



# **REVISED STRATEGIC PLAN**

## **2021 – 2026**

January 2021

## **Minister's Statement**

The Office of the Pension Funds Adjudicator presents its plans in difficult and challenging times for the country. South Africa continues to face a challenging fiscal and economic outlook and rising unemployment. To achieve higher, more inclusive economic growth and create jobs, the government needs to strengthen the capability of the state and present comprehensive structural reforms.

The enactment of the Financial Sector Regulation Act (Act no. 9 of 2017) indicates government's commitment to reforms in the financial services industry. The Act proposed a regulatory transformation in the current ombud system and an establishment of an Ombud Council to enhance the policy goal of improving consumer protection and embedding principles of Treating Customers Fairly. In addition, the Act established a Financial Services Tribunal which is an independent economical avenue for aggrieved persons, to review and reconsider decisions of the Pension Funds Adjudicator.

In this transition and reform period, I applaud the efforts demonstrated by the Office of the Pension Funds Adjudicator in discharging its mandate of a fair, economical and timely resolution of pension fund complaints. Efforts will continue to ensure all reforms implemented and envisaged are for the benefit of pension fund members.

---

**TT Mboweni (Minister for Finance)**

**Executive Authority**

## **Accounting Authority Statement**

I have pleasure in presenting the reviewed Strategic and Annual Performance Plan documents for the Office of the Pension Funds Adjudicator (OPFA). The review process amongst other things considered the potential impact of the proposed regulatory reforms to the current ombud system, the review of the complaints' management process, the Financial Services Tribunal (FST) and the OPFA's response to providing an essential service to complainants during Covid-19.

### *Establishment of the Ombud Council*

The mandate execution of the OPFA will be positively influenced by the establishment of the Ombud Council in terms of the Financial Sector Regulation Act, 2017 ("FSR Act"), to oversee the operations and governance of ombud in the financial services industry. The objective of the Ombud Council is to assist in ensuring that financial customers have access to affordable, effective, efficient, independent and fair alternative dispute resolution processes for complaints about financial institutions in relation to financial products and services. The outcomes of these reforms are expected to significantly improve in embedding the 'Treating Customers Fairly' principles throughout the financial services industry.

### *Review of complaints' management process*

From 1 September 2020, the OPFA has been referring complaints to funds for internal dispute resolution before commencing an investigation in terms of section 30A(1) of the Pension Funds Act. Funds/employers are granted 30 days to resolve the complaint internally, in terms of section 30A(1) of the Pension Funds Act, 1956 ("PF Act"). If the complainant is not satisfied with the response or receives no response within the prescribed period, the OPFA will proceed to investigate the complaint. Non-compliance will be reported to the Financial Sector Conduct Authority ("FSCA") on a quarterly basis.

### *Financial Services Tribunal*

The FSR Act came into effect on 1 April 2018. Prior to the FSR Act, a person aggrieved by a determination of the Adjudicator was constrained to make an application to the High Court in terms of section 30P of the PF Act. In terms of the FSR Act, the former FSB Appeal Board was disestablished and the FST was established. In the previous dispensation, parties to a complaint before the Adjudicator did not have recourse to the FSB Appeal Board. The FSR Act brought within the ambit of the FST, decisions made by the Adjudicator which could be remitted by the FST to the Adjudicator for reconsideration. The FST proceedings are presided over by experienced legal professionals (including retired judges) and experts from the financial services industry. This has been a positive

development available for aggrieved persons to utilise a process that is conducted with less formality and technicality, and as expeditiously as the requirements of the financial sector laws and a proper consideration of the matter permit. Section 30P High Court applications have shown a downward trend since the introduction of the FST. Simultaneously, more aggrieved persons have accessed the FST, which can be attributed to it being cost effective and more efficient.

### *Impact of Covid-19 to OPFA mandate*

The impact of the Covid-19 pandemic on the economy and ensuing job cuts enhanced the importance of the mandate of the OPFA in ensuring accessible, effective and efficient dispute resolution in relation to members' retirement savings. When the National State of Disaster was first declared in March 2020 and the introduction of lockdown measures, the OPFA temporarily closed its offices but continued to operate as an essential service with its employees working remotely to ensure delivery of its mandate. This meant that receipt of walk-in complaints was temporarily suspended (affecting the most vulnerable in society) and planned outreach programmes were postponed indefinitely. Receipt of complaints via post, email and the internet continued. The OPFA subsequently reopened its offices and resumed services during the lockdown with strict adherence to Covid-19 protocols, including the rotation of staff attending the office in order to give effect to social distancing. Walk-in complainants, whose numbers have reduced during the lockdown, are also required to strictly adhere to the protocols in place. The lockdown measures are expected to continue in the immediate future and to have a negative impact on delivery of the organisation's mandate.

