by an interim Commissioner. As of June 2021, a Commissioner and Deputy Commissioner were appointed and assumed office. The second Deputy Commissioner took up office on the 27 of September 2021, whilst the third and last Deputy Commissioner will take up office in December 2021. This resulted in the disestablishment of the TMC effective from the 30 of September 2021.



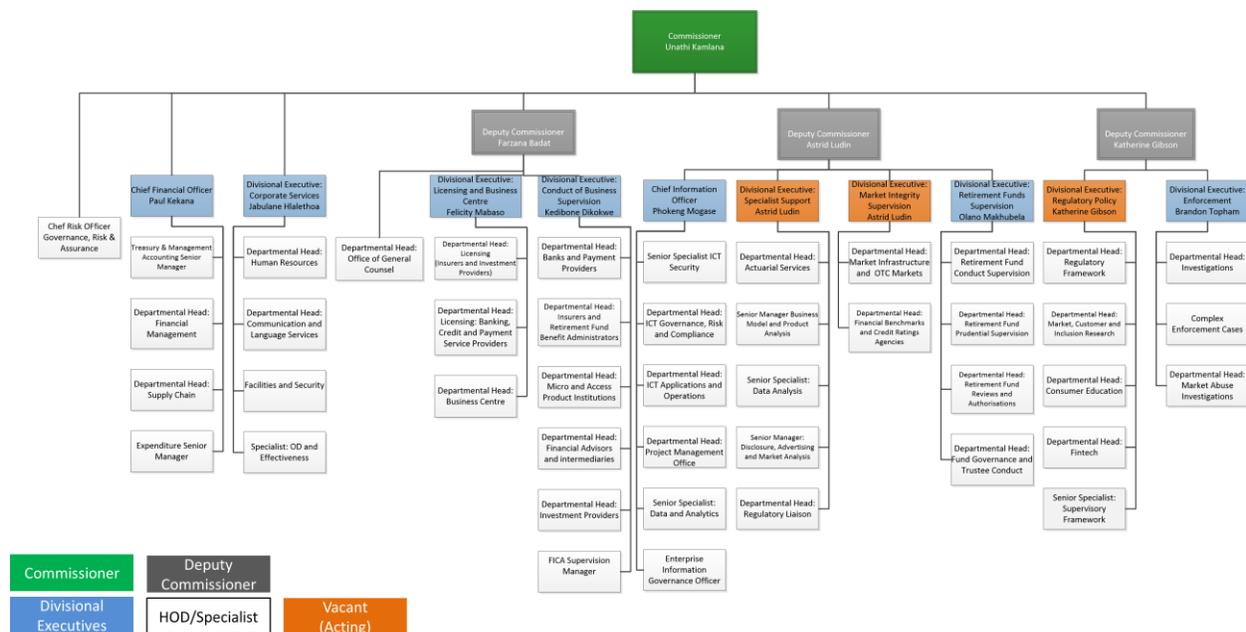
Legend

Meeting frequency:
 (i) As often as required
 (ii) Monthly
 (iii) Quarterly
 (iv) Bi-annually
 (v) Every second month

Committee required to FSRA and PFMA	Recommended Exco committees	Sub-committees	EXCO Components
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7.2 FSCA organisational structure

As mentioned above the FSCA is presided over by an Executive Committee. The FSCA is organised into ten line divisions which includes a Corporate Services, housing the support departments. Each division is headed by a divisional executive except for the Regulatory Policy division, Specialist Support and Market Integrity, which are looked after by the Deputy commissioners as depicted below. The Chief Information Officer (CIO) is responsible for ensuring the development and implementation of a business aligned FSCA ICT Strategy. The Chief Finance Officer (CFO) is responsible for sound financial governance. The Chief Risk Officer, responsible for the second line assurance functions, and the General Counsel reports to the Commissioner. The organogram of the FSCA is reproduced below.



PART C: MEASURING OUR PERFORMANCE

1 Institutional programme performance information

Strategic Objective 01: Improve industry practices to achieve fair outcomes for financial customers.

Purpose: To ensure that financial institutions suitably prioritise the needs of their customers and high standards of conduct

Outcomes, Outputs, Performance Indicators and Targets

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
Good conduct and TCF principles embedded in financial institutions.	Approved regulation plan	Date of approval of 3-year regulation plan	New Initiative	New Initiative	New Initiative	New Initiative	3-year regulation plan approved by 30 April 2022	Review of approved 3-year regulation plan by 30 April 2023	Review of approved 3-year regulation plan by 30 April 2024
		Percentage achievement of annual targets in the regulation plan	New Initiative	New Initiative	New Initiative	New Initiative	85% of annual targets achieved	85% of annual targets achieved	85% of annual targets achieved.
	Publication of abbreviated version of regulation plan	Date of publication of abbreviated version of regulation plan	New Initiative	New Initiative	New Initiative	New Initiative	Publication by 30 June 2022	Publication by 30 April 2023	Publication by 30 April 2024
	Approved combined supervisory plan.	Date of approval of the combined risk-	New Initiative	New Initiative	New Initiative	New Initiative	Combined risk-based	Combined risk-based	Combined risk-based

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
		based supervisory plan.					supervisory plan approved by 1 April 2022	supervisory plan approved by 1 April 2023	supervisory plan approved by 1 April 2024
		Percentage of supervisory plan implemented across the FSCA.	New Initiative	New Initiative	New Initiative	New Initiative	80% of supervisory plan implemented	80% of supervisory plan implemented	80% of supervisory plan implemented
	Statutory returns analysed	Percentage of statutory returns and conduct related reporting received in structured format analysed	New Initiative	New Initiative	New Initiative	New Initiative	50% of received statutory returns and reporting analysed	70% of received statutory returns and reporting analysed	80% of received statutory returns and reporting analysed
	Small business regulatory support workshops/webinars conducted	Number of small business regulatory education and support workshops/webinars conducted	New Initiative	New Initiative	New Initiative	New Initiative	20 webinars/workshops conducted	20 webinars/workshops conducted	20 webinars/workshops conducted
	Financial customer experience and suitability of financial products and services tracked	Number of mystery shopping exercises or focus group discussions conducted	New Initiative	New Initiative	New Initiative	New Initiative	4 mystery shopping exercises or focus groups discussions conducted	4 mystery shopping exercises or focus groups discussions conducted	4 mystery shopping exercises or focus groups discussions conducted
		Number of surveys conducted through syndicate membership	New Initiative	New Initiative	New Initiative	New Initiative	1 survey conducted	1 survey conducted	1 survey conducted

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
		Date of appointment of the Consumer Advocacy Panel	New Initiative	New Initiative	New Initiative	New Initiative	Consumer Advocacy Panel appointed by 31 March 2023	N/A	N/A
	Final Policy for the identification and return of unclaimed assets and lost account across the financial sector published	Date draft policy on lost accounts and unclaimed assets is published	New Initiative	New Initiative	New Initiative	New Initiative	Publish policy report on lost accounts and unclaimed assets by 30 June 2022	Publish final policy on lost accounts and unclaimed assets by 30 June 2023	N/A
Conduct risks mitigated	Report on emerging and systemic conduct risk	Number of reports published on emerging and systemic conduct risk	New Initiative	New Initiative	New Initiative	New Initiative	Publish 1 report on emerging and systemic conduct risk by 31 March 2023	Publish 1 report on emerging and systemic conduct risk by 31 March 2024	Publish 1 report on emerging and systemic conduct risk by 31 March 2025
	Thematic reviews of financial customer risks	Number of market studies or industry reviews on financial customer risks	New Initiative	New Initiative	New Initiative	New Initiative	1 market study or industry review 31 December 2022	1 market study or industry review 31 December 2023	1 market study or industry review 31 December 2024
		Number of publications on customers risks	New Initiative	New Initiative	New Initiative	New Initiative	1 publication (Crypto assets) by 31 March 2023	1 publication by 31 March 2024	1 publication by 31 March 2025

Indicators, Annual and Quarterly Targets

Output indicator	Annual target	Q1	Q2	Q3	Q4
Date of approval of 3-year regulation plan	3-year regulation plan approved by 1 June 2022	3-year regulation plan approved by 01 June 2022	N/A	N/A	N/A
Percentage achievement of annual targets in the regulation plan	85% of annual targets achieved	N/A	40% of annual targets achieved	N/A	85% of annual targets achieved
Date of publication of abbreviated version of regulation plan f abbreviated version of regulation plan	Publication by 30 June 2022	Publication by 30 June 2022	N/A	N/A	N/A
Date of approval of the combined risk-based supervisory plan	Combined risk-based supervisory plan approved by 1 April 2022	Combined risk-based supervisory plan approved by 1 April 2022	N/A	N/A	N/A
Percentage of supervisory plan implemented across the FSCA	80% of supervisory plan implemented	N/A	40% of supervisory plan implemented	N/A	80% of supervisory plan implemented
Percentage of statutory returns and conduct related reporting received in structured format analysed	50% of received statutory returns and reporting analysed	N/A	N/A	N/A	50% of received statutory returns and reporting analysed
Number of small business regulatory education and support workshops/ webinars conducted	20 webinars/ workshops conducted	5 webinars/ workshops conducted	5 webinars/ workshops conducted	5 webinars/ workshops conducted	5 webinars/ workshops conducted
Number of mystery shopping exercises or focus group discussions conducted	4 mystery shopping exercises or focus groups conducted	1 mystery shopping exercise or focus group conducted	1 mystery shopping exercise or focus group conducted	1 mystery shopping exercise or focus group conducted	1 mystery shopping exercise or focus group conducted

Output indicator	Annual target	Q1	Q2	Q3	Q4
Number of surveys conducted through syndicate membership	1 survey conducted	N/A	N/A	N/A	1 survey conducted
Date of appointment of the Consumer Advocacy Panel	Consumer Advocacy Panel appointed by 31 March 2023	N/A	N/A	N/A	Consumer Advocacy Panel appointed by 31 March 2023
Date draft policy on lost accounts and unclaimed assets is published	Publish draft policy on lost accounts and unclaimed assets by 30 June 2022	Publish draft policy on lost accounts and unclaimed assets by 30 June 2022	N/A	N/A	N/A
Number of reports on emerging and systemic conduct risk	Publish 1 report on emerging and systemic conduct risk by 31 March 2023	N/A	N/A	N/A	Publish 1 report on emerging and systemic conduct risk by 31 March 2023
Number of market studies or industry reviews	1 market study or industry review 31 December 2022	N/A	N/A	1 market study or industry review by 31 December 2022	N/A
Number of publications on customers risks	1 publication (Crypto assets) by 31 March 2023	N/A	N/A	N/A	1 publication (Crypto assets) by 31 March 2023

Strategic Objective 02: Act against misconduct to support confidence and integrity in the financial sector.

Purpose: To build trust in the financial sector so that it is effectively leveraged for economic development

Outcomes, Outputs, Performance Indicators and Targets

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
Improved trust in financial sector	Surveillance reports on misconduct, unregistered entities and scams	Number of surveillance reports produced	New Initiative	New Initiative	New Initiative	New Initiative	4 surveillance reports produced per annum	4 surveillance reports produced per annum	4 surveillance reports produced per annum
	Report on cases completed within the required timeframes	Percentage of cases completed within the timeframes as per the case selection policy and framework.	New Initiative	New Initiative	New Initiative	80% of cases completed within the timeframes as per the case selection policy and framework	80% of cases completed within the timeframes as per the case selection policy and framework	80% of cases completed within the timeframes as per the case selection policy and framework	
	Inspections on money laundering and FICA compliance	Percentage of planned inspections conducted on money laundering and FICA compliance	New Initiative	New Initiative	New Initiative	New Initiative	80% of planned inspections conducted	80% of planned inspections conducted	80% of planned inspections conducted
	Regulatory information of supervised entities analysed	Percentage of regulatory information of prudentially supervised entities analysed	New Initiative	New Initiative	New Initiative	New Initiative	65% of regulatory information of prudentially supervised entities analysed	70% of regulatory information of prudentially supervised entities analysed	80% of regulatory information of prudentially supervised entities analysed
	New regulation for financial	Date for publication of the Conduct Standard on	New Initiative	New Initiative	New Initiative	Draft Conduct Standard on financial benchmarks	Revised Conduct Standard on financial	Final Conduct Standard for financial benchmarks	N/A

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
	benchmarks introduced	financial benchmarks				published by 31 March 2022	benchmarks published by 30 November 2022	submitted to National Treasury for tabling in Parliament by 31 March 2024	
	Published Joint Standards - Exemption Criteria for external CCPs, TRs and CSD	Date of publication of Joint Standard - Exemption Criteria for external CCPs, TRs and CSD links for public comment	New Initiative	New Initiative	New Initiative	New Initiative	Publication of draft Joint Standard - Exemption Criteria for external CCPs, TRs and CSD links for public comment by 30 June 2022	Publication of final Joint Standard - Exemption Criteria for external CCPs, TRs and CSD links by 30 September 2023	N/A
	Published Equivalence Framework	Date of publication of Equivalence Framework	New Initiative	New Initiative	New Initiative	New Initiative	Publication of draft Equivalence Framework by 30 June 2022	Publication of final Equivalence Framework by 30 September 2023	N/A
	Published Determination setting requirements relating to external CCP or external TR licence	Date of publication of Determination setting requirements relating to external CCP or external TR licence applications	New Initiative	New Initiative	New Initiative	New Initiative	Publication of draft Determination setting requirements relating to external CCP or external TR licence by 30 June 2022	Publication of final Determination setting requirements relating to external CCP or external TR licence by 30 September 2023	N/A

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
	Approved list of indicators for measuring trust in the financial sector	Date by when the indicators for measuring trust in the financial sector are identified and approved	New Initiative	New Initiative	New Initiative	New Initiative	Identified indicators that will be used to measure trust in the financial sector approved by 31 March 2023	Develop a methodology for measuring trust in the financial sector to be approved by 31 March 2024	75% implementation of the methodology for measuring trust in the financial sector to be approved by 31 March 2024

Indicators, Annual and Quarterly Targets

Output indicator	Annual target	Q1	Q2	Q3	Q4
Number of surveillance reports produced	4 surveillance reports produced per annum	1 surveillance report	1 surveillance report	1 surveillance report	1 surveillance report
Percentage of cases completed within the timeframes as per the case selection policy and framework.	80% of cases completed within the timeframes as per the case selection policy and framework	N/A	N/A	N/A	80% of cases completed within the timeframes as per the case selection policy and framework
Percentage of planned inspections conducted on money laundering and FICA compliance	80% of planned inspections conducted	N/A	N/A	N/A	80% of planned inspections conducted
Percentage of regulatory information of prudentially supervised entities analysed	65% of regulatory information of prudentially supervised entities analysed	15% of regulatory information of prudentially supervised entities analysed	30% of regulatory information of prudentially supervised entities analysed	45% of regulatory information of prudentially supervised entities analysed	65% of regulatory information of prudentially supervised entities analysed
Date for publication of the revised Conduct	Revised Conduct Standard on financial	N/A	N/A	Revised Conduct Standard on financial	N/A

Output indicator	Annual target	Q1	Q2	Q3	Q4
Standard on financial benchmarks	benchmarks published by 30 November 2022			benchmarks published by 30 November 2022	
Date of publication of Joint Standard - Exemption Criteria for external CCPs, TRs and CSD links for public comment	Publication of Joint Standard - Exemption Criteria for external CCPs, TRs and CSD links for public comment by 30 June 2022	Publication of Joint Standard - Exemption Criteria for external CCPs, TRs and CSD links for public comment by 30 June 2022	N/A	N/A	N/A
Date of publication of draft Equivalence Framework	Publication of draft Equivalence Framework by 30 June 2022	Publication of draft Equivalence Framework by 30 June 2022	N/A	N/A	N/A
Date of publication of Determination setting requirements relating to external CCP or external TR licence applications	Publication of draft Determination setting requirements relating to external CCP or external TR license by 30 June 2022	Publication of draft Determination setting requirements relating to external CCP or external TR license by 30 June 2022	N/A	N/A	N/A
Date by when the indicators for measuring trust in the financial sector are identified and approved	Identified indicators that will be used to measure trust in the financial sector approved by 31 March 2023	N/A	N/A	N/A	Identified indicators that will be used to measure trust in the financial sector approved by 31 March 2023

Strategic Objective 03: Promote the development of an innovative, inclusive and sustainable financial system.

