



Financial  
Services  
Board

## PRESENTATION TO PARLIAMENT STRATEGIC PLAN 2011-2013

1 June 2011



## Presentation Outline

- Introduction
- About the FSB
- The Strategic Intent
- Financial Implications (The Budget)
- Way Forward
- Concluding Remarks



## The FSB – What We Stand For



Stripping of pension fund surplus assets:

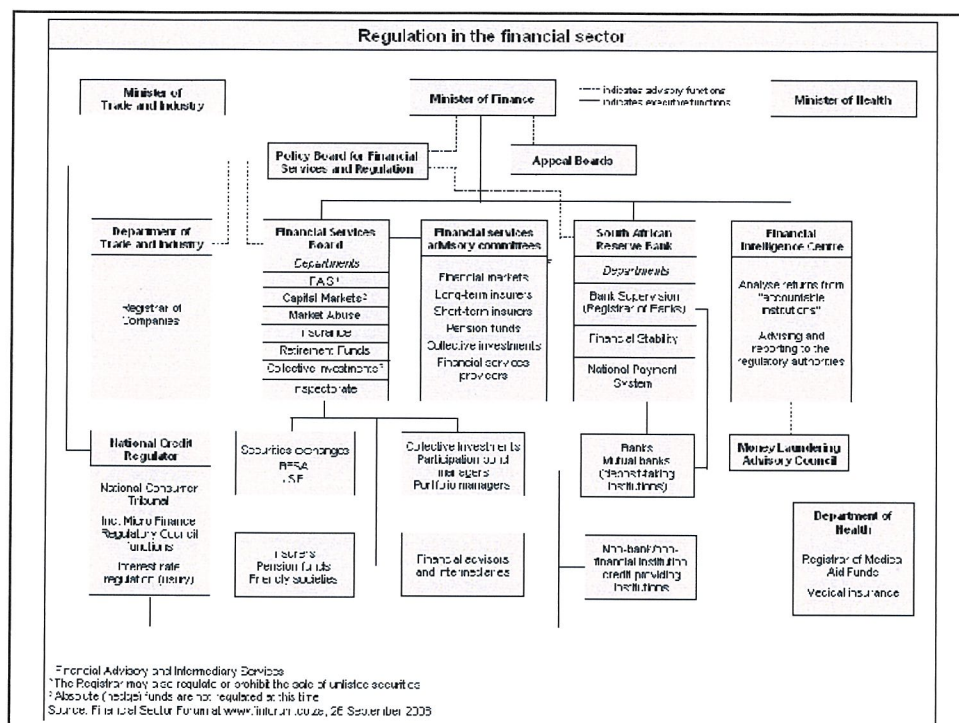
**At last pensioners and former members can smile**

Source: FSB Bulletin



## Background to the FSB

- The FSB was formed in 1991
- It was established as an independent public entity
- The core business is to supervise and regulate the non-banking financial services industry in the public interest
- The FSB has developed and maintained a strong, effective presence in the regulatory field over the past 20 years, in South Africa and internationally



## The Mandate of the FSB

The FSB Administers the following Acts of Parliament:

- Financial Services Board Act (Act 97 of 1990)
- Collective Investment Schemes Control Act (Act 45 of 2002);
- Financial Advisory and Intermediaries Services (Act 37 of 2002);
- Financial Institutions (Protection of Funds) Act (Act 28 of 2001);
- Financial Supervision of the Road Accident Fund Act (Act 8 of 1993);
- Financial Services Ombudsman Schemes Act (Act 37 of 2004);
- Friendly Societies Act (Act 25 of 1956);
- Inspection of Financial Institutions Act (Act 80 of 1998);
- Long-term Insurance Act (Act 52 of 1998);
- Pension Funds Act, 24 (Act 24 of 1956);
- Short-term Insurance Act (Act 53 of 1998);
- Supervision of the Financial Institutions Rationalisation Act (Act 32 of 1996); and
- Securities Services Act (Act 36 of 2004).