### *Conclusion*

The OPFA is earnestly preparing itself for these impending changes and demands within the financial services ombud space. Over the past 22 years the OPFA has developed professional and technical capabilities to deliver its mandate effectively. As the volume of complaints received continues to increase, the organisation's capability will be strengthened to ensure continued operational efficiency. This will also include being able to offer competitive remuneration packages to our staff.

Over the medium term, the key strategic priorities for the OPFA are in the main to reduce the administration related to complaints by improving stakeholder engagements and encouraging complainants to use internal dispute resolution processes; find innovative ways to intensify outreach programmes for more consumer awareness; develop service standards in order to measure the impact of the service offering to complainants and other stakeholders; and optimise the resources of the office to meet the increased mandate and number of complaints.

I am satisfied that the OPFA has the necessary capacity and capability to respond effectively to the changes in the financial services landscape.



---

**O Makhubela (Acting Commissioner)**

**Accounting authority of the Office of the Pension Funds Adjudicator**

## **Foreword from the Pension Funds Adjudicator**

The strategic planning document of the OPFA presents our key objectives for the next financial period of the medium term planning framework.

The mission statement of the OPFA articulates two strategic outcomes that will deliver the organisation's mandate: resolving complaints and protecting the interests of pension fund members.

The OPFA has a set of clearly articulated and measurable strategic objectives to guide its operations to achieve its mission. They include the timeous resolution of complaints in a procedural fair and economical manner; building effective relationship with key stakeholders; and striving for operational excellence in our work.

The capabilities that will enable the OPFA to achieve its strategic objectives are its professional and technically competent staff members; an efficient technological infrastructure and business processes; an organisational culture based on high performance; and ethical conduct.

The OPFA has achieved most of its strategic objectives over the past financial year despite a significant increase in complaints while maintaining the same level of delivery capacity.

Our staff worked together to streamline processes and shared information speedily to maintain our turnaround times without compromising the quality of the output.

The strategic planning process indicates that the organisation requires additional investment in its current capabilities to continue maintaining a high level of quality performance.

Our plan is to invest in staff development through formalised training programmes that will ensure continuous professional development and improvement in technical skills and competencies. The current ICT system will be reviewed to enhance operational efficiency.

Furthermore, our analysis of complaints from the past financial years points to weak governance processes within funds and administrators, a failure by employers to pay/transfer the pension contributions of members and a failure by funds and administrators to pay benefits timeously.

The organisation will be focusing on strengthening the engagement with stakeholders to address the underlying causes that result in avoidable complaints.

Over the past 22 years, the OPFA has contributed to provide much-needed access to alternative dispute resolution in a complex area of law. We have contributed to developing retirement fund policy, legislation and regulatory amendments.

As we look forward to the future, the OPFA is poised to join the new ombud schemes dispensation with much vigour in the knowledge that stakeholders, especially fund members, stand to be the biggest winners in a more integrated and streamlined financial services complaints' management landscape.



---

**MA Lukhaimane**

**Pension Funds Adjudicator**

## Official Sign-off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the OPFA under the guidance of the Executive Authority and Accounting Authority;
- Takes into account all the relevant policies, legislation and other mandates for which the OPFA is responsible;
- Accurately reflects the Impact, Outcomes and Outputs which the OPFA will endeavour to achieve over the period 2020 to 2025. The strategic plan will be reviewed throughout this period to take into account the impact of Twin-Peaks implementation where necessary.