Purpose: To support the development of a competitive financial sector that provides sustainable, innovative and appropriate financial services and products to all.

Outcomes, Outputs, Performance Indicators and Targets

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
Transformation in the financial sector supported	Published FSCA Financial Sector Transformation Strategy	Date of publication for the Financial Sector Transformation Strategy	New Initiative	New Initiative	New Initiative	New Initiative	Publication of final transformation strategy by 31 December 2022	N/A	N/A
	Signed MoU with strategic transformation partners	Number of MoU signed with strategic transformation partners	New Initiative	New Initiative	New Initiative	New Initiative	1 MoU signed with a strategic transformation partner by 31 March 2023	N/A	N/A
Financial inclusion of low-income households and small businesses deepened	Research reports/thought leadership pieces	Number of research reports/thought leadership pieces	New Initiative	New Initiative	New Initiative	New Initiative	1 research report/thought leadership piece by 31 December 2022	1 research report/thought leadership piece	1 research report/thought leadership piece
	Resolution of test cases in Regulatory Sandbox	Percentage of test cases resolved within 12 months of defining Regulatory Sandbox parameters	New Initiative	New Initiative	New Initiative	New Initiative	80% of test cases resolved within 12 months of defining Regulatory Sandbox parameters	80% of test cases resolved within 12 months of defining Regulatory Sandbox parameters	80% of test cases resolved within 12 months of defining Regulatory Sandbox parameters
	Deliver Innovation Accelerator projects	Percentage implementation of the targets in the Innovation Accelerator annual plan	New Initiative	New Initiative	New Initiative	90% of annual targets achieved	85% of annual targets achieved	85% of annual targets achieved	85% of annual targets achieved
Greater competition and contestability in the financial sector enabled	Conduct standard for exchanges published	Publishing date of conduct standard for exchanges	New Initiative	New Initiative	New Initiative	New Initiative	Draft conduct standard for exchanges published by 30 November 2022	Final conduct standard for exchanges submitted to National Treasury for	N/A

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
								tabling in Parliament by 31 December 2023	
	Position paper on Open Finance published	Date of publication for position papers on Open Finance	New Initiative	New Initiative	New Initiative	New Initiative	Draft position paper on open finance published by 31 March 2023	Final position paper on Open Finance published by 31 March 2024	N/A
	Signed MoU with Competition Commission	Date MoU is signed with Competition Commission	New Initiative	New Initiative	New Initiative	New Initiative	MoU signed with Competition Commission by 31 March 2023	N/A	N/A
Sustainable finance and investment fostered	Approach to sustainable finance and investment developed	Publishing date for report on sustainable finance and investment published	New Initiative	New Initiative	New Initiative	New Initiative	Draft report on sustainable finance and investment published by 31 March 2023	Final report on sustainable finance and investment published by 31 March 2024	N/A

Indicators, Annual and Quarterly Targets

Output indicator	Annual target	Q1	Q2	Q3	Q4
Date of publication for the Financial Sector Transformation Strategy	Publication of final transformation strategy by 31 December 2022	N/A	N/A	Publication of final transformation strategy by 31 December 2022	N/A

Output indicator	Annual target	Q1	Q2	Q3	Q4
Signed MoU with strategic transformation partners	1 MoU signed with Strategic transformation Partner by 31 March 2023	N/A	N/A	N/A	1 MoU signed with strategic transformation partner by 31 March 2023
Number of research reports/thought leadership pieces by 31 December 2022	1 research report/thought leadership piece	N/A	N/A	1 research report/thought leadership piece by 31 December 2022	N/A
Percentage of test cases resolved within 12 months of defining the Regulatory Sandbox parameters	80% of test cases resolved within 12 months of defining the parameters	N/A	N/A	N/A	80% of test cases resolved within 12 months of defining the parameters
Percentage implementation of the targets in the Innovation Accelerator annual plan	85% of annual targets achieved	N/A	N/A	N/A	85% of annual targets achieved
Publishing date of conduct standard for exchanges	Draft conduct standard for exchanges published by 30 November 2022	N/A	Draft conduct standard for exchanges published by 30 November 2022	N/A	N/A
Date of publication for position papers on Open Finance	Draft position paper on open finance published by 31 March 2023	N/A	N/A	N/A	Draft position paper on open finance published by 31 March 2023
Date MoU is signed with Competition Commission	Competition Commission by 31 March 2023	N/A	N/A	N/A	Competition Commission by 31 March 2023
Publishing date for report on sustainable finance and investment published	Draft report on sustainable finance and investment published by 31 March 2023	N/A	N/A	N/A	Draft report on sustainable finance and investment published by 31 March 2023

Strategic Objective 04: Empower households and small businesses to be financially resilient.

Purpose: To promote the financial wellbeing of households and small businesses

Outcomes, Outputs, Performance Indicators and Targets

Outcomes	Outputs	Output Indicator	Annual Targets									
			Audited/Actual Performance			Estimated Performance	MTEF Period					
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25			
Financial customers empowered to make better and more informed financial decisions	Financial decision-making and education tools and resources developed	Number of financial education tools made available and financial resources developed	New Initiative	New Initiative	New Initiative	New Initiative	1 Feasibility assessment of financial education app conducted	N/A	N/A			
							1 Hackathon for digital financial education	N/A	N/A			
							2 new resources developed	3 new resources developed	3 new resources developed			
	Consumer and investor awareness on emerging financial education matters.	Number of engagements about emerging financial education matters	New Initiative	New Initiative	6 community radio campaigns	8 community radio campaigns	2 community radio campaigns	2 community radio campaigns	2 community radio campaigns			
							1 Money Smart week	0 Money Smart week	1 Money Smart week	1 Money Smart week	1 Money Smart week	1 Money Smart week
							New Initiative	New Initiative	3 Social Media Postings Reports	N/A	2 Social media campaigns	2 Social media campaigns

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
			New Initiative	New Initiative	New Initiative	83 Speech Competition activities	1 National Financial Literacy Speech Competition	1 National Financial Literacy Speech Competition	1 National Financial Literacy Speech Competition
			190 workshops/webinars	143 workshops/webinars	38 workshops/webinars	55 workshops/webinars	50 workshops/webinars	50 workshops/webinars	50 workshops/webinars
			New Initiative	New Initiative	New Initiative	New Initiative	3 rural outreach campaigns (mobile unit)	3 rural outreach campaigns (mobile unit)	3 rural outreach campaigns (mobile unit)
			New Initiative	New Initiative	New Initiative	New Initiative	8 print/broadcast media engagements	10 print/broadcast media engagements	12 print/broadcast media engagements
	Consumer vulnerability and financial literacy monitored	Date vulnerability framework is published	New Initiative	New Initiative	New Initiative	New Initiative	Draft vulnerability framework published by 31 March 2023	Final vulnerability framework published by 31 March 2024	N/A
		Number of financial literacy surveys conducted	New Initiative	New Initiative	New Initiative	New Initiative	1 HSRC financial literacy interim survey conducted by 31 December 2022	N/A	1 HSRC financial literacy survey conducted by December 2024

Indicators, Annual and Quarterly Targets

Output indicator	Annual target	Q1	Q2	Q3	Q4
No of financial education tools made available and financial resources developed	1 Feasibility of financial education app conducted	N/A	N/A	N/A	1 Feasibility of financial education app conducted
	1 Hackathon for digital financial education	N/A	N/A	N/A	1 Hackathon for digital financial education
	2 new resources developed	N/A	1 new resource developed	N/A	1 new resource developed
Number of media engagements about emerging financial education matters	2 community radio campaigns	1 community radio campaign	N/A	1 community radio campaign	N/A
	1 Money Smart week	N/A	N/A	1 Money Smart week	N/A
	2 Social media campaigns	N/A	1 Social media campaign	N/A	1 Social media campaign
	1 National Financial Literacy Speech Competition	N/A	1 National Financial Literacy Speech Competition	N/A	N/A
	50 workshops /webinars	5 workshops /webinars	15 workshops /webinars	15 workshops /webinars	15 workshops /webinars
	3 rural outreach campaigns (mobile unit)	N/A	1 rural outreach campaigns (mobile unit)	1 rural outreach campaigns (mobile unit)	1 rural outreach campaigns (mobile unit)
	8 print/broadcast media engagements	2 print/broadcast media engagements	2 print/broadcast media engagements	2 print/broadcast media engagements	2 print/broadcast media engagements
Date vulnerability framework is published	Draft vulnerability framework published by 31 March 2023	N/A	N/A	N/A	Draft vulnerability framework published by 31 March 2023

Output indicator	Annual target	Q1	Q2	Q3	Q4
Number of financial literacy surveys conducted	1 HSRC financial literacy interim survey conducted by 31 December 2022	N/A	N/A	1 HSRC financial literacy interim survey conducted by 31 December 2022	N/A

Strategic Objective 05: Accelerate the transformation of the FSCA into a socially responsible, efficient, and responsive organisation.

Purpose 1: To strengthen trust in the FSCA through visibility and effectiveness

Outcomes, Outputs, Performance Indicators and Targets

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
Operational excellence embedded across all functions of the FSCA	Enhanced compliance, governance and socially responsible practices	Clean AGSA audit opinion	Clean AGSA audit opinion obtained	Clean AGSA audit opinion obtained	Clean AGSA audit opinion obtained	Clean AGSA audit opinion maintained	Maintain Clean AGSA audit opinion	Maintain Clean AGSA audit opinion	Maintain Clean AGSA audit opinion
	Paid Supplier invoices	Percentage of suppliers' invoices paid within 30 days	Paid 92% of valid suppliers' invoices within 30 days	Paid 100% of valid suppliers' invoices within 30 days	Paid 91% of valid suppliers' invoices within 30 days	Pay 100% of valid suppliers' invoices within 30 days	Pay 100% of valid suppliers' invoices within 30 days	Pay 100% of valid suppliers' invoices within 30 days	Pay 100% of valid suppliers' invoices within 30 days
	Published Statement of Intent.	Date of publication of Statement of Intent in	New Initiative	New Initiative	New Initiative	New Initiative	Statement of Intent is	N/A	N/A

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
		relation to sustainability					published by 31 March 2023		
	Published Partial sections of the Integrated report	Date partial sections of the Integrated report is published	New Initiative	New Initiative	New Initiative	New Initiative	Partial sections of the Integrated report published by 31 March 2023	Integrated report published by 31 March 2024	Integrated report published by 31 March 2025
	Re-engineered and digitally enabled customer-facing processes	Percentage identified customer processes re-engineered and digitally enabled	New Initiative	New Initiative	New Initiative	New Initiative	10% of identified customer processes re-engineered and digitally enabled	20% of identified customer processes re-engineered and digitally enabled	50% of identified customer processes re-engineered and digitally enabled
	Improved Service Level Commitments	Percentage improvement in percentage of SLCs	New Initiative	New Initiative	New Initiative	New Initiative	2% improvement in 40% of SLCs	2% improvement in 40% of SLCs	2% improvement in 40% of SLCs
	Improved regulatory data	Percentage completeness, accuracy and validity of regulatory data	New Initiative	New Initiative	New Initiative	New Initiative	30% completeness 30% accuracy 30% validity	50% completeness 50% accuracy 50% validity	70% completeness 70% accuracy 70% validity
	Signed Contract with IRS Project Service Provider	Date by which Contract with a service provider for the IRS Project is signed.	New Initiative	New Initiative	New Initiative	Approval of the IRS Project Charter by the IRS	Signed contract with IRS service provider by 31 March 2023	Implement 50% of project milestones according to the IRS	Implement 75% of project milestones according to the IRS

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
						Project Steering Committee by 31 March 2022		Project by 31 March 2024	Project by 31 March 2025
	Quarterly report on EE targets	Percentage achievement of FSCA EE targets	50% female 50% males; •2% employees with disabilities; •90% employees from black group •10% from white group	50% female 50% males; •2% employees with disabilities; •90% employees from black group •10% from white group	•50% female 50% males; •2% employees with disabilities; •90% employees from black group •10% from white group	•50% female 50% males; •2% employees with disabilities; •90% employees from black group •10% from white group	•50% female 50% males; •2% employees with disabilities; •90% employees from black group •10% from white group	•50% female 50% males; •2% employees with disabilities; •90% employees from black group •10% from white group	•50% female 50% males; •2% employees with disabilities; •90% employees from black group •10% from white group
	Talent management report	Critical vacancy rate achieved	New Initiative	New Initiative	New Initiative	New Initiative	Less than 10%	Less than 10%	Less than 10%
		Percentage succession cover in place for critical roles					90% succession cover in place for critical roles	90% succession cover in place for critical roles	90% succession cover in place for critical roles

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
		Percentage Employee engagement score					80% employee engagement score	80% employee engagement score	80% employee engagement score
FSCA recognized and trusted by financial institutions, financial customers financial sector ombuds and other financial sector regulators in South Africa and internationally	Enhanced communication about the role, functioning and positions of the FSCA	Number of media engagements as per the Communication Strategy	New Initiative	New Initiative	New Initiative	New Initiative	Hold 8 broadcast media interviews by 31 March 2023	Hold 10 broadcast media interviews by 31 March 2024	Hold 12 broadcast media interviews by 31 March 2025
			New Initiative	New Initiative	New Initiative	New Initiative	2 Commissioner engagements with stakeholders by 31 March 2023	2 Commissioner engagements with stakeholders by 31 March 2024	2 Commissioner engagements with stakeholders by 31 March 2025
			4 media round tables	4 media round tables held	4 media round tables held	4 media round tables held			
			New Initiative	1 media survey	1 media survey	1 media survey	1 media survey	1 media survey	1 media survey
			New Initiative	4 media monitoring reports	4 media monitoring reports	4 media monitoring reports			
			2 FSCA newsletters	3 FSCA newsletters	3 FSCA newsletters	4 FSCA newsletters	4 FSCA newsletters	4 FSCA newsletters	4 FSCA newsletters
			New Initiative	4 FSCA Our Voice	4 FSCA Our Voice	4 FSCA Our Voice			

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/25
		Percentage of bounce rate for the FSCA website traffic	New Initiative	New Initiative	New Initiative	New Initiative	Reduce from 44.08% to below 34%	Reduce from 34% to between 25%	Maintain below 25%
	Thought leadership and industry coordination	Number of industry annual conference conducted	New Initiative	New Initiative	New Initiative	New Initiative	Hold 1 annual Industry Conference by 31 March 2023	Hold 1 annual Industry Conference by 31 March 2024	Hold 1 annual Industry Conference by 31 March 2025
Number of thought leadership pieces published		New Initiative	New Initiative	New Initiative	New Initiative	2 thought leadership pieces published	2 thought leadership pieces published	2 thought leadership pieces published	
Number of seminars/webinars or workshops		New Initiative	New Initiative	New Initiative	New Initiative	Hold 2 seminars/webinars or workshops by 31 March 2023	Hold 2 seminars/webinars or workshops by 31 March 2024	Hold 2 seminars/webinars or workshops by 31 March 2025	

Indicators, Annual and Quarterly Targets

Output indicator	Annual target	Q1	Q2	Q3	Q4
Clean AGSA audit opinion	Maintain Clean AGSA audit opinion	N/A	Clean AGSA audit opinion	N/A	N/A