## The Vision, Mission and Values Statement



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

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



Mission

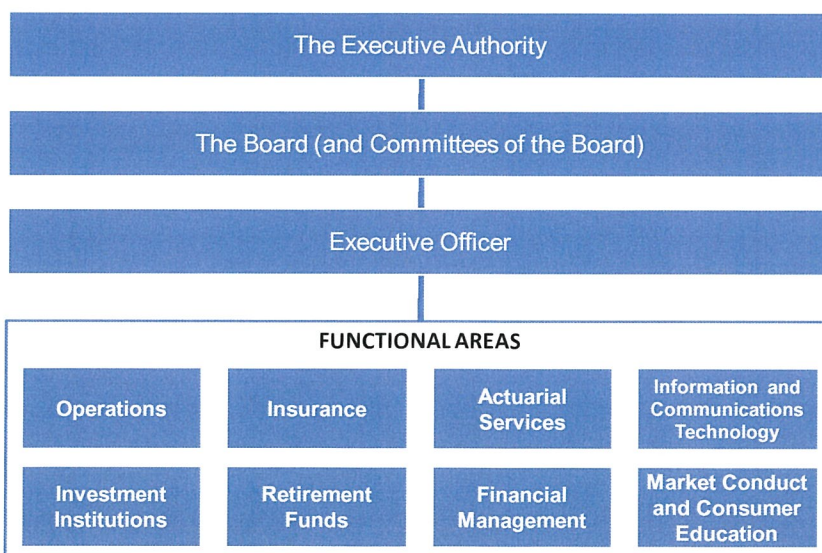


***To regulate and supervise the financial institutions and markets to protect consumers of financial services***

***A sound financial investment environment in South Africa***



## How We Are Structured





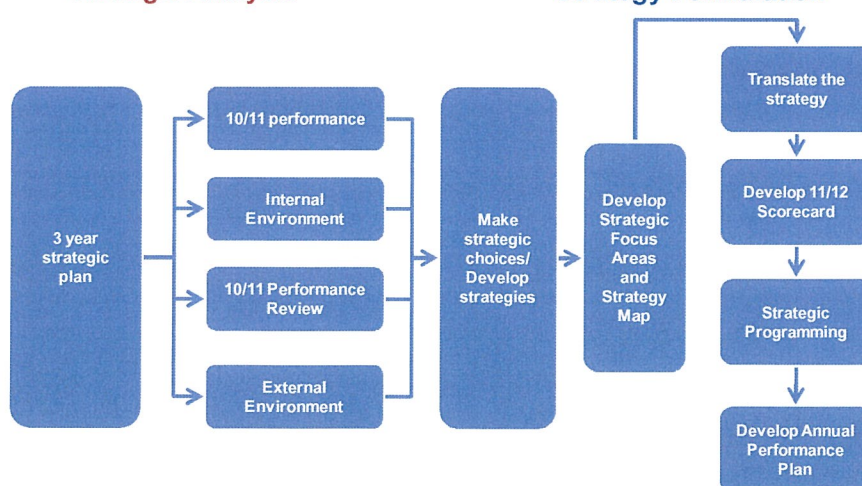
## How The Plan Was Developed

- First Draft prepared by FSB
- First Revision of internal draft
- Appointment of Consultant team to assist with process
- Review of existing material
  - Strategic plans
  - Annual reports
  - Relevant source documents and balance scorecard approach
- Facilitated session with Executive Team
- Visual and Participatory methodology
- Initial attempt at outcomes based approach
  - SWOT Analysis
  - Environmental Scan
  - Review of existing Plans / Scorecard
- Agreement to work on existing Treasury Framework (Gazetted 2007)

## Strategic Planning Framework

### Strategic Analysis

### Strategy Formulation





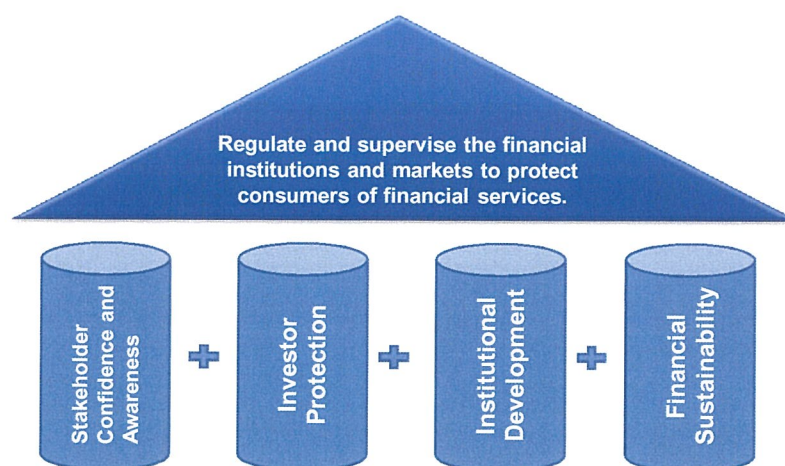
## The Strategic Context

- The following were critical considerations in the formulation of the strategic plan:
  - The Economic Landscape
  - The Supervisory and Regulatory Framework
  - Relationships with Other Local Regulators
  - Relationships with International Organizations
  - The Performance Environment (SWOT Analysis)

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## The Strategic Map



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## Stakeholder Confidence and Awareness

- Promoting the FSB brand
- Project on “Treating Customers Fairly”
- Participation in the National Consumer Education Strategy initiative driven by National Treasury
- Extending the consumer education and financial literacy footprint including the training of Pension Fund trustees
- Maintaining FSB’s audit status



## Investor Protection

- Adopting G20 requirements:
  - Solvency Assessment Management Project (SAM) for the Insurance Industry
  - Regulation of Hedge Funds
  - Regulation of Credit Rating Agencies
  - Regulation of Over The Counter Trades
- Regulation of micro insurers e.g. funeral policies etc
- Pursuit of best practice to ensure a sound financial investment environment e.g. regulatory reviews etc
- Enhance the functioning of the FSB Enforcement Committee (Administrative sanctions)



## Institutional Development

- Total revamp of the ICT system to enhance the effectiveness and efficiency of the FSB
- Create a values driven organisation
- Promote skills development and employee growth opportunities
- Make the FSB an employer of choice/ Improve the FSB employee value proposition



## Financial Sustainability

- Enhance legislation to facilitate the collection of levies
- Focus on reducing average debtor days
- Enhance monitoring mechanisms to support expenditure and budget management
- Maintain compliance with financial management requirements





## Financial Implications – The Budget

	20011/12	2010/11
	R'000	R'000
Gross Revenue	450,226	410,008
Operating Expenditure	408,769	346,650
Funding of Ombuds		
Offices	61,854	59,186
<b>Surplus / (Deficit)</b>	<b>(16,397)</b>	<b>4,173</b>

FSB is funded by :      a) Annual levies on regulated institutions  
                                      b) Service fees



## Way Forward

- Envisaged Changes to Legislative and Regulatory Framework
- Compliance With the Proposed Strategic and Annual Performance Planning Framework
  - Planning for the next (5 year) cycle to commence on 6 June 2011



**THANK YOU. QUESTIONS?**