---

**B Makunga**

**Chief Financial Officer**



---

**MA Lukhaimane**

**Pension Funds Adjudicator**



---

**O Makhubela (Acting Commissioner)**

**Accounting Authority**

**Approved by:**

---

**TT Mboweni (Minister for Finance)**

**Executive Authority**

# PENSION FUNDS ADJUDICATOR

2021 – 2026

## INDEX

---

<b>Minister’s Statement</b> .....	2
<b>Accounting Authority Statement</b> .....	3
<b>Foreword from the Pension Funds Adjudicator</b> .....	6
<b>Official Sign-off</b> .....	8
<b>DEFINITIONS</b> .....	10
<b>PART A: OUR MANDATE</b> .....	11
1. <b>Constitutional Mandate</b> .....	11
2. <b>Legislative and policy mandates</b> .....	11
3. <b>Institutional Policies and Strategies over the five year planning period</b> 12	
<b>PART B: OUR STRATEGIC FOCUS</b> .....	13
4. <b>Vision</b> .....	13
5. <b>Mission</b> .....	13
6. <b>Values</b> .....	13
7. <b>Situational analysis</b> .....	13
<b>PART C: MEASURING OUR PERFORMANCE</b> .....	23
8. <b>Strategic outcome-oriented goals</b> .....	23
9. <b>Key Risks</b> .....	323
10. <b>Resource considerations</b> .....	345
11. <b>Risk Management and mitigation factors</b> .....	356
<b>PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)</b> .....	367
<b>ANNEXURE A</b> .....	445
<b>Funding and Budget estimates over the Medium Term Expenditure Framework</b> .....	445

## DEFINITIONS

---

<b>ACT</b>	Pension Funds Act, 24 of 1956;
<b>BCM</b>	Business Continuity Management
<b>FSCA</b>	Financial Sector Conduct Authority
<b>FSR Act</b>	Financial Sector Regulation Act, 9 of 2017
<b>HR</b>	Human Resources
<b>ICT</b>	Information and Communications Technology
<b>NCU</b>	New Complaints Unit
<b>OPFA</b>	Office of the Pension Funds Adjudicator
<b>Adjudicator</b>	Pension Funds Adjudicator and/or Deputy Pension Funds Adjudicator
<b>PFA</b>	Pension Funds Adjudicator
<b>DPFA</b>	Deputy Pension Funds Adjudicator
<b>CFO</b>	Chief Financial Officer
<b>PFMA</b>	Public Finance Management Act, 1 of 1999;

# OVERALL STRATEGIC PLAN OF THE OFFICE OF THE PENSION FUNDS ADJUDICATOR 2021 TO 2026

---

## **PART A: OUR MANDATE**

### **1. Constitutional Mandate**

Section 34, Chapter 2: Bill of Rights, of the Constitution of the Republic of South Africa states that:

*34. Access to courts.—Everyone has the right to have any dispute that can be resolved by the application of law decided in a fair public hearing before a court or, where appropriate, another independent and impartial tribunal or forum.*

The Office of the Pensions Adjudicator was established in terms of the Pension Funds Act to ensure that rights of consumers of pension products and services are protected and they are treated fairly within the prescripts of the law.

### **2. Legislative and policy mandates**

The Office of the Pension Funds Adjudicator is a PFMA Schedule 3A entity established in terms of section 30B of the ACT with effect from 01 January 1998 to investigate and determine complaints lodged in terms of the ACT. It is funded in terms of section 237 of the FSR Act by way of levy imposed by national legislation and collected by the FSCA.

The mandate of the OPFA in terms of section 30D of the ACT is to ensure a procedurally fair, economical and expeditious resolution of complaints by:

- Ensuring its services are accessible to all;
- Investigating complaints in a procedurally fair manner and;
- Reaching a just and expeditious resolution of complaints in accordance with the law.

### **3. Institutional Policies and Strategies over the five year planning period**

The OPFA is guided by its mandate and is committed to achieving its strategic goals and contribute to social protection of consumers of pension products and services by:

- Being a trusted, independent and impartial Pension Funds Adjudicator
- An organisation that leads by example and committed to service excellence
- Providing access to consumers
- Educate and inform consumers of their rights
- Establish meaningful and collaborative relationships with stakeholders

The OPFA's strategic objectives over this period focus on discharging the mandate of the OPFA; improving and maintaining its operations and having informative and value adding interactions with its stakeholders. Namely:

- Strategic goal 1: Dispose of complaints received
- Strategic goal 2: Achieve operational excellence
- Strategic goal 3: Effective Stakeholder Engagement

The OPFA is committed in the National Development Plan 2030. The OPFA holds role players in the retirement fund industry to account as it reinforces measures put in place by the State (Social Protection) to make pensions safe and sustainable. By resolving complaints, the OPFA lays the basis for more acceptances of the envisaged mandatory savings. Through its involvement in the various tertiary institutions providing the pension law training, the OPFA supports the development of specialised pension law programmes (further education and training), that in turn lay the basis for universities to conduct research in the sector.