Percentage of suppliers' invoices paid within 30 days	Pay 100% of valid suppliers' invoices within 30 days	Pay 100% of valid suppliers' invoices within 30 days	Pay 100% of valid suppliers' invoices within 30 days	Pay 100% of valid suppliers' invoices within 30 days	Pay 100% of valid suppliers' invoices within 30 days
Date of publication of Statement of Intent in relation to sustainability	Statement of Intent is published by 31 March 2023	N/A	N/A	N/A	Statement of Intent is published by 31 March 2023
Date partial sections of the Integrated report is published	Partial sections of the Integrated report published by 31 March 2023	N/A	N/A	N/A	Partial sections of the Integrated report published by 31 March 2023
Percentage identified customer processes re-engineered and digitally enabled	10% of customer processes re-engineered and digitally enabled	N/A	N/A	N/A	10% of customer processes re-engineered and digitally enabled
Percentage improvement in percentage of SLCs	2% improvement in 40% of SLCs	N/A	N/A	N/A	2% improvement in 40% of SLCs
Percentage completeness, accuracy and validity of regulatory data	30% completeness 30% accuracy 30% validity of regulatory data	N/A	N/A	N/A	30% completeness 30% accuracy 30% validity of regulatory data
Date by which contract with Service Provider for the IRS Project is signed	Signed Contract with IRS Project service provider by 31 March 2023	N/A	N/A	N/A	Signed Contract with IRS Project service provider by 31 March 2023
Percentage achievement of FSCA EE targets	<ul style="list-style-type: none"> • 50% female • 50% males; • 2% employees with disabilities; • 90% employees from black group 	<ul style="list-style-type: none"> • 50% female • 50% males; • 2% employees with disabilities; • 90% employees from black group 	<ul style="list-style-type: none"> • 50% female • 50% males; • 2% employees with disabilities; • 90% employees from black group • 10% from white group 	<ul style="list-style-type: none"> • 50% female • 50% males; • 2% employees with disabilities; • 90% employees from black group • 10% from white group 	<ul style="list-style-type: none"> • 50% female • 50% males; • 2% employees with disabilities; • 90% employees from black group • 10% from white group

	• 10% from white group	• 10% from white group			
Critical vacancy rate	Less than 5%	N/A	N/A	N/A	Less than 5% critical vacancy rate
Percentage succession cover in place for critical roles	90% succession cover in place for critical roles	N/A	N/A	N/A	90% of succession cover in place for critical roles
Percentage employee engagement score	80% employee engagement score	N/A	N/A	N/A	80% of employee engagement score
Number of media engagements as per the Communication Strategy	Hold 8 print/broadcast media interviews	2 print/broadcast media interviews	2 print/broadcast media interviews	2 print/broadcast media interviews	2 print/broadcast media interviews
	2 Commissioner engagements with stakeholders	N/A	1 Commissioner engagement with stakeholders	N/A	1 Commissioner engagement with stakeholders
	4 media round tables	1 media round table	1 media round table	1 media round table	1 media round table
	Conduct 1 media survey	N/A	N/A	N/A	1 media survey
	Produce 4 media monitoring reports	1 media monitoring reports	1 media monitoring reports	1 media monitoring reports	1 media monitoring reports
	4 FSCA Our Voice	1 FSCA Our Voice	1 FSCA Our Voice	1 FSCA Our Voice	1 FSCA Our Voice
	4 FSCA newsletters	1 FSCA newsletter	1 FSCA newsletter	1 FSCA newsletter	1 FSCA newsletter
Percentage of bounce rate for the FSCA website traffic	Reduce bounce rate from 44.08% to below 34%	Reduce website bounce rate by 8.5%	Reduce website bounce rate by 8.5%	Reduce website bounce rate by 8.5%	Reduce website bounce rate by 8.5%
Number of industry annual conference conducted	Hold 1 annual Industry Conference by 31 March 2023	N/A	N/A	N/A	Hold 1 annual Industry Conference by 31 March 2023
Number of thought leadership articles published.	2 thought leadership pieces published	N/A	1 thought leadership piece published	N/A	1 thought leadership piece published

Number of seminars/webinars or workshops	Hold 2 seminars/webinars or workshops by 31 March 2023	N/A	1 seminars/webinar/workshop	N/A	1 seminar/webinar/workshop
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PART D: TECHNICAL INDICATOR DESCRIPTIONS

Strategic Objective 01: Improve industry practices to achieve fair outcomes for financial customers.

Indicator Title	Date of approval of 3-year regulation plan
Definition	The 3-year regulation plan sets out the key areas that the FSCA will focus on over the course of the next three years when developing and maintaining the regulatory frameworks falling within its purview.
Source of data	Approved 3-year Plan <ul style="list-style-type: none"> EXCO Minutes
Method of Calculation / Assessment	Simple count (verification of date)
Means of verification	Approved 3-year Plan EXCO Minutes
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A

Spatial Transformation (where applicable)	N/A
Type of calculation	Non-cumulative
Reporting Cycle	Annually
Desired performance	Approved 3-year regulation plan by 30 April 2022
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Percentage achievement of annual targets in the regulation plan.
Definition	The 3-year regulation plan sets out the key areas that the FSCA will focus on over the course of the next three years when developing the regulatory frameworks falling within its purview. Once approved, implementation of the plan will be monitored in accordance with this indicator. From the plan 85% of the targets in the plan will be what we aim to achieve.
Source of data	Approved 3-year regulation plan RPF and EXCO minutes FSCA Website
Method of Calculation / Assessment	Number of annual targets achieved in the regulation plan/ number of planned annual targets to be implemented in the regulation plan*100
Means of verification	<ul style="list-style-type: none"> • Approved 3-year regulation plan • Other supporting documentation for proof of evidence that any initiative contained in the 3-year regulation plan has taken place, e.g. Regulatory Policy

	Forum and EXCO minutes, publications on the FSCA website etc.
Assumptions	
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Number of Regulation Plan initiatives implemented / Number of Regulation Plan initiatives planned * 100 (during any given period)
Reporting Cycle	Annually
Desired performance	Achieve 85% of annual targets in the regulation plan
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Date of publication of abbreviated version of regulation plan regulation plan
Definition	The 3-year regulation plan sets out the key areas that the FSCA will focus on over the course of the next three years when developing and maintaining the regulatory frameworks falling within its purview. From this, we will summarise key points to draft the abbreviated version.
Source of data	<ul style="list-style-type: none"> • Approved 3-year Plan • Summarised version of regulation plan • EXCO Minutes

Method of Calculation / Assessment	Simple count (verification of date)
Means of verification	<ul style="list-style-type: none"> • Approved 3-year Plan • EXCO Minutes • Summarised version of regulation plan
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-cumulative
Reporting Cycle	Annually
Desired performance	Publication by 30 June 2022
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Date of approval of the combined risk based supervisory plan
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Definition	The date on which an organisational supervisory plan, applicable to all areas of supervision, is approved by Exco. This applies to all supervisory divisions.
Source of data	Signed combined supervision plan
Method of calculation	Simple count (verification of date)
Means of verification	Minutes of an Exco meeting
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Approved Combined Conduct Supervisory Plan by 1 April 2022
Indicator Responsibility	Deputy Commissioner Ludin DE: Conduct of Business DE; Retirement Funds

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Indicator Title	Percentage of supervisory plan targets implemented across the FSCA
Definition	The percentage of approved combined supervisory plan targets which are completed by the responsible divisions, being the Conduct of Business Division, the Retirement Funds Division and the Market Integrity Division
Source of data	Approved Supervisory Plan
Method of calculation	Number of targets Implemented across the FSCA in the supervisory plan/ number of planned targets to be implemented across the FSCA in the Supervisory plan*100
Means of verification	Supervisory reports Magic reports
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A

Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Implementation of 80% of targets in the Supervisory Plan across the FSCA.
Indicator Responsibility	DE: Conduct of Business Supervision DE: Retirement Funds Deputy Commissioner Ludin

Indicator Title	Percentage of statutory returns and conduct related reporting received in structured format analysed
Definition	<p>Conduct of Business</p> <p>Statutory returns may include annual financial statements, Capital Adequacy Reports (CAR), holding reports and compliance reports etc</p> <p>Retirement funds</p> <p>This indicator sets out to measure the percentage of Conduct Of Business Returns (CBR) analysed that were received from registered funds within agreed timeframes</p> <ul style="list-style-type: none"> • High impact funds - Analyse CBR's within 30 working days from receipt thereof. • Low impact funds - Analyse CBR's within 180 calendar days from receipt thereof. <p>Market integrity</p> <p>To assess the submitted statutory annual reports by CRAs. CRAs are required to submit annual reports in terms of section 15 of the Credit Rating Services Act No 24 of 2012. CRAs are obligated to submit the annual report by 30 June each year.</p>

	<p>To assess the submitted compliance reports submitted by CRAs. CRAs are required to submit compliance reports in terms of section 16 of the Credit Rating Services Act No 24 of 2012. CRAs are obligated to submit the compliance reports by 30 June each year.</p> <p>Quarterly report from Moody's Investors Service South Africa (Pty) Ltd on compliance with conditions set in FSCA CRA Notice No 1 of 2020 - Exemption from the requirement to Rotate the Lead Analyst and Persons Approving Credit Ratings.</p>
Source of data	Report of all statutory returns and conduct-related reports received, Magic
Method of calculation	Number of statutory returns and conduct-related reports received in structured format analysed / number of all statutory returns and conduct-related reports received *100
Means of verification	Approved (signed) combined supervisory plan EXCO/TMC Minutes
Assumptions	
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Analysis of 50% of statutory returns and conduct-related reports received.
Indicator Responsibility	Deputy Commissioner Ludin DE: Retirement Funds DE: Conduct of Business Supervision

Indicator Title	Number of small business regulatory education and support workshops/ webinars conducted.
Definition	Webinars and workshops to small category 1 financial services providers to update them on regulatory developments and to provide training on areas that need improvement that had been identified during supervisory activities and complaints handling.
Source of data	<ul style="list-style-type: none"> • CoB business plan • Other supporting documentation for proof of evidence that training have taken place. • Attendance registers • Invitation and agendas for workshops • Report to Exco on the workshops provided
Method of calculation	Simple Count
Means of verification	Reports on workshops and webinars
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Conduct 20 webinars/ workshops by 31 March 2023.
Indicator Responsibility	DE: Conduct of Business Supervision

Indicator Title	Number of mystery shopping exercises or focus group discussions conducted.
Definition	<p>Mystery shopping or focus groups help determine whether financial institutions deliver products and services in ways that are consistent with promises and claims made in advertisements and other consumer and market communications; and whether their practices are consistent with their performance standards, and/or policies. The main purpose of focus group research is to draw upon respondents' attitudes, experiences and reactions towards a financial product and service offering. Mystery shoppers or focus groups will consider the financial products and/or services experience from the customer's point of view.</p> <p>The DAMA department will co-ordinate requests for mystery shopping or focus groups across the organisation in order to ensure a seamless means of the organisation gathering insights.</p>
Source of data	<ul style="list-style-type: none"> • Signed documentation agreeing on the mystery shoppers from which to procure the service. • Communication (e.g. an email) requesting mystery shopping or focus groups exercise.
Method of calculation	Simple Count
Means of verification	<ul style="list-style-type: none"> • Number of reports from mystery shopping or focus group exercises logsheet • Communication sent to mystery shoppers and relevant department where assistance was sought (e.g. e-mail, relevant documents)
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A

Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative – YTD
Reporting Cycle	Quarterly
Desired performance	Conduct 4 mystery shopping exercises or focus groups by 31 March 2023.
Indicator Responsibility	DE: Economic and Risk Analysis or Deputy Commissioner

Indicator Title	Number of surveys conducted or supported through syndicate membership.
Definition	Financial customer surveys undertaken through appointment of service provider or through syndicate membership
Source of data	Final survey results
Method of calculation	Simple Count
Means of verification	Report on final survey results
Assumptions	None

Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Conduct 1 survey or support 1 survey through syndicate membership.
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Date of appointment of the Consumer Advocacy Panel
Definition	A panel tasked with providing consumer views on the work of the FSCA
Source of data	Appointment letters for panel members
Method of calculation	Simple Count (date of verification)
Means of verification	Appointment Letters Minutes of Meetings
Assumptions	N/A
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A

(where applicable)	<ul style="list-style-type: none"> • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Consumer Advocacy Panel appointed by 31 March 2023
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Date draft policy on lost accounts and unclaimed assets is published
Definition	The date on which the final policy, which sets out the FSCA's approach to regulating lost accounts and unclaimed assets, is published.
Source of data	<p>One or more of the following documents may be used as source of evidence:</p> <ul style="list-style-type: none"> • Publication on website • Publication date on Policy. • E-mail confirmation that Policy has been published
Method of calculation	Simple Count

Means of verification	Publication date on Policy
Assumptions	Subject to confirmation and inputs by National Treasury.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Publish draft policy on lost accounts and unclaimed assets by 30 June 2022
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Number of reports on emerging and systemic conduct risk
Definition	An Economic and Risk outlook summarising key economic indicators, derived from research on emerging and systemic conduct risks, including an overview of industry statistics and movement and risk trends that will be captured on a quarterly basis, outlining any potential risks that are emerging. The report will also include an analysis of complaints and consumer issues emerging from different sources including media reports
Source of data	Minutes of the Emerging and Overarching Risk Committee meeting, Exco minutes, published report

Method of calculation	Simple Count
Means of verification	Presentations made at the Emerging and Overarching Risk meeting and the quarterly reports
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Publish 1 report on emerging and systemic conduct risk by 31 March 2023
Indicator Responsibility	DE: Economic and Risk Analysis or Deputy Commissioner Ludin, Deputy Commissioner Gibson

Indicator Title	Number of market studies on financial customer risks
Definition	Market studies help to provide in-depth insights into the practices and conduct of financial institutions. They also highlight any weaknesses and inconsistencies in the system – thus allowing for informed and evidence-based decision making.

Source of data	FSCA documents such as legislation and resource documents, information from the regulated entities, desktop reports and publications from other local and foreign jurisdictions etc.
Method of calculation	Simple Count
Means of verification	Number of reports produced
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Publish 1 market study or industry review by 31 December 2022
Indicator Responsibility	DE: Economic and Risk Analysis or Deputy Commissioner

Indicator Title	Number of publications on customers risks
Definition	An annual report seeking to investigate and unpack the consumer and conduct risks associated with Crypto Assets and their implications. This will be done taking into account the ever-evolving Crypto use-cases around payments, trading, capital

	raising, investing, mining, and custodial services. Insights will be used to inform our approach to mitigating these risks through our various regulatory, supervisory, and enforcement instruments.
Source of data	Consumer surveys, consumer reports, fintech market intelligence databases.
Method of calculation	Simple count
Means of verification	Number of reports
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Publish 1 publication on crypto assets by 31 March 2023
Indicator Responsibility	Deputy Commissioner Gibson

Strategic Objective 02: Act against misconduct to support confidence and integrity in the financial sector.