Through its organisational development activities the OPFA strives to create a society where equal opportunities are granted and employees demonstrate their citizenry by accepting that they have both rights and responsibilities (nation building and social cohesion).

## **PART B: OUR STRATEGIC FOCUS**

### **4. Vision**

To be a respected institution that is the arbiter of choice in pension fund complaints submitted to it in terms of the ACT.

### **5. Mission**

The mission of the OPFA is to resolve complaints in terms of the ACT.

### **6. Values**

The OPFA will act professionally at all times. To this end, the OPFA promotes the following values:

- Professional and technical competence;
- Integrity;
- Collaboration;
- Stakeholder synergy;
- Respect and dignity; and
- Impartiality.

### **7. Situational analysis**

#### ***7.1 Performance environment***

The OPFA has jurisdiction over complaints of over 10 million active members of pension funds in privately administered and underwritten funds registered in terms of the ACT. This environment has a majority of unskilled and low-skilled employees that are accommodated in large industrial sector funds or umbrella funds. There is a prevalence of non-compliance with fund contributions as required by the ACT in industrial sector funds and umbrella funds.

The 2019/20 financial year saw the office receive a record number of 11 179 complaints and finalised 9 586 matters within the year. The 2019/20 number of new complaints received represented a marginal decrease of 1.93% to the prior year.

The office did its best to finalise complaints expeditiously despite the fact that the funds that generate the largest number of complaints take on average 66 days to file responses instead of the 30-day period. This behaviour stretches the organizational capacity and puts an unnecessary strain on case managers who are expected to send multiple reminders to funds to file responses on matters that are mostly straightforward. The stability in the management team assisted in coping with a difficult operating environment.

The effectiveness of the OPFA to meet its mandate should be measured against the backdrop of applicable regulatory prescripts. The operational efficiency of the organisation is impacted by the relationship and response rate of key stakeholders as required by our regulatory prescripts as exercised by the FSCA. The critical stakeholders that influence our operational efficiency in resolving complaints are the following:

- Members/Complainants;
- Retirement funds;
- Administrators;
- Employers and;
- Value chain providers i.e. actuaries, asset managers, life insurers

## **7.2 Organisational environment**

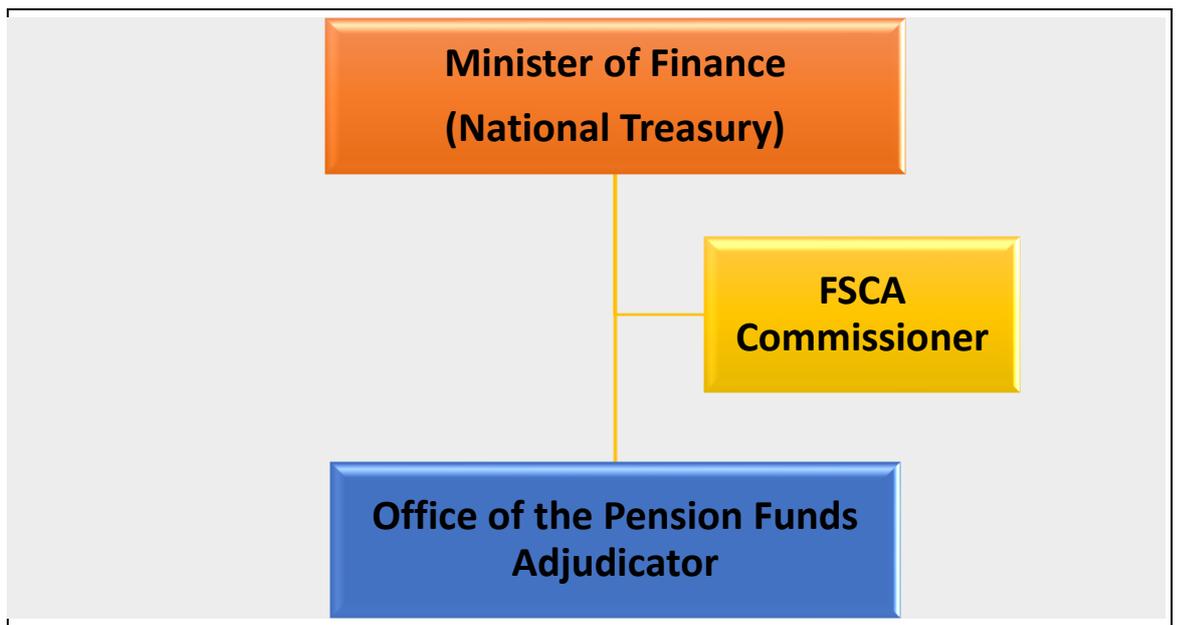
The PFA is an Accounting Officer and reports to the Minister of Finance in terms of the ACT. The OPFA is a Schedule 3A listed entity in terms of the PFMA. The FSCA Commissioner is the Accounting Authority of the OPFA until the Financial Services Ombud Schemes Council has been established. According to the FSR Act (read together with Government Gazette No. 43371), Chapter 14 which relates

to the establishment of the Ombud Council will be effective on 01 November 2020. When this has been confirmed and announced the OPFA will evaluate the impact on its strategy and operations, including the review of the Strategic Plan and Annual Performance Plan before tabling.

The OPFA makes use of the governance committees of the FSCA to assist it in its functioning and accountability. The governance committees comprise of a Risk Committee, an Audit Committee, a Human Resources and Remuneration Committee.

The OPFA is audited by the Office of the Auditor General as its external auditors and outsources its internal audit function to optimise independent overall assurance regarding the adequacy and effectiveness of organisational processes, risk management, governance and control environment.

#### **OPFA Governance Structure**



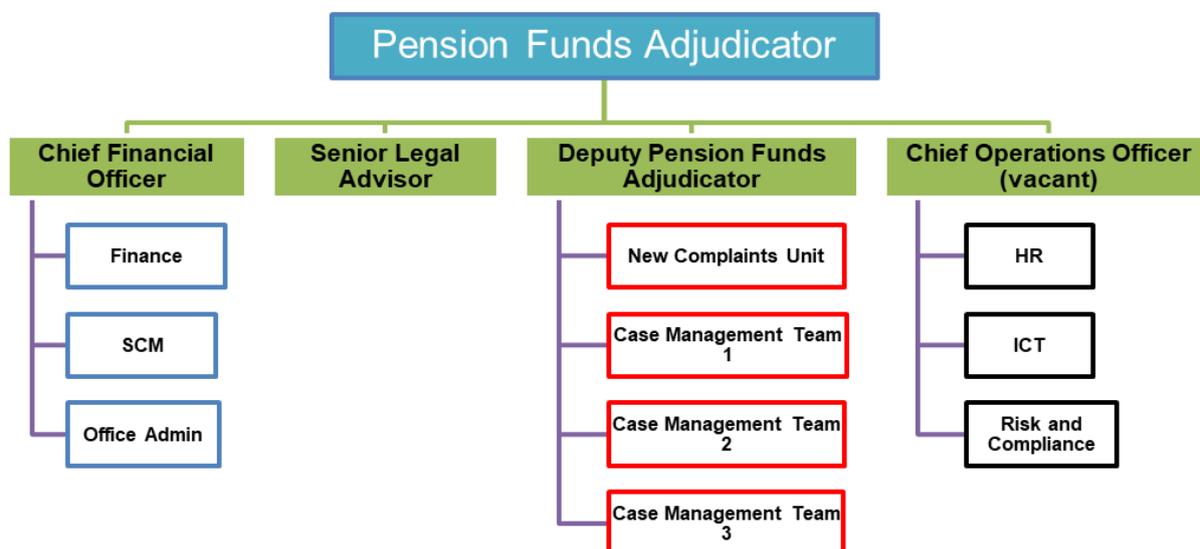
The organisation had a staff complement of 61 as at September 2020 including the Management committee. The operations are structured into two major inter-dependent functions; adjudication and corporate support services. The adjudication function consists of 2 departments; New Complaints Unit and Case Management.

The NCU department receives and allocates new complaints to the case management teams. The case management teams investigate complaints, where possible pursue settlements, refer matters for Conciliation and draft determinations in terms of section 30M of the ACT. Where determinations are drafted, these are then submitted to the Adjudicator for consideration and finalisation. The Investigation phase is aimed at soliciting further information in respect of complaints from the parties concerned. The Adjudicator approves and signs off determinations.