Indicator Title	Number of surveillance (social and traditional media monitoring) reports produced per annum
Definition	The Communications Department monitors online and social media by scanning the market using the sentiment analysis platform and other means to identify and assess market conduct trends in the financial sector (including financial advertising and other market conduct). The indicator sets out to measure and confirm the number of reports regarding media scanning findings for a particular period. Quarterly, DAMA submit and present the reports on the findings to the Divisional Executive: Specialist Support and relevant internal departments.
Source of data	All types of media (traditional, digital, and social media)
Method of Calculation / Assessment	Simple count (number of reports presented)
Means of verification	Reports to Deputy Commissioner and Relevant Departments
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Cumulative - YTD
Reporting Cycle	Quarterly

Desired performance	4 reports submitted to DE: Specialist Support by 31 March 2021
Indicator Responsibility	DE: Economic and Risk Analysis or Deputy Commissioner and Head of Department Communications

Indicator Title	Percentage of cases completed within the timeframes as per the case selection policy and framework.
Definition	<p>The Enforcement division handles several investigations that vary in size, complexity and importance. Devoting appropriate resources to investigations that are more significant assist to ensure high quality investigations and maximise desired outcomes.</p> <p>To this end, the Division's case selection framework addresses the ranking/grading of investigations (considering various factors) and allocation of resources to ensure efficiency with which cases are completed.</p>

Source of data	<p>One or more of the following documents may be used as source of evidence:</p> <ul style="list-style-type: none"> • Case Selection Framework • Other supporting documentation for proof of evidence that enforcement cases have been completed • Enforcement business plan
Method of Calculation / Assessment	<p>Number of actual enforcement cases completed within timeframes as per case selection framework / Number of actual enforcement cases received in line with the case selection framework * 100</p>
Means of verification	<p>Report on cases completed within the required timeframes</p> <p>List of cases depicting categorisation as per framework</p>
Assumptions	<p>The assumption is that all cases received will not be excluded. If any case is excluded in line with the selection framework, then it does not form part of the denominator</p>
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-cumulative
Reporting Cycle	Annually
Desired performance	80% or more cases completed within the timeframes as per the case selection framework as of 31 March 2023.
Indicator Responsibility	DE: Enforcement

Indicator Title	Percentage of planned inspections conducted on money laundering and FICA compliance
Definition	Onsite inspections conducted on accountable institutions that are supervised by the FSCA as a supervisory body to assess FIC Act compliance
Source of data	Onsite visit plan, reports and feedback letters
Method of calculation	Number of inspections conducted on money laundering and FICA compliance / Number of planned inspections conducted on money laundering and FICA compliance *100
Means of verification	Report on onsite inspections conducted on accountable institutions
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Conduct 80% planned inspections on money laundering and FICA compliance by 31 March 2023
Indicator Responsibility	DE: Conduct of Business Supervision

Indicator Title	Percentage of regulatory information of prudentially supervised entities analysed
Definition	<p>This indicator sets out to measure the percentage of off-site returns (financial statements) analysed from registered funds within agreed timeframes</p> <ul style="list-style-type: none"> • High risk funds - Analyse financial statements within 30 working days from receipt thereof. <p>Low risk funds - Analyse financial statements of within 180 calendar days from receipt thereof.</p>
Source of data	<p>One or more of the following documents may be used as source of evidence:</p> <ul style="list-style-type: none"> • Retirement Funds Supervision business plan • System report for Retirement fund submissions to be analysed (where all information received is complete and correct) • Off-site visits query letters • Cases pending and/or completed relating to the submissions analysed • System report for Retirement fund submissions analysed
Method of calculation	<p>Number of off-site returns (financial statements) analysed within agreed timeframes as provided in the definition/ Total number of returns (financial statements) received (where information is complete) from registered Retirement Funds regulated * 100 (analysed with agreed timeframes as provided in the definition)</p>
Means of verification	<p>Report on percentage of off-site returns (financial statements) analysed within agreed timeframes contained in the definition of the technical indicator in Retirement Funds Supervision Business Plan</p>
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A

	<ul style="list-style-type: none"> • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Analyse 65% of regulatory information of prudentially supervised entities by 31 March 2023
Indicator Responsibility	DE: Retirement Funds Supervision DE: Conduct of Business supervision Deputy Commissioner Ludin

Indicator Title	Date for publication of the Conduct Standard on financial benchmarks
Definition	The Conduct Standard on financial benchmarks will follow the designation of the provision of a benchmark as a financial service and aims to establish a regulatory framework for benchmark administrators that promote the accuracy, robustness and integrity of benchmarks. The conduct standard will also establish a licensing framework for benchmark administrators.
Source of data	RPF and EXCO minutes <ul style="list-style-type: none"> • FSCA website
Method of Calculation / Assessment	Simple Count
Means of verification	RPF and EXCO minutes Publication on FSCA website

Assumptions	
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Publish draft Conduct standards for financial benchmarks by 31 March 2024
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Date of publication of draft Joint Standard - Exemption Criteria for external CCPs, or external TR licence for public comment
Definition	Development and finalisation of exemption criteria to provide for the recognition of regulatory frameworks from an equivalent jurisdiction applicable to external Central Counterparty (CCP), Trade Repositories (TR) and establishment of Central Securities Depository (CSD) links
Source of data	<ul style="list-style-type: none"> • RPF and EXCO minutes • FSCA website
Method of Calculation / Assessment	Simple Count
Means of verification	RPF and EXCO minutes

	Publication on FSCA website
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-Cumulative
Reporting Cycle	Annually
Desired performance	<ul style="list-style-type: none"> • Publication of draft Joint Standard - Criteria for external CCPs, TRs and CSD links by 30 June 2022. • Publication of final Joint Standard - Criteria for external CCPs, TRs and CSD links by 30 September 2023.
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Published Equivalence Framework
Definition	Development and finalisation of an equivalence framework in terms of the Financial Markets Act and licence applications by external Central Counterparty (CCP), Trade Repositories (TR) and establishment of Central Securities Depository (CSD) links
Source of data	<ul style="list-style-type: none"> • RPF and EXCO minutes • FSCA website
Method of Calculation / Assessment	Simple Count

Means of verification	RPF and EXCO minutes Publication on FSCA website
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-Cumulative
Reporting Cycle	Annually
Desired performance	<ul style="list-style-type: none"> • Publication of second version of draft Equivalence Framework by 30 June 2022 • Publication of final Equivalence Framework by 30 September 2023
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Date of publication of Determination setting requirements relating to external CCP or external TR licence applications
Definition	Development and finalisation of a determination of the licencing requirements applicable to an external applicant applying for a CCP licence or a TR license
Source of data	<ul style="list-style-type: none"> • RPF and EXCO minutes • FSCA website
Method of Calculation / Assessment	Simple Count

Means of verification	RPF and EXCO minutes Publication on FSCA website
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-Cumulative
Reporting Cycle	Annually
Desired performance	<ul style="list-style-type: none"> • Publication of second version of draft Determination setting requirements relating to external CCP or external TR licence applications by 30 June 2022 • Publication of final Determination setting requirements relating to external CCP or external TR licence applications by 30 September 2023
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Date by when the indicators for measuring trust in the financial sector are identified and approved
Definition	<p>This indicator aims to measure the date by when the indicators that will be used as a point of reference to measure trust in the financial sector is approved by the Executive Committee.</p> <p>Trust is an important part of a growing economy. The regulator plays an integral part in ensuring that the South African financial sector can be relied upon.</p>
Source of data	Approved list of indicators

Method of calculation	Simple count
Means of verification	Approved list of indicators
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Identified indicators that will be used to measure trust in the financial sector approved by 31 March 2023
Indicator Responsibility	Deputy Commissioner Gibson

Strategic Objective 03: Promote the development of an innovative, inclusive and sustainable financial system.

Indicator Title	Date of publication for the Financial Sector Transformation strategy
Definition	Strategy that sets out the FSCA's approach and targets for supporting financial sector transformation in South Africa
Source of data	Final strategy document

Method of calculation	Simple Count (verification of date)
Means of verification	Published Final Transformation Strategy Email confirmation of publication
Assumptions	
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Publish FSCA Financial Sector Transformation Strategy by 31 December 2022
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Number of MoUs signed with strategic transformation partners
Definition	Memorandum Of Understanding with one transformation strategic partner on the working relationship between the FSCA and its strategic partner which is the Broad Based Black Economic Empowerment Commission.

Source of data	Signed MOU
Method of calculation	Simple Count
Means of verification	Signed MOU
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative – YTD
Reporting Cycle	Annually
Desired performance	1 MoU signed with a transformation strategic partner the B-BBEE Commission by 31 March 2023
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Number of research reports/thought leadership pieces
Definition	Research/thought leadership on particular issue of relevance to the South African financial sector and the mandate of the FSCA
Source of data	Final research report/thought leadership article
Method of Calculation / Assessment	Simple Count

Means of verification	Published research report/thought leadership article
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Produce 1 research report/thought leadership piece by 31 December 2022
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Percentage of test cases resolved within 12 months after defining the Regulatory Sandbox parameters
Definition	<p>As per indicator aims to measure the delivery of RSB cohort test cases completed.</p> <p>Resolution means that the outcome is either a pass or fail. This simply means a result is provided to the applicant.</p>
Source of data	One or more of the following documents may be used as source of evidence:

	Sandbox Cohorts log / report
Method of Calculation / Assessment	Number of RSB test cases completed within 6 months after Fmeters / Total number of RSB test cases received that were taken to the cohorts * 100
Means of verification	Report on Fintech regulation Sandbox Cohorts
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-cumulative
Reporting Cycle	Annually
Desired performance	Resolution of 80% of RSB test cases within 12 months after defining parameters
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Percentage implementation of the targets in the innovation accelerator (IA) annual plan
Definition	The Innovation Accelerator drives innovation with common benefits across financial regulators participating in the innovation hub. Solutions cut across systems, processes, and policy innovation.

Source of data	One or more of the following documents may be used as source of evidence: <ul style="list-style-type: none"> • Research papers/ consultation papers/position papers/policy papers • Completed IA project document
Method of Calculation / Assessment	Number of projects implemented / planned projects as per the IA Annual Plan * 100
Means of verification	Report on Innovation Accelerator
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-cumulative
Reporting Cycle	Annually
Desired performance	85% achievement of annual targets of the IA annual plan by 31 March 2023.
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Publishing date of conduct standard for exchanges
Definition	The Conduct Standard aims to address the consequences of market fragmentation

	occurring as a result of the introduction of a multiple exchange environment, including the complexities and challenges arising from an environment with the same authorised users as well as the listing and the trading of the same securities across multiple South African exchanges. In particular, the Conduct Standard is also aimed at addressing interoperability and the need for exchanges to cooperate with each other and to harmonise exchange rules in respect of certain market operations.
Source of data	<ul style="list-style-type: none"> • RPF and EXCO minutes • FSCA website
Method of Calculation / Assessment	Simple Count (verification of date)
Means of verification	RPF and EXCO minutes Publication of draft Conduct Standard on FSCA website
Assumptions	
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Publish Draft conduct standard for exchanges by 30 November 2022
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Date of publication for position papers on Open Finance
Definition	A framework that ensures consumers/businesses rights are protected and they give informed consent to 3 rd Party FSPs to access and use their data to develop/serve

	<p>them with innovative financial products and services.</p> <p>Unlike Open Banking which is only concerned with current accounts/transaction data, open finance's scope is much wider, by also including home loan providers, consumer credit providers, investment and pension funds, as well as general insurers and intermediaries</p>
Source of data	FSCA website
Method of calculation	Simple Count (verification of date)
Means of verification	Publication of draft Open Finance paper on FSCA website
Assumptions	
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Publish draft position paper on conduct in open finance by 31 March 2023
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Date MoU is signed with Competition Commission
Definition	MOU with the Competition Commission on the working relationship between the FSCA and Competition Commission
Source of data	Signed MOU
Method of calculation	Simple Count
Means of verification	Signed MOU Email confirming signature
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative – YTD
Reporting Cycle	Annually
Desired performance	1 MoU signed with Competition Commission by 31 March 2023
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Publishing date for report on sustainable finance and investment published
Definition	The date on which the draft report on sustainable finance and investment is published on the FSCA website. The draft report will set out the development of an FSCA approach toward sustainable finance and investment.
Source of data	<p>One or more of the following documents may be used as source of evidence:</p> <ul style="list-style-type: none"> • Publication on website • Publication date on draft report. <p>E-mail confirmation that draft report has been published</p>
Method of calculation	Simple Count
Means of verification	Publication date on draft report
Assumptions	Required inputs and approvals obtained timeously from both internal and external stakeholders where relevant
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A <p>Target for People with Disabilities: N/A</p>
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative

Reporting Cycle	Annually
Desired performance	Publish draft report on sustainable finance and investment by 31 March 2023
Indicator Responsibility	Deputy Commissioner Gibson

Strategic Objective 04: Empower households and small businesses to be financially resilient.

Indicator Title	Number of financial education tools made available
Definition	Financial education tools are self-use financial education interventions. One such tool is financial education via an application, rather than face-to-face. The feasibility assessment is to assess the potential use cases of difference self-use interventions in the digital space, with a focus whether it is cost effective and beneficial to develop an app. The hackathon publishes a “problem statement” with a request for innovative solutions.
Source of data	Feasibility report The Hackathon
Method of calculation	Simple Count
Means of verification	One or more of the following documents may be used as source of evidence Feasibility report Hackathon request for presentations, as published

	Report on activities of relevant consumer education for 2022-23 period
Assumptions	
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative – YTD
Reporting Cycle	Annually
Desired performance	<ul style="list-style-type: none"> • Feasibility assessment of financial education app conducted by 31 March 2023 • 1 Hackathon for digital financial education by 31 March 2023 •
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Number of financial resources developed (Linked to the one above)
Definition	Consumer education materials are all multi-media resources like videos and audio clips, brochures, leaflets and booklets used and distributed during various consumer education activities. FSCA representatives talk through the content of the resources prior to distribution. These resources are developed in the official South African

	languages as far as possible to accommodate the financially illiterate target market in accordance with the Use of Official Languages Act and the FSB's language policy.
Source of data	Approved resources.
Method of calculation	Simple Count
Means of verification	One or more of the following documents may be used as source of evidence Final signed of resource. Memorandum of approval by relevant Divisional Executive.
Assumptions	
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative – YTD
Reporting Cycle	Annually
Desired performance	<ul style="list-style-type: none"> • 2 new resources developed (31 March 2023)
Indicator Responsibility	Deputy Commissioner Gibson

Indicator Title	Number of engagements about emerging financial education matters
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Definition	<p>This indicator measures the financial literacy and consumer education activities are conducted a planned. These activities include:</p> <ul style="list-style-type: none"> • workshops/webinars, • media engagements and social media campaigns, • outreach programmes, • online activities, • national campaigns like money smart week and financial literacy speech competition
Source of data	<p>One or more of the following documents may be used as source of evidence:</p> <ul style="list-style-type: none"> • Regulatory Policy business plan • Other supporting documentation for proof of evidence that Annual CED initiatives have taken place. • Email communications to media houses • Radio recording • Attendance register <p>Research and monitoring and evaluation reports on consumer education activities</p> <ul style="list-style-type: none"> •
Method of Calculation / Assessment	Simple count
Means of verification	<p>Financial literacy and consumer education reports</p> <ul style="list-style-type: none"> • Quarterly Business plan reports • Annual reports • Portfolio of evidence • Signed activity reports
Assumptions	None
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: N/A

(where applicable)	<ul style="list-style-type: none"> • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Cumulative – YTD
Reporting Cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> • 50 Workshops conducted • 2 Community radio campaigns • 2 Social media campaigns • 1 Money Smart Week FSCA activity implemented • 1 National Financial Speech Competition • 8 print/broadcast media engagements – • 3 rural outreach campaigns
Indicator Responsibility	Deputy Commissioner Gibson: Regulatory Policy Division

Indicator Title	Number of financial literacy surveys conducted
Definition	Research reports are generated through various research projects as well as evaluation findings for individual projects. These can take the form of full reports, case studies, published research articles and written input/comment into local and international research projects.
Source of data	<ul style="list-style-type: none"> • Research reports and/or Case Studies.

	<ul style="list-style-type: none"> Data sets
Method of calculation	Simple Count
Means of verification	Survey Results Report
Assumptions	
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Conduct 1 HSRC financial literacy interim survey by 31 December 2022
Indicator Responsibility	Head of Department: Consumer Education

Strategic Objective 05: Accelerate the transformation of the FSCA into a socially responsible, efficient, and responsive organisation.

Indicator Title	Clean AGSA audit opinion
Definition	Monitors compliance with the PFMA/NT regulations requirements and GRAP standards
Source of data	AGSA external audit report FSCA Annual Report
Method of Calculation / Assessment	Audit opinion signed off by the AGSA FSCA Annual Report signed by the Commissioner
Means of verification	AGSA report FSCA Annual Report
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	Sound financial and performance controls and reporting environment
Indicator Responsibility	Chief Risk Officer / Chief Financial Officer

Indicator Title	Percentage of suppliers' invoices paid within 30 days
Definition	Monitors compliance with the PFMA/NT regulations requirements that supplier's accounts be settled within 30 days of receipt of a valid invoice, permitted that there are no outstanding queries on valid invoices.
Source of data	FSCA accounts payable records
Method of Calculation / Assessment	Number of suppliers paid within 30 days / total number of valid invoices received from suppliers (no unresolved queries) * 100
Means of verification	Management Accounts Report
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of Suppliers valid invoices paid within 30 days, permitted that there are no outstanding queries,
Indicator Responsibility	Chief Financial Officer

Indicator Title	Date of publication of Statement of Intent in relation to sustainability
Definition	The Statement of Intent is a public commitment to promoting sustainability in response to climate change risks, that will identify steps the FSCA will take in its operations and in performance of its regulatory and supervisory functions
Source of data	The Statement of Intent, as published
Method of calculation	Simple count

Means of verification	One or more of the following: Media reports Exco minutes Website
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	• N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Simple Count
Reporting Cycle	?
Desired performance	Statement of Intent is published by 31 March 2023
Indicator Responsibility	Deputy Commissioner Ludin

Indicator Title	Date Integrated report is published
Definition	This indicator sets out to measure the review and approval of the FSCA Integrated report as per the planned target dates. We will Publish the Financial and the Human Capital sections of the Integrated report.
Source of data	• Approved/Signed-off Integrated report
Method of Calculation / Assessment	Verification of dates
Means of verification	• Published Intergrade report

	<ul style="list-style-type: none"> Minutes from EXCO and Audit Committee evidencing approval of the report
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Partial sections of the Integrated report published by 31 March 2023
Indicator Responsibility	Chief Financial Officer

Indicator Title	Percentage of identified customer processes re-engineered and digitally enabled
Definition	The identification, re-engineering and digitally enabled of customer facing processes for regulatory entities and persons. Providing platforms for stakeholders to engage digitally engage with the FSCA.
Source of data	One or more of the following documents may be used as source of evidence: <ul style="list-style-type: none"> List of all customer-facing processes Project Implementation Plan
Method of calculation	* Q1, Q2, and Q3 = Project Implementation Plan Milestones achieved (X) Total milestone planned (Y)

	<input type="checkbox"/> $(X/Y * 100)$ = List of approved customer processes for re-engineering and digitally enabled processes ** Q4 = Total number of prioritized customer processes enabled (R) divided by total number of processes prioritized (T) multiplied by 100 <input type="checkbox"/> $(R/T * 100)$ = Project Implementation Plan
Means of verification	<ul style="list-style-type: none"> List of approved processes for re-engineering and digitally enabled processes Project Implementation Plan
Assumptions	Budget Approval for an AI Powered Business automation tool and strategy partnership
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	<ul style="list-style-type: none"> 10% of customer processes re-engineered and digitally enabled by 31 March 2023 Fully implemented project plan by 31 March 2023
Indicator Responsibility	Chief Information Officer

Indicator Title	Percentage improvement in % of SLCs
Definition	This indicator sets out to measure the achievement of targeted SLC (Service Level Commitment) as committed by the FSCA to external stakeholders
Source of data	One or more of the following documents may be used as source of evidence:

	<ul style="list-style-type: none"> • Approved SLCs • Reports from Magic • Excel sheets used to track SLC achievements
Method of calculation	Total number of SLC measurement (20) – (<i>minus</i>) total number of targets not met = (<i>equal</i>) total number of overall SLC measurement target met
Means of verification	<p>One or more of the following documents may be used as source of evidence:</p> <ul style="list-style-type: none"> • Approved SLCs • Reports from Magic <p>Excel sheets used to track SLC achievements</p>
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	2% improvement in 40% of SLCs by 31 March 2023
Indicator Responsibility	<p>Conduct Of Business</p> <p>Retirement Funds</p> <p>Enforcement</p> <p>Licencing and Business centre</p>

Indicator Title	Percentage completeness, accuracy and validity of regulatory data
Definition	This indicator sets out to measure the quality of regulatory data by providing guidance, platforms, and mechanisms for the FSCA to ensure completeness, accuracy, and validity.
Source of data	One or more of the following documents may be used as source of evidence: List of identified, and approved regulatory datasets targeted for data quality improvement
Method of calculation	<ul style="list-style-type: none"> • Completeness : (all mandatory data fields are populated with no blank mandatory data fields) <i>(Total number of mandatory fields for regulatory data - total number of blank mandatory regulatory fields)/ Total number of mandatory fields for regulatory data) * 100</i> • Validity – data conforms to the defined format & business rules <i>Total number of mandatory Regulatory data fields / Total number of valid fields for mandatory regulatory data) * 100</i> • Accuracy – the ID Numbers and Company Registration Number has been validated against DHA & CIPC <i>(Total number of ID and Company Registration numbers for regulatory data / Divided by Total number of ID and Company Registration validated numbers for regulatory data) * 100</i>
Means of verification	Data quality reports
Assumptions	Data elements are identified and available for improvement
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A

Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	30% completeness 30% accuracy 30% validity of regulatory data
Indicator Responsibility	Enabler: Chief Information Officer All other regulatory divisions

Indicator Title	Date by which contract with Service Provider for the IRS Project is signed.
Definition	This technical indicator measures the approval date of the IRS project Service Provider contract and is within the 2022/23 budget. The IRS (Integrated Regulatory System) system will provide the FSCA with a platform to manage and fulfil its mandate to regulate entries and persons in the financial sector. The FSCA is currently using a number of systems to perform its mandate and having an integrated system, will enhance the responsiveness of the FSCA.
Source of data	One or more of the following documents may be used as source of evidence: <ul style="list-style-type: none"> • Acceptance of the bid received from the Service Provider
Method of Calculation / Assessment	Simple Count (verification of date)
Means of verification	Signed Contract with Service Provider
Assumptions	None

Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-cumulative
Reporting Cycle	Annually
Desired performance	Signed IRS Contract with Service Provider by 31 March 2023
Indicator Responsibility	Chief Information Officer and Chief Financial Officer

Indicator Title	Percentage achievement of FSCA EE targets
Definition Meaning of this indicator Explanation of technical terms used in the indicator	<p>Section 20 of the Employment Equity Act requires that a designated employer prepares and implements an Employment Equity Plan which will achieve reasonable progress towards employment equity. An Employment Equity Plan must state the objectives to be achieved for each year of the plan should and this includes numerical targets that need to be achieved per designated group. The FSCA has a 5-year employment equity plan that ends in 2022.</p> <p>This indicator tracks the progress made by the FSCA towards meeting the above EE targets.</p>
Source of data	<p>One or more of the following documents may be used as source of evidence:</p> <ul style="list-style-type: none"> HR report to Exco HR reports to NT (as part of the performance reports)

	<ul style="list-style-type: none"> Minutes of the Employment Equity Forum
Method of Calculation / Assessment	Comparison between targeted percentages and actual achieved percentages
Means of verification	Quarterly report on EE targets
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Target for Women: 50% Target for Youth: N/A Target for People with Disabilities: 2%
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> 50% female 50% males; 2% employees with disabilities; 90% from the black group: <ul style="list-style-type: none"> 79% African 7% Coloured 4% Indian 10% from white group
Indicator Responsibility	Divisional Executive: Corporate Services

Indicator Title	Critical vacancy rate achieved
Definition	The FSCA has identified a number of positions categorised as critical. These are:

	<ul style="list-style-type: none"> • Roles that will impact business continuity if not filled • Have a considerable impact on the strategic objectives of the organisation • Require specialists' skills and it takes time for someone to be fully functional in the role. They require significant time or expense to develop and without which the Division will not achieve its objectives. • The role has a high level of accountability and consequences of failure in this role are significant. A gap in these roles would have a detrimental effect on the function <p>The purpose of the critical vacancy rate is to measure the percentage of positions which have been identified as critical to the organisation and are vacant.</p>
Source of data	<p>One or more of the following documents may be used as source of evidence:</p> <ul style="list-style-type: none"> • Monthly HR Report
Method of Calculation / Assessment	Number of vacant critical position / total number of critical positions * 100
Means of verification	<ul style="list-style-type: none"> • Approved budgeted headcount report and staff list
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	Less than 10% of critical vacancy rate maintained quarterly
Indicator Responsibility	DE: Corporate Services

Indicator Title	Percentage succession cover in place for critical roles
Definition	Succession cover plan aims to ensure that critical roles identified within the organisation have a skilled replacement resource in place in case of a resignation or loss.
Source of data	One or more of the following documents may be used as source of evidence: <ul style="list-style-type: none"> • Monthly HR Report
Method of Calculation / Assessment	Number of successors in place for critical positions/ Total number of critical roles * 100
Means of verification	Talent Council minutes
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	90% succession cover in place for critical roles
Indicator Responsibility	DE: Corporate Services

Indicator Title	Percentage employee engagement score
Definition	The purpose of the Employee engagement survey is to measure employee engagement levels by giving employees a platform to be heard. The results will assist

	<p>the FSCA in identifying factors that drive employees to perform their best and suitable measures to improve the employee engagement.</p> <p>Conduct an Employee Engagement survey and submit a report by 31/12/2022</p>
Source of data	<p>One or more of the following documents may be used as source of evidence:</p> <ul style="list-style-type: none"> • Employee Engagement report
Method of Calculation / Assessment	Number of respondents / Total staff complement * 100
Means of verification	<ul style="list-style-type: none"> • Employee Engagement report • CCM Minutes • Exco Minutes <p>Intranet</p>
Assumptions	<ul style="list-style-type: none"> • Based on measuring survey responses. <p>Line managers to encourage team's participation.</p>
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: • Target for Youth: N/A • Target for People with Disabilities:
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually
Desired performance	80% employee engagement score
Indicator Responsibility	Divisional Executive: Corporate Services

Indicator Title	Number of media engagements as per the Communication Strategy
Definition	<ul style="list-style-type: none"> This indicator measures whether planned activities were carried out as per the Communication Strategy. The purpose of the media engagements is to ensure that the FSCA makes use of the most appropriate communication tools to position the organisation as an effective regulator of the South African financial services sector. More importantly, to safeguard the reputation of the regulator and increase its visibility in our communication with key stakeholders.
Source of data	<p>One or more of the following documents may be used as source of evidence:</p> <ul style="list-style-type: none"> Communications & Languages Services department's quarterly Business Plan feedback reports Media engagements register Email correspondence / confirmation of media engagement initiatives Communication Strategy Document Communications & Languages Services reports to Exco/TMC
Method of Calculation / Assessment	(Simple count). Number of actual media engagements that has taken place against number of media engagements planned per quarter
Means of verification	<p>Communication Strategy</p> <p>Suggested PoEs</p> <p>Request from FSCA (e-mail or other)</p> <p>Feedback from the relevant engagements (e.g. radio stations, interviewed individuals, etc)</p> <p>Attendance Registers or other confirmation that an engagement took place</p> <p>Other</p>

Assumptions	This target is based on the assumption that there are not budget constraints and that the media is available upon invitation or request
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Cumulative-YTD
Reporting Cycle	Quarterly
Desired performance	Desired performance for the financial year: <ul style="list-style-type: none"> • 8 broadcast media interviews • 4 media round tables • 1 media survey • 4 media monitoring reports • 4 FSCA newsletter • 4 “FSCA Our Voice” • 2 Commissioner engagements with stakeholders
Indicator Responsibility	Divisional Executive: Corporate Services

Indicator Title	Percentage of bounce rate for the FSCA website traffic
Definition	This indicator measures percentage of bounce rate of the website traffic on the FSCA website. The indicator aims at ensuring that all financial product consumers and industry engages with the organisation in meaningful and accessible manner.
Source of data	One or more of the following documents may be used as source of evidence: <ul style="list-style-type: none"> • Bounce rate • Page views • Top visited pages • Number of new visitors • Number of returning visitors
Method of Calculation / Assessment	Simple Count
Means of verification	Date of submission of to CCM and Exco
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Non-Cumulative
Reporting Cycle	Monthly and Quarterly
Desired performance	Increased number of visits to the FSCA website Reduce bounce rate from 44.08% to below 34%

Indicator Responsibility	DE: Corporate Services
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Indicator Title	Number of industry annual conference conducted
Definition	This indicator measures the adherence to commitment to host an annual Industry Conference. The purpose of keep industry informed of regulatory and supervisory developments.
Source of data	<ul style="list-style-type: none"> • Invitation to industry • Agenda of Conference • Attendance register
Method of Calculation / Assessment	Simple Count
Means of verification	Published articles
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Cumulative
Reporting Cycle	Quarterly
Desired performance	Hold 1 annual Industry Conference by 31 March 2023
Indicator Responsibility	DE: Retirement Fund Supervision Division

Indicator Title	Number of thought leadership pieces articles published
Definition	This indicator measures the number of Thought leadership articles generated by the FSCA.
Source of data	<ul style="list-style-type: none"> • Media Monitoring (PEAR) • Media Clippings
Method of Calculation / Assessment	Simple Count. (Verification of dates)
Means of verification	Date of submission of approved thought leadership pieces
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Type of calculation	Cumulative
Reporting Cycle	Quarterly
Desired performance	2 published pieces
Indicator Responsibility	DE: Corporate Services

Indicator Title	Number of seminars/ workshops and webinars
Definition	This indicator measures the adherence to commitment to host 2 workshops per financial year. The purpose of keep industry informed of regulatory and supervisory developments.
Source of data	<ul style="list-style-type: none"> • Agenda • Presentations • Invitations • Attendance register
Method of Calculation / Assessment	Simple Count
Means of verification	<ul style="list-style-type: none"> • Agenda • Presentations • Invitations • Attendance register
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	N/A

Type of calculation	Cumulative
Reporting Cycle	Quarterly
Desired performance	Hold 2 events/seminars/webinars or workshops by 31 March 2023
Indicator Responsibility	DE: Retirement Fund Supervision Division

FINANCIAL SECTOR CONDUCT AUTHORITY



PART E: ANNEXURE MATERIALITY AND SIGNIFICANCE FRAMEWORK

FINANCIAL YEAR 2022/23

1. SCOPE

The Commissioner of the Financial Sector Conduct Authority (FSCA) 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 FSCA 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 the accounting authority (the Commissioner) to 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, 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 FSCA 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 FSCA. As a result, it is important for the FSCA to set the materiality and significance amount at an appropriate level to ensure that the correct information is included in the annual report and financial statements to the National Treasury.

The Treasury Regulations regarding materiality and significance as amended in May 2002 include the following:

- TR 28.1.5 – “for purposes of materiality (sections 50(1), 55(2) and 66(1) of the PFMA) and significance (section 54(2) of the PFMA), the Commissioner must develop and agree a framework of acceptable levels of materiality and significance with National Treasury in consultation with the external auditors.”
- TR 28.2.1 – “The annual report of public entities shall detail the materiality / significance framework applied during the financial year.”
- TR 301.3(e) – The strategic plan must include the materiality / significance framework.’

3. DEFINING “MATERIALITY” AND “SIGNIFICANCE”

3.1 Materiality

Materiality is defined in the *Handbook of International Auditing, Assurance, and Ethics Pronouncements* (2005 edition) 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 FSCA as a whole. Thus, a transaction will be significant if conducting the transaction is vitally important to fulfill the FSCA’s mandate and for it to operate effectively. These types of transactions could include a major re-structuring of the balance sheet through changes in financing or accounting policies, etc.

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

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

The materiality amount calculated by the FSCA should not exceed the amount determined (reviewed annually) by the external auditors, because it could indicate a difference of opinion regarding the materiality of misstatements.

4. DETERMINING THE MATERIALITY / SIGNIFICANCE LEVELS

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

4.1 Nature of the FSCA business

The FSCA should be guided by its accountability and the sensitivity of its accounts, activities and functions regarding its regulatory duties. The FSCA 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 FSCA, as well as those Acts with which the FSCA is required to comply with. The FSCA 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 FSCA considers risk management limits set for operational transactions.

4.4 Quantitative and qualitative factors

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

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

Refer to Annexure A for the materiality / significance factors that have been considered in arriving at the Materiality and Significance Level for the FSCA.

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	As per Treasury guidelines
2	Approval of framework	Commissioner	Annually - January
3	Include framework in corporate plan and strategic plan	CFO	As per Treasury submission schedule
4	Include framework in annual report	CFO	Annually – July to August
5	Include particulars of any losses through criminal conduct, irregular, fruitless and wasteful expenditure that occurred during the financial year in the annual report	CFO	Annually - July
6	Maintain a register on all irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year	CFO	Ongoing
7	Maintain a register of any losses through criminal conduct that occurred during the financial year	DE: Corporate Centre	Ongoing
8	Report all material / significant items to the Commissioner	CFO	As and when they occur

ANNEXURE A

DETERMINING THE MATERIALITY AND SIGNIFICANCE LEVELS

1 APPROACH

To determine the materiality and significance levels, the following principles will be applied:

1.1 Main factor to determine material amount

The operating requirements of the FSCA are to ensure that all its expenses are recovered through levies and fees, levies being the major category of income.

The factor that taken into account in calculating the materiality amount is budgeted total revenue for the next financial year.

1.2 Percentage to be used

The percentage used is calculated based on the following factors as a guideline:

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

The percentage will be adjusted taking qualitative factors into consideration.

2. PARAMETERS TO USE FOR MATERIALITY FACTOR

2.1 Revenue Budget

Revenue Categories	2022/23	2021/22	2020/21
--------------------	---------	---------	---------

	R'000	R'000	R'000
Levies	883 524	864 481	902 468
Fees**	31 308	93 673	31 293
Interest received	15 057	13 093	21 500
Other income	19 200	47 293	5 000
Total revenue	949 089	1 018 540	960 260

**The Money Bill is anticipated to be enacted in 2022/23 and as such recoveries from the banking sector are expected to be realized in the form of levies and not in the form of fees as was anticipated in the 2021/22 budget.

2.3 Basis percentage to be used

As stated in the framework, the materiality amount should not be more than the materiality amount as determined for external audit purposes. The auditors are applying revenue when determining audit materiality due to the fact that FSCA generates its own revenue.

It is therefore recommended that 0.5% is used on total revenue budget to determine the materiality level for the FSCA for the financial year 2021/22.

3. Qualitative factors

The following qualitative factors are considered:

DETAIL	IMPACT ON RISK	PERCENTAGE
<p>INTERNAL CONTROL FRAMEWORK</p> <p>THE FOLLOWING PROCESSES ARE IN PLACE TO ENHANCE THE INTERNAL CONTROL FRAMEWORK OF THE FSCA:</p> <ul style="list-style-type: none"> • QUALITY MANAGEMENT SYSTEM (ISO 2000: 9001) • FRAUD PREVENTION PLAN • FINANCIAL POLICIES • INTERNAL AUDIT BASED ON RISKS IDENTIFIED • DETAILED DELEGATIONS FOR OPERATIONAL AND REGULATORY ACTIONS • SUPPLY CHAIN MANAGEMENT • CLEAN AUDIT REPORT IN THE PREVIOUS YEAR • PROPER RISK ASSESSMENT PERFORMED 	REDUCE	(10%)
PROFESSIONAL JUDGMENT		

<ul style="list-style-type: none"> • LONG-TERM IMPACT DUE TO INSUFFICIENT LEGISLATION, REGULATIONS AND APPROVALS • SHORT-TERM IMPACT DUE TO REGULATORY DECISIONS MADE THAT HAVE A NEGATIVE IMPACT ON INDUSTRY AND MAY LEAD TO LEGAL ACTIONS AGAINST THE FSCA 	<p>INCREASE</p> <p>INCREASE</p>	<p>5%</p> <p>20%</p>
<p>FRAUD</p> <ul style="list-style-type: none"> • BRIBERY ACCEPTED BY MANAGEMENT AND ANALYSTS IN THE PERFORMANCE OF THEIR REGULATORY FUNCTIONS, E.G. ACCEPTING GIFTS FROM REGULATED ENTITIES IN EXCHANGE FOR NOT ACTING AGAINST NON-COMPLIANCE 	<p>INCREASE</p>	<p>5%</p>
<p>TOTAL IMPACT OF QUALITATIVE FACTORS</p>	<p>INCREASE</p>	<p>20%</p>

4. FINAL PERCENTAGE APPLIED

Description	2021/22 %	2020/21 %	2019/20 %
Base percentage	0.50	0.50	0.50
Qualitative impact (20% of 0.005)	0.001	0.001	0.001
Percentage to be used	0.5	0.50	0.50

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

5. CALCULATION OF MATERIALITY AMOUNT

Description	2022/23	2021/22	2020/21
Total revenue budget	949 089 266	1 018 539 900	960 260 460
Percentage used	0.50%	0.50%	0.50%
Materiality amount	R4 745 446	R5 092 700	R4 801 302

6. CONCLUSION

Based on the above, the materiality amount recommended for the FSCA for the 2022/23 financial year is R4 745 446 (2021/22: R5 092 700).

FINANCIAL SECTOR CONDUCT AUTHORITY



PART F: ANNEXURE: FSCA BUDGET 2022/23

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ANNEXURE A – DETAILED BUDGET INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

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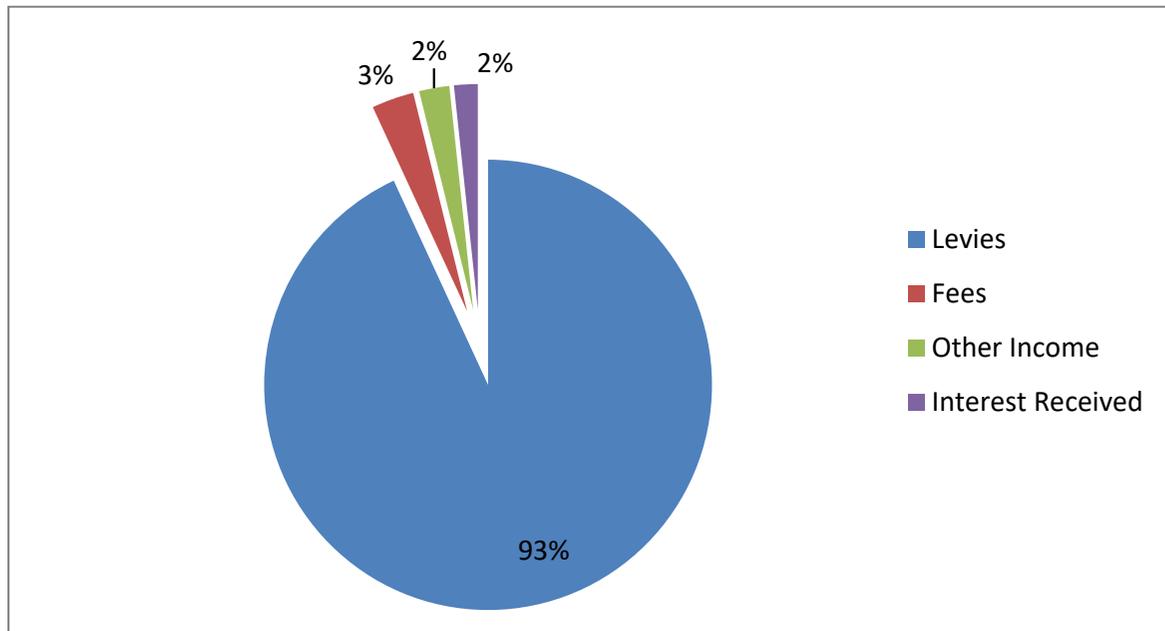
ANNEXURE B –ACCUMULATED SURPLUS / DEFICIT

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BUDGET HIGHLIGHTS

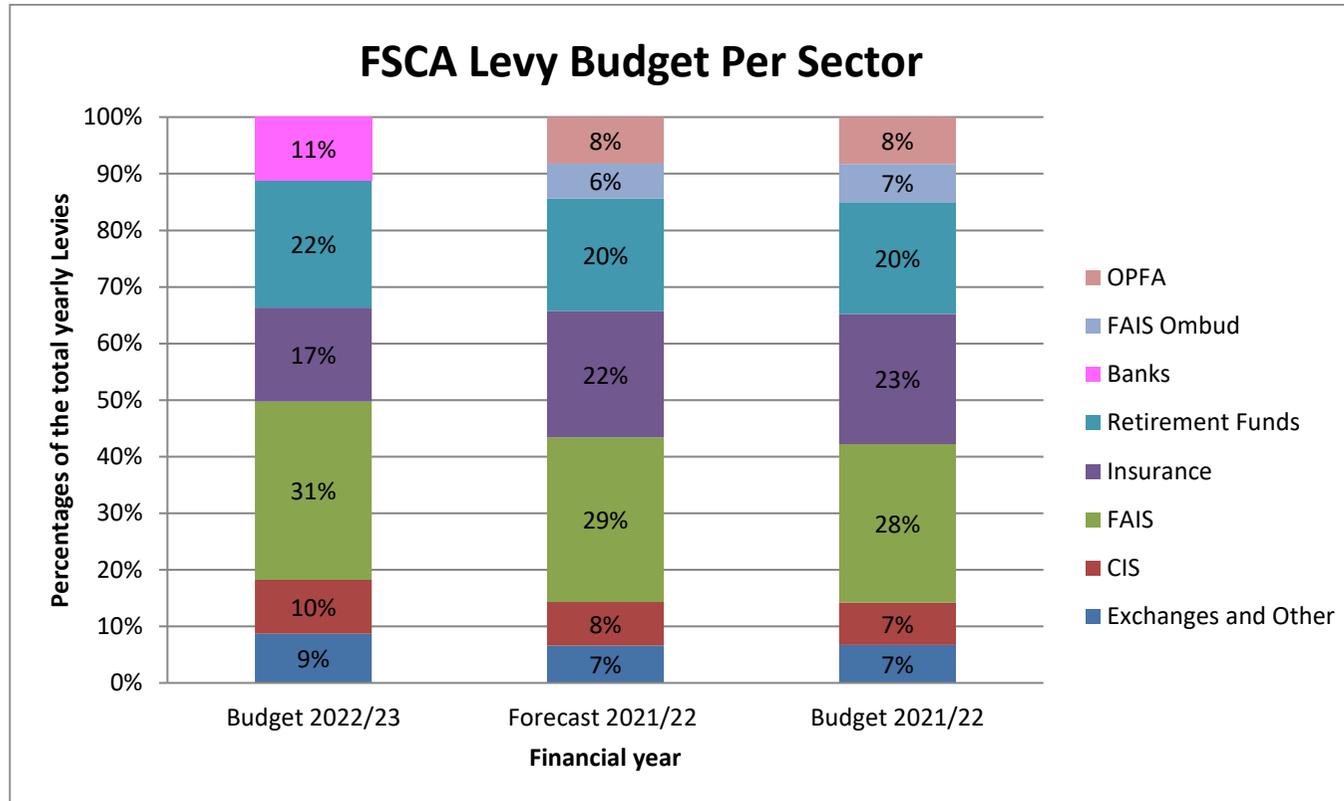
The graph below depicts the distribution of the 2022/23 budgeted gross revenue amongst the different income streams.

Graph: 1



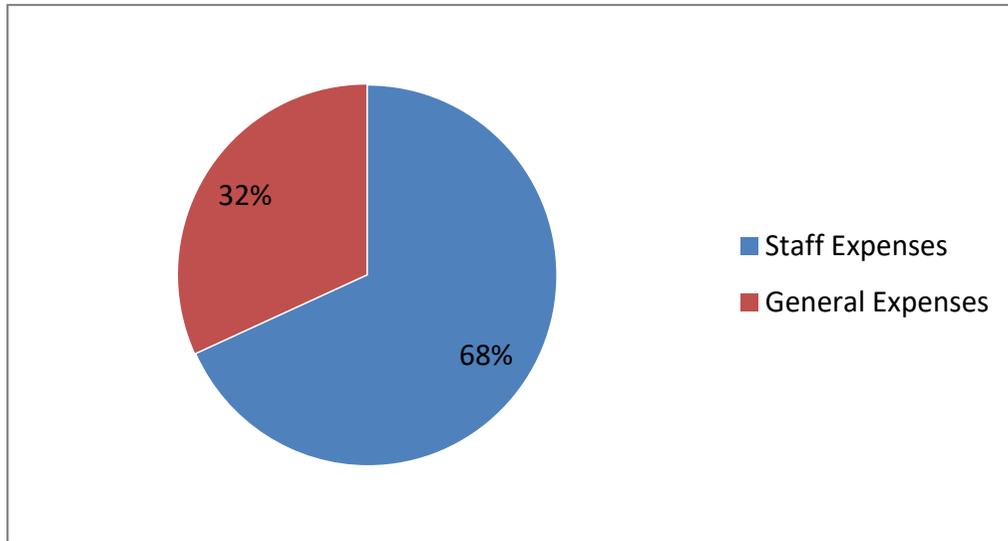
The graph below depicts the levy distribution amongst the regulated sectors.

Graph: 2



The graph below depicts the expenditure distribution.

Graph: 3



1 INTRODUCTION

The FSCA's mandate is to enhance the efficiency and integrity of financial markets; promote fair customer treatment by financial institutions; provide financial education and promote financial literacy; and assist in maintaining financial stability. The FSR Act extended the jurisdiction of the FSCA to include market conduct of the banking sector. It also dictated a shift in approach to being proactive, pre-emptive, risk-based and outcomes focused.

Crucially, the FSR Act included financial inclusion and transformation of the financial sector in its objects.

The scale of change is significant, impacting on how the FSCA is structured, resourced, skilled and how regulatory and supervisory frameworks are designed, to empower the organisation to deliver on its mandate. This needed to be achieved whilst maintaining supervision over the non-banking financial institutions in terms of existing laws as well as identifying emerging risks, new technologies and enabling a transformed and inclusive sector that caters and includes all South Africans.

The FSCA recognises the dynamic nature of the environment in which it operates and the impact on its supervisory and advisory roles. The FSCA's relevance and effectiveness as a regulator is underpinned by the success to anticipate and respond to emergent issues. The FSCA has identified five strategic objective, as follows:

- Improve industry practices to achieve fair outcomes for financial customers;
- Act against misconduct to support trust and integrity in the financial sector;
- Promote the development of an innovative, inclusive and sustainable financial system;
- Empower households and small businesses to be financially resilient; and

- Transform the FSCA into a socially responsible, efficient, and responsive organisation.

The consolidated budget for the 2022/23 financial year as presented is drawn from the business objectives of the various departments within the FSCA derived from the broader longer-term Strategic Objectives.

The budget excludes funding for the offices of the Ombud for Financial Services Providers (FAIS Ombud), the Pension Funds Adjudicator (PFA) and the Tribunal in line with the Levies Bill, which is expected to be enacted in the 2022/23 financial year.

The FSCA is budgeting for gross revenue of R949.089 million, operating expenditure of R905.881 million and transfers of special levy to Capex of R61.641 million, resulting in a deficit of R18.433 million for the year ending 31 March 2023.

Page 28 details the Accumulated Surplus / Deficit movements.

2 FSCA BUDGET 2022/23

2.1 Principal Budget Assumptions

2.1.1 General budget assumptions applied– Economic Indicators

MTEF budgeting guidelines	Where practical budgeting is aligned to MTEF guidelines in reducing costs overall.
CPI	Annual CPI 5%.
Interest on investments	Weighted average yield on Corporation of Public deposits (CPD) 3.6%.

2.1.2 Staff Expenses

Cost to Employer (CTE)	Actual as at November 2021, with budgeted increase of 5% from 1 January 2023.
New appointments	Budget per employee using estimated market related salaries as at November 2021.
Structural adjustments	As per HR guidelines
Promotions	Budget for promotions in July and December, with average rate of 15%.
Relief Staff	Budget per requirement.
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 per by HR based on user Department requirements.
Incentive Scheme	Averaging 7.5% of Staff salaries
UIF	1% of CTE for employees earning up to R212,544 per annum. The maximum contribution per month is R177.12.
SETA levy	1.101% of taxable remuneration (CTE)

2.1.3 General Expenses

Bank Charges	Amount budgeted in terms of fee structure of banks.
Committee fees	Rates as approved by FSCA Strategic Management Committee
Call centre	As per signed contract.
Computer software licenses	Based on number of users and software packages in use.

Computer support and maintenance	Actual cost where there is a contract and adjusted for increase in headcount and inflation as per the service level agreement.
Depreciation	Based on Capex budget and the current assets on the register.
Disability Insurance	1.46% of CTE (Based on the latest premium quote received).
Legal fees	Budget according to current legal cases in progress, historical information and probabilities.
Professional fees	As required by business units.
Printing	Based on actual need as identified by the business units.
Recruitment fees	As per signed agreements with service providers
Rent	Based on existing lease agreement plus rates, taxes, water and electricity.
Short term insurance	As per latest quote obtained from insurance brokers.
Telephone	Telephone costs based on actual costs and new data cards.
Telephone maintenance	In accordance with existing maintenance contract.
Executive Medicals	R6 600 (R6 600 in 2021/22) for CCM and commissioners.
Travel, Accommodation, and subsistence	Based on known and envisaged travel programme as per Divisional business plans
Cleaning, Consumables, Tea Service etc.	Budget based on existing contracts, calculated per head count and CPI increase
Catering functions - meetings external	Based on actual need as identified by the business units in line with the National Treasury instruction note

2.2 Abridged Budget Income Statement for the 2022/23 financial year

The table below depicts the Abridged Budget Income Statement for the year ending 31 March 2023; the detailed Budget Income Statement is contained in Annexure A.

Table 1: Abridged Budgeted Income Statement for the 2022/23 financial year.

	Notes	2022/23 Budget	Variance Budget vs Forecast	2021/22 Forecast	Variance Budget vs Budget	2021/22 Budget	2023/24 Budget	2024/25 Budget
		R'000	%	R'000	%	R'000	R'000	R'000
Gross revenue	2.3.1	949,089	0%	946,440	-7%	1,018,540	992,843	974,179
Levies	2.3.1.1-2.3.1.5	883,524	1%	873,562	2%	864,481	927,700	910,411
Fees	2.3.1.6	31,308	24%	25,330	-67%	93,673	32,873	34,681
Other income	2.3.1.7	19,200	-39%	31,306	-59%	47,293	16,460	12,407
Interest received	2.3.1.8	15,057	-7%	16,242	15%	13,093	15,810	16,679
Operating expenditure	2.3.2	905,881	13%	798,607	6%	853,623	951,175	1,003,490
Staff Expenses	2.3.2.1	617,797	13%	545,932	6%	583,257	648,687	684,365
General expenses	2.3.2.2	288,084	14%	252,675	7%	270,366	302,488	319,125
Operating (deficit)/surplus		43,208	-71%	147,833	-74%	164,917	41,668	(29,311)
PFA/FAIS Ombud funding		(61,641)	-59%	(149,908)	-62%	(164,350)	(64,723)	-
Transfer to Capex		(61,641)	100%	-	100%	-	(64,723)	-
PFA funding budget		-	-100%	(79,302)	-100%	(79,302)	-	-
FAIS Ombud funding budget		-	-100%	(57,755)	-100%	(57,755)	-	-
Tribunal Funding		-	-100%	(12,851)	-100%	(27,293)	-	-
(Deficit) / surplus for the year		(18,433)	788%	(2,075)	-3352%	567	(23,055)	(29,311)

2.3 Operational Budget

2.3.1 Gross revenue budget

Table 2: Gross Revenue Budget

GROSS REVENUE	Notes	2022/23 Budget	Variance Budget vs Forecast	2021/22 Forecast	Variance Budget vs Budget	2021/22 Budget
	FSCA	FSCA	FSCA	FSCA	FSCA	FSCA
		R'000	%	R'000	%	R'000
Levies	2.3.1.1-2.3.1.4	821,883	-6%	873,562	-5%	864,481
Special Levy	2.3.1.5	61,641	100%	-	100%	-
Fees	2.3.1.6	31,308	24%	25,330	-67%	93,673
Other Income	2.3.1.7	19,200	-39%	31,306	-59%	47,293
Interest received	2.3.1.8	15,057	-7%	16,242	15%	13,093
		949,089	0%	946,440	-7%	1,018,540

The gross revenue budget of R949,089 million (Budget 2021/22: R1,018.540 million) comprises mainly of levies accounting for 93% (Budget 2021/22: 85%) of gross revenue. Refer to pages 13 - 14 for variance explanations.

2.3.1.1 *Levy budget*

Table 3: Levy Budget by sector

FSCA LEVY BUDGET	2022/23 Budget	Variance F/cast vs 2021/22 budget	2021/22 Forecast	Variance 2022/2023 budget vs 2021/2022 budget	2021/22 Budget
	R'000	%	R'000	%	R'000
BANKS	95,902	100%	-	0%	-
Bank	95,850	100%	-	0%	-
Co-operative bank	9	100%	-	0%	-
Mutual bank	43	100%	-	0%	-
EXCHANGES & OTHER	70,922	25%	56,810	24%	57,226
Exchange	45,522	100%	-	0%	-
Central counterparty	15,000	100%	-	0%	-
Over-the-counter derivative provider	1,300	100%	-	0%	-
Credit Rating	5,000	39%	3,608	37%	3,643
Central Securities Deposit	4,100	588%	596	581%	602
JSE	-	-100%	17,881	-100%	18,054
Market Abuse	-	-100%	27,582	-100%	27,715
Market Abuse Other Exchanges	-	-100%	486	-100%	491
Capital Markets: Other exchange	-	-100%	2,384	-100%	2,407
STRATE	-	-100%	4,273	-100%	4,315
COLLECTIVE INVESTMENT SCHEMES	78,303	18%	66,451	22%	63,988
Participation Bonds	129	3%	125	3%	125
Foreign Schemes Unit Trusts	33,344	16%	28,725	23%	27,118
Local Unit Trusts	23,479	32%	17,732	32%	17,818
Property Unit Trusts	113	-79%	543	-79%	548
Hedge Funds	21,238	10%	19,326	16%	18,379
FAIS	257,383	3%	250,052	7%	239,888
Category I or IV	118,264	4%	113,841	6%	111,055
Category II, IIA and III (incl. other)	139,119	2%	136,211	8%	128,833
INSURANCE	135,866	-29%	192,194	-31%	196,955
Life Insurer (Long-term)	63,762	-43%	112,545	-45%	115,759
Non-life Insurer (Short-term)	71,711	-10%	79,649	-12%	81,196
Microinsurance	392	100%	-	0%	-
PENSIONS	183,508	7%	170,784	8%	169,366
Pension funds	170,897	59%	107,281	61%	106,342
Retirement Annuity Funds	-	-100%	53,485	-100%	52,733
Pension Funds Administrators	12,611	26%	10,018	23%	10,291
FSCA	821,883	12%	736,291	13%	727,423
SPECIAL LEVY	61,641	100%	-	-	-
PFA OFFICE	-	-100%	79,320	-100%	79,302
FAIS OMBUD OFFICE	-	-100%	57,951	-100%	57,755
	883,524	1%	873,562	2%	864,481

2.3.1.2 FSCA Levies R821.883 million (Forecast 2021/22: R736.291 million)

The levy budget is based on the rates as determined in line with the Levies Bill. The overall FSCA levy increased by 12% compared to the 2021/2022 forecast. The FSCA raises sufficient levies to cover its operational requirements and does not, as a rule, budget for a surplus/deficit unless necessary.

2.3.1.3 PFA Levies R0 million (Forecast 2021/2022: R79.320 million)

The FSCA will no longer fund the operational and capital budgets requirements of the Pension Funds Adjudicator (PFA) in line with the Levies Bill.

2.3.1.4 FAIS Ombud Levies R0 million (Forecast 2021/2022: R57.951 million)

The FSCA will no longer fund the operational and capital budgets requirements of the FAIS OMBUD in line with the Levies Bill.

2.3.1.5 Special Levy R61.641 million

The Levies Bill allows the FSCA to raise a special levy to cover establishment costs calculated at 7.5% of the invoiced amount.

2.3.1.6 Fees R31.308 million (Forecast 2021/22 R25.330 million)

Fees are charged for processing license applications and client requests for profile changes. Fees budget is based on historical information as well as anticipated levels of activity.

2.3.1.7 Other income R19.200million (Forecast 2021/22: R31.306 million)

The budgeted amount is mainly for the ICT and Prudential Authority cost recoveries as well as expected office rental recoveries of R8 million.

2.3.1.8 Interest received R15.057 million (Forecast 2021/22: R16.242 million)

Interest received is calculated based on the average capital balance of investments at an average return rate of 3.6%. FSCA does not budget for interest on outstanding levies, interest on PRM and discretionary funds, hence the decrease in the 2022/23 budget compared to the 2021/22 forecast.

2.3.2 Operational expenditure budget

2.3.2.1 Staff expenditure budget

Table 4: Staff Expenditure Budget

STAFF EXPENDITURE	Notes	2022/23 Budget	Variance Budget vs Forecast	2021/22 Forecast	Variance Budget vs Budget	2021/22 Budget
	FSCA	FSCA	FSCA	FSCA	FSCA	FSCA
		R'000	%	R'000	%	R'000
Salaries	2.3.2.1.1	530,357	19%	445,502	7%	496,180
Relief staff	2.3.2.1.1(a)	60	0%	60	0%	60
Contractors	2.3.2.1.1(b)	6,860	-32%	10,125	-32%	10,125
Registration and membership fees	2.3.2.1.1(c)	593	-12%	672	-12%	672
Staff & group life skills training	2.3.2.1.1(d)	7,767	2%	7,611	3%	7,520
Seminars and conferences	2.3.2.1.1(e)	2,546	0%	2,534	0%	2,534
Leave provision		9,672	-56%	22,114	9%	8,862
Long service awards		1,494	0%	1,668	-10%	1,668
Study amortisation		3,501	15%	3,038	15%	3,038
Incentive schemes	2.3.2.1.1(f)	39,605	5%	37,870	5%	37,856
Momentum employee benefit - Disability		6,152	23%	4,984	7%	5,756
SETA levy		5,304	29%	4,119	7%	4,962
		613,911	14%	540,297	6%	579,232
Other staff expenses	2.3.2.1.1(g)	3,887	-31%	5,635	-3%	4,025
Total		617,797	13%	545,932	6%	583,257

2.3.2.1.1 Salaries R530.357million (Forecast 2021/22: R445.502 million)

Salaries represent 85% (Forecast 2020/21: 81%) of the staff expenditure budget and 58% (Forecast 2020/21: 55%) of the total expenditure budget. The high ratio of salaries to total expenditure is attributable to the FSCA being a service organisation with personnel costs being the main cost driver.

Salaries are budgeted to increase by an average of 5% effective from 1 January 2023 aligned mainly to the forecasted SA consumer price index. The 19% unfavourable variance on salaries is mainly as a result of lower forecast base resulting from appointments made later in the year than budgeted and unfilled positions for the 2021/22 financial year. The following is an analysis of budget salaries cost movements:

- Forty-one (41) new positions have been factored in the 2022/23 salary budget totalling R22.096 million.
- Reconciliation of budgeted staff complement.

STAFF COMPLEMENT RECONCILIATION	
DESCRIPTION	NUMBER
Total staff complement budgeted for March 2022	644
Adjusted Positions 2021/22	5
New positions budgeted	41
Total staff complement budgeted for March 2023	690

- Included in the salary costs are structural adjustments and promotions budgeted at R4.013 million (2021/22: R4.038 million). The salary budget has been reduced by a vacancy factor of 7.5% (2021/22 Budget: 7.5%) totalling R43.002million (2021/22 Budget: R40.231 million) to provide for the time lags in appointments.

a) Relief staff R0.060 million (Budget 2021/22: R0.060 million)

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

b) *Contractors R6.860 million (Budget 2021/22: R10.125 million)*

Contractors	Comments	Current Budget (R)	Previous Budget (R)
ICT	4X Magic contractors, 1 X Data Engineer	6,860,000	7,000,008
Office of the Commissioner	Contract staff	-	3,125,010
Total		6,860,000	10,125,018

c) *Registration and membership R0.593 million (Budget 2021/22: R0.672 million)*

This budget covers professional registration and membership fees for the FSCA staff.

d) *Staff and group life skills training R7.767 million (Budget 2021/22: R7.520 million)*

The FSCA 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 plans. The training is to also align staff to the FSCA strategic objectives in building the new organisation, new ways of doing things and disruptive technologies.

e) *Seminars and conferences R2.546 million (Budget 2021/22: R2.534 million)*

The budget is for FSCA to participate in various conferences and seminars to keep abreast with local, regional and international regulatory trends and standards as per departments' business plans.

f) *Incentive Schemes R39.605 million (Budget 2021/22: R37.856 million)*

Incentive schemes are budgeted at an average of 7.5% of staff salaries.

g) *Other staff expenses R3.887 million (Budget 2021/22: R5.694 million)*

Other staff expenses comprise of, inter alia, internships, employee funeral policy, UIF, employee wellness and workmen's compensation.

2.3.2.2 *General expenditure budget*

Table 5: General Expenditure Budget

GENERAL EXPENDITURE	Notes	2022/23 Budget	Variance Budget vs Forecast	2021/22 Forecast	Variance Budget vs Budget	2021/22 Budget
	FSCA	FSCA	FSCA	FSCA	FSCA	FSCA
		R'000	%	R'000	%	R'000
Advertising and recruitment	2.3.2.2 (a)	7,035	177%	2,541	131%	3,043
Advisory and enforcement committee	2.3.2.2 (b)	826	-11%	932	-11%	932
Computer support and maintenance	2.3.2.2 (c)	12,343	36%	9,098	29%	9,567
Call Centre		5,519	23%	4,495	3%	5,359
Canteen and tea service	2.3.2.2 (d)	894	-29%	1,254	-61%	2,293
Cleaning and consumables		2,205	-1%	2,230	-24%	2,901
Legal fees	2.3.2.2 (e)	14,668	29%	11,342	17%	12,549
Outsourcing	2.3.2.2 (f)	6,000	-65%	17,033	-65%	17,033
Printing and stationery	2.3.2.2 (g)	3,647	-8%	3,971	-34%	5,564
Professional fees	2.3.2.2 (h)	24,084	25%	19,310	14%	21,180
Promotions	2.3.2.2 (i)	4,133	-1%	4,182	-1%	4,182
Telephone		4,553	30%	3,499	22%	3,742
Local travel	2.3.2.2 (j)	5,996	-24%	7,849	-24%	7,849
Foreign travel	2.3.2.2 (k)	5,501	164%	2,080	164%	2,080
Subsistence and overtime meals	2.3.2.2 (l)	1,666	36%	1,228	36%	1,228
External audit fees		4,262	68%	2,541	5%	4,059
Internal audit fees		1,027	-34%	1,549	-45%	1,883
Depreciation	2.3.2.2 (m)	28,927	10%	26,302	-3%	29,837
Short term insurance		3,931	29%	3,051	20%	3,284
Appeal Board and FSOS Council		2,614	24%	2,103	27%	2,056
Computer licenses and services	2.3.2.2 (n)	44,238	50%	29,397	38%	32,075
FSCA membership fees	2.3.2.2 (o)	5,501	67%	3,288	-2%	5,597
Office rental	2.3.2.2 (p)	86,577	5%	82,181	5%	82,243
		276,146	14%	241,457	6%	260,538
Other general expenses		11,937	6%	11,218	21%	9,828
Total		288,084	14%	252,675	7%	270,366

(a) Advertising and recruitment R7.035 million (Budget 2021/22: R3.043 million)

The budget is for advertising and recruitment fees for filling in vacant positions. The costs include response handling and psychometric assessment tests. The variance is due to the expected ramping up of recruitment activities in the 2022/23 financial year.

(b) *Advisory committees R0.826 million (Budget 2021/22: R0.932 million)*

The budget comprises of fees for Consumer Education Foundation Trustees.

(c) *Computer support and maintenance R12.343 million (Budget 2021/22: R9.567million)*

Computer support and maintenance budget is for computer applications and user support costs. The variance to previous budget is mainly due to the implementation of new technologies and support for old technologies which are out of warranty.

(d) *Canteen and tea services R0.894 million (Budget 2021/22: R2.293 million)*

The budget relates to staff refreshments and cleaning services based on contracts rates. The variance is due to reduction of staff numbers in the office.

(e) *Legal fees R14.668 million (Budget 2021/22: R12.549 million)*

The budget comprises of legal fees for various FSCA departments for external legal services and debtors' collection. The variance to previous budget is mainly due to increase in anticipated cases as result of implementation of new legislation and current legal disputes.

(f) *Outsourcing R6 million (Budget 2021/22: R17.033 million)*

The budget comprises of outsourcing fees for ICT and Investigation and Enforcement departments. The variance to previous budget is mainly due to the expiry of the Apronics contract and insourcing of personnel under staff costs.

Outsourcing	Comments	Current Budget (R)	Previous Budget (R)
ICT	Managed ICT Support Services Total budget for 5 years (Apronics)	-	10,000,000
Investigations and Enforcement	Complex matters, Investigations, use computer forensic, investigation mirror image the server	6,000,000	7,033,000

(g) *Printing and stationery R3.647 million (Budget 2021/22: R5.564 million)*

The budget includes rental for photocopying machines, printing, annual reports government gazettes and other related printing expenses.

(h) *Professional fees R24.084 million (Budget 2021/22: R21.180 million)*

The budget for professional fees is for departments listed below. The variance to previous budget is mainly due to change management, translation of legislation in different languages and complexity of investigations.

Professional fees	Comments	Current Budget (R)	Previous Budget (R)
Central	RemChannel, Hay Group, 21st Century, OD Interventions, Change Management for ERP and IRS	4,315,633	2,064,511

Communications	Language services, Reputation Management; Media Monitoring	5,477,870	2,740,000
Facilities	Space planners' professional fees	-	650,000
Chief Financial Officer	GRAP quality assurance	150,000	200,000
ICT	ICT services	2,355,000	8,325,000
Regulatory Framework	Standards development and setting	1,954,080	1,692,960
Market Inclusion	For planned and ad hoc research projects including Finscope survey	4,500,000	2,050,000
Financial Technology	Fintech market intelligence subscription services	360,000	360,000
Consumer Education	Translation services. 10 Resources into 8 languages.	-	865,000
Micro Product Providers	Service provider to conduct RE training workshops	-	468,000
Financial Advisors	CPD accreditation	15,000	10,000
Market Infrastructure	Risk management on CCP and ODP	-	350,000
Specialist support	Development of TTK, CPD Provider Approvals	2,786,000	164,665
Investigations	Expert witness opinion assistance with investigations	1,200,000	1,200,000
Governance, Risk and Assurance	Binding of meeting packs in storeroom	970,000	40,000
Total		24,083,583	21,180,136

(i) Promotions R4.133 million (Budget 2021/22: R4.182 million)

Promotions	Comments	Current Budget (R)	Previous Budget (R)
Communication and Language Services	Leadelex Conference; FSCA Promotional; Radio Stations Campaign	2,982,800	1,917,000
Regulatory Policy	Insurance Apprentice sponsorship		100,000
Financial Technology	Fintech surveys, focus groups, workshops, research initiatives	600,000	600,000
Regulatory Liaison	75,000 50 pax at R1500 Printing & Stationary & Promotional material, Pens, banners, lunches etc.	-	95,000
Consumer Education	Consumer education Promotional activities and items and media boosting/promotion.	400,000	455,000
Conduct of Business	COB Supervisory Seminars in JHB and Cape Town	-	120,000
Banks and Payments	FSCA Bank led Conference /workshop with the Banking Sector.	-	150,000
Financial Advisors	Workshops and conferences	-	342,000
Micro Insurance	Training FSPs	-	112,000
FICA Supervision	3 Workshops and venue hire	-	180,000
Retirement Funds	Liquidation notices AGMs	-	2,000
Governance, Risk	Planned Awareness Campaigns	150,000	108,825

Total		4,132,800	4,182,825
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(j) *Local travel R5.996 million (Budget 2021/22: R7.849 million)*

The local travel budget includes budget for local travel and accommodation for onsite visits by: Conduct of Business Supervision R1.888 million (R2.989 million), Investigations and Enforcement Assessment R875.819 (R916.840), Regulatory Policy R731.552 (R1.037 million), Market Integrity R563,713 (R385.211), Retirement Fund Supervision R514.300 (R385.250), Licensing & Regulatory Hub R189 600 (R410 000) and the balance is travel by support departments.

(k) *Foreign travel R5.501 million (Budget 2021/22: R2.080 million)*

Foreign travel is for various FSCA departments as approved by Strategic Management Committee. The Foreign travel budget includes budget for foreign travel and accommodation by: Conduct of Business Supervisions R1.368 million, Regulatory Policy R1.312 million, Chief Financial Officer R734.000, Office of the Commissioner R782.000, Investigations and Enforcement Assessment R457.983, Retirement Fund Supervision R243,918, Market Integrity R223.499, Office of the General Council R225 943, ICT R80.000 and Specialist Support R74,000. (In the previous year Foreign Travel was centralised hence there are no divisional comparatives.) The travel approvals will be made by the commissioners based on the division's motivations and continuous travel risk assessments.

(l) *Subsistence and overtime meals R1.666 million (Budget 2021/22: R1.228 million)*

Subsistence and overtime meals are for various FSCA departments for onsite visits.

(m) *Depreciation R28,927million (Budget 2021/22: R29.837 million)*

The depreciation budget includes R22.495 million for the existing assets and R6.432 million for additions as detailed per capital expenditure budget (pages 24 & 25).

(n) *Computer Licences 44.238 million (Budget 2021/22: R32.075 million)*

The budgeted amount relates to the annual renewal of ICT licenses for existing and new software packages.

(o) *FSCA membership fees R5.501 million (Budget 2021/22: R5.597 million)*

The budget covers FSCA membership fees to various organisations. The variance to forecast is mainly due to new affiliations to align to FSCA's mandate.

(p) *Office rental R86.577 million (Budget 2021/22: R82.243 million)*

The increase in rental is mainly because of annual escalations of municipality rates and as per the lease agreement. There is an R8 million budgeted recovery for rental reductions and subletting of some office space.

2.4 Capital Expenditure Budget

Table 6: Capital Expenditure Budget

Asset Category	Notes	BUDGET 2022/23	FORECAST 2021/22	BUDGET 2021/22	BUDGET 2023/24	BUDGET 2024/25
		Total	Total	Total	Total	Total
		R'000	R'000	R'000	R'000	R'000
Computer software	2.4.1	142,205	18,660	113,660	60,000	50,000
Computer equipment	2.4.2	6,246	6,200	10,645	4,500	3,500
Leasehold improvement	2.4.3	5,600	1,000	10,412	-	-
Office equipment	2.4.4	344	190	625	250	200
Office furniture & fittings	2.4.5	96	450	259	-	-
Motor Vehicles	2.4.6	1,550	-	460	-	-
		156,040	26,500	136,061	64,750	53,700

2.4.1 Computer Software R142.205 million (Budget 2021/22: R113.660 million)

Computer software is made up of infrastructure upgrades; R90 million for Integrated Regulatory System (IRS), R22.4 million for Azure HCI Technology, R8 million for Business Automation, R5 million for Enterprise Integration Software, R4.7 million for an Integration Platform, R3 million for Project Management Software, R3 million for Business Centre Enablement (CRM), R2.3 million for a Data Management Tool, R1 million for BIA Advanced Analytics Software and R1 million for EA Sparks Tool. The balance of R1.810million is made up of an Identity Access, Data Loss Prevention Solution and PRAGMA Security Management System.

2.4.2 *Computer Equipment R6.246 million (Budget: 2021/22: R10.645 million)*

The R5.496 million budget is for the acquisition of laptops in line with the FSCA computer replacement policy and the balance of R0.75 million is for the upgrade of Training Sound Equipment.

2.4.3 *Leasehold Improvements R5.6 million (Budget 2021/22: R10.412 million)*

This comprises of leasehold improvements related to the restructuring of office space. This is a re-budgeting for some space planning activities that were budgeted for in 2021/22 that did not materialise.

2.4.4 *Office Equipment R0.344 million (Budget 2021/22: R0.625 million)*

The budget for office equipment consists of general office items. Included in the budget are Biometric Scanners for R170 000, Sanitisers/Temperature scanners for R100 000, additional telephone sets for new employees for R42 600 and the rest is for trollies, voice recorders and a bar fridge.

2.4.5 *Office Furniture & Fittings R0.096 million (Budget 2021/22: R0.259 million)*

The budget is for general office furniture including office chairs and tables.

2.4.6 *Motor Vehicles: R1.550 million (Budget 2021/22: R0.460 million)*

The budget amount is for commissioner's transport vehicle for R1.1million and a caddy van replacement for R0.450 million.

2.4.7 Post 2022/23 FY: IRS system: R110 million

The budget amount is for the IRS system which is expected to be fully implemented within five years.

ANNEXURE A – DETAILED BUDGET INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	2022/23 BUDGET	VARIANCE FORECAST VS BUDGET	2021/22 FORECASTS	2021/22 BUDGET
	FSCA	FSCA	FSCA	FSCA
	R'000	%	R'000	R'000
REVENUE				
Levies	883,524	1%	873,562	864,481
Fee income	31,308	24%	25,330	93,673
Interest received	15,057	-7%	16,242	13,093
Other income	13,200	-30%	18,922	20,000
Other cost recoveries	6,000	-52%	12,384	27,293
TOTAL REVENUE	949,089	0%	946,440	1,018,540
STAFF EXPENDITURE				
DIVISIONAL	557,729	14%	489,003	525,987
Cost to employer	530,357	19%	445,502	496,180
Relief staff	60	0%	60	60
Contractors	6,860	-32%	10,125	10,125
Internship and secondment fees	1,209	-29%	1,700	1,700
Long service awards	1,494	-10%	1,668	1,668
Study amortisation	3,501	15%	3,038	3,038
Registration and membership fees	593	-12%	672	672
Leave provision	9,672	-56%	22,114	8,862
Settlement staff	-	-100%	505	-
UIF	1,437	33%	1,084	1,149
Seminars and conferences	2,546	0%	2,534	2,534
CENTRAL	60,069	6%	56,929	57,270
Incentive schemes	39,605	5%	37,870	37,856
Workmen's compensation	367	8%	340	340
Group and life skills training	7,767	2%	7,611	7,520
Employee wellness	726	166%	273	707
Momentum employee benefit - Disability	6,152	23%	4,984	5,756
SETA levy	5,304	29%	4,119	4,962
PRM expense	-	-100%	1,619	-
Special gratuity	148	31%	113	128
TOTAL STAFF EXPENDITURE	617,797	13%	545,932	583,257

ANNEXURE A – DETAILED BUDGET INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	2022/23 BUDGET	VARIANCE FORECAST VS BUDGET	2021/22 FORECASTS	2021/22 BUDGET
	FSCA	FSCA	FSCA	FSCA
	R'000	%	R'000	R'000
GENERAL EXPENDITURE				
DIVISIONAL	64,619	-9%	70,682	70,682
Advisory Committee Expenditure	826	-11%	932	932
Computer support and maintenance	12,343	36%	9,098	9,098
Consumable Assets	373	-20%	469	469
Courier services	153	51%	102	102
Catering functions: meeting external	743	-65%	2,139	2,139
Entertainment external	92	100%	68	68
Entertainment internal	127	100%	126	126
Executive medicals	369	0%	368	368
Outsourcing	6,000	-65%	17,033	17,033
Pool car fuel and maintenance	108	-25%	144	144
Postage	184	-55%	406	406
Printing	23	-73%	84	84
Printing - government gazette	225	-23%	292	292
Professional fees	19,768	6%	18,648	18,648
Credentials verification	1,095	394%	221	221
Promotions	4,133	-1%	4,182	4,182
Publications and newspapers	245	35%	181	181
Tender costs	60	100%	30	30
Off-site storage	729	23%	595	595
Stationery	761	-41%	1,298	1,298
Transcripts and translations	325	-25%	433	433
Telephone cell phones	2,762	5%	2,627	2,627
Telephone fax lines	12	-76%	50	50
Travel local - mileage, parking and toll fees	3,892	-30%	5,560	5,560
Local accommodation	2,104	-8%	2,288	2,288
Subsistence and overtime meals	1,666	36%	1,228	1,228
Foreign accommodation	1,651	100%	1,030	1,030
Foreign travel	3,850	267%	1,050	1,050

ANNEXURE A – DETAILED BUDGET INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	2022/23 BUDGET	VARIANCE FORECAST VS BUDGET	2021/22 FORECASTS	2021/22 BUDGET
	FSCA	FSCA	FSCA	FSCA
	R'000	%	R'000	R'000
CENTRAL	223,464	23%	181,992	199,684
Advertising	7,035	177%	2,541	3,043
Audit fees - external	4,262	4%	4,100	4,059
Audit fees - internal	1,027	-34%	1,549	1,883
Provision irrecoverable other	-	-100%	3	-
Bank charges	650	38%	472	622
Call Centre	5,519	23%	4,495	5,359
Canteen expenses	894	-29%	1,254	2,293
Cleaning services	2,162	3%	2,107	2,841
Consumables	43	-65%	124	60
Depreciation	28,927	10%	26,302	29,837
Equipment and furniture maintenance	62	-86%	446	83
Other committee fees & expenses	2,614	24%	2,103	1,952
FSOS Council expenses	-	100%	27	104
Flowers and plants	61	8%	57	78
Short term insurance - office contents, Fidelity and Professional Indemnity	3,931	29%	3,051	3,284
Legal fees	12,000	20%	10,025	10,000
Legal fees collections)	380	65%	230	425
Legal fees staff matters	2,288	111%	1,087	2,124
Printing	2,453	30%	1,891	3,484
Professional fees	4,316	551%	663	2,533
Quality control project	300	444%	55	96
Refreshments board events	240	31%	183	482
Computer licenses and services	44,238	50%	29,397	32,075
Rental - offices	86,577	5%	82,181	82,243
Publications and bulletin - Library	1,521	343%	343	-
FSCA Membership Fees	5,501	67%	3,288	5,597
Building repairs and maintenance	2,379	70%	1,399	1,992
Security	2,111	43%	1,478	1,859
Pest control	98	166%	37	109
Management fee PRM	-	-100%	205	-
Documents shredding	96	27%	75	101
Telephone maintenance	1,778	0%	822	1,065
TOTAL GENERAL EXPENDITURE	288,084	14%	252,675	270,366
TOTAL EXPENDITURE	905,881	13%	798,607	853,623
OPERATING SURPLUS BEFORE PFA & FAIS OMBUD and Capex Tra	43,208	-71%	147,833	164,917
Transfer to Capex	(61,641)	100%	-	-
PFA Funding	-	-100%	(79,302)	(79,302)
FAIS Ombud funding	-	-100%	(57,755)	(57,755)
Tribunal funding	-	-100%	(12,851)	(27,293)
OPERATING (DEFICIT) / SURPLUS	(18,433)	788%	(2,075)	567

ANNEXURE B – ACCUMULATED SURPLUS / DEFICIT

	Accumulated Surplus / (Deficit)
	R'000
Accumulated surplus balance as at March 2021	361,134
Forecasted Surplus/ (Deficit) for the year as at 31 March 2022	(2,075)
Forecasted Surplus/ (Deficit) for the year as at 31 March 2022	359,059
Budgeted Surplus/ (Deficit) for the year as at 31 March 2023	(18,433)
Budgeted Accumulated Surplus / (Deficit) as at 31 March 2023	340,626