The corporate support function consists of the following departments:

- *Finance Department* — is responsible for the management of financial resources of the OPFA in terms of the ACT, the PFMA and Treasury Regulations, Supply Chain Management and Office Administration. This function is led by the CFO.
- *Operations Department* – is responsible for all operations that include HR, ICT and Risk and Compliance and is led by the COO. The OPFA leverages off the FSCA's sound ICT environment as most of its ICT infrastructure, maintenance and support is managed by the FSCA in terms of a service level agreement.

The illustration below presents a picture on how the operations of the OPFA are organised:



## Internal Environment Analysis

Over the years the OPFA has developed professional and technical capabilities to address its mandate effectively. As the volume of complaints from the industry increases the organisational capability would need to be bolstered to ensure continued operational efficiency. This is one of the underlying reasons for recruiting a DPFA and COO at senior levels.

The current strengths of the organisation as listed below are viewed as sufficient to cope with both the volume and complexity of the current challenges. The predicated future demands may require a review and upgrade in our existing capabilities. The current weaknesses of the organisation will receive attention by the management team in the coming financial year.

The current organisational strengths and weaknesses are listed below:

## **Organisational Strengths**

<b>Capability</b>	<b>Description</b>
<b>Human resources</b>	<ul style="list-style-type: none"> <li>• Commitment by staff to achieve the mandate</li> </ul>
<b>Stakeholder relations</b>	<ul style="list-style-type: none"> <li>• Good relations with National Treasury and the accounting authority</li> <li>• Satisfactory level of co-operation and respect from the Industry and the Regulator</li> </ul>
<b>Operational efficiencies</b>	<ul style="list-style-type: none"> <li>• Continued improvement of business processes and overall performance.</li> <li>• Tender processes are transparent</li> <li>• Service providers paid every 2 weeks</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Stable and experienced accounting authority during the transition period</li> <li>• Track record of compliance with the PFMA and AGSA audit requirements</li> </ul>

The strength of these current capabilities enables the organisation to maintain its current efficiencies, performance and sound relationships with key stakeholders.

## **Organisational Weaknesses**

<b>Capability</b>	<b>Description</b>
<b>Human resources</b>	<ul style="list-style-type: none"> <li>• Organisational development not refined</li> <li>• Lack of standardised training for staff</li> <li>• Limited skilled pool of adjudicators and case managers for complaints resolution with pension law experience</li> </ul>
<b>Stakeholder relations</b>	<ul style="list-style-type: none"> <li>• Inadequate internal communication</li> </ul>

<b><i>Operational efficiencies</i></b>	<ul style="list-style-type: none"> <li>• The standard response time of six months remains long</li> <li>• IT infrastructure not being utilised optimally</li> <li>• Outdated internal records management and data warehousing systems. The OPFA needs to improve its records management systems to ensure that no internal records are misplaced or lost</li> </ul>
--	---

The current strategic plan includes initiatives to address the identified weaknesses in Human Resources, Stakeholder relations and operational efficiencies. This includes a measurable timeframe regarding filling of key vacancies, measuring service offering to your stakeholders including complaints and a commitment to clean administration as an organisation. The ICT environment is currently under restructuring to align capabilities with strategic goals of the organisation. This is to ensure that the newly upgraded infrastructure and improved systems support business and create efficiencies.

There are also issues that emerge from the external environment that will receive the attention of both the accounting authority and the Management team in the coming financial period.

### **External environment analysis**

The OPFA was established in 1998 to afford ordinary pension fund members the opportunity to be heard in a forum that would issue binding determinations without the formality and cost of traditional legal processes. Since then, the OPFA has contributed to the development of retirement fund policy, legislative and regulatory amendments whilst ensuring much needed access to alternative dispute resolution in a complex area of law.

Over the past 20 years the OPFA has successfully developed the required capabilities to deliver on its mandate effectively. There has been a significant

increase in complaints lodged by pension fund members. This is partly testimony to the success of the OPFA in instilling public confidence in its capability and efficacy. There is however a concern about the high number of complaints received as a result of sometimes avoidable conduct on the part of the industry. The experience of the past financial year indicates that 70% of complaints finalised concerned non-payment of withdrawal benefits or dissatisfaction with the withdrawal benefit amount paid, where employers failed to pay contributions within a specific period of time or the benefit illustrates less than satisfactory returns.

The OPFA is part of a larger system of financial services ombudsmen that resolve consumer complaints against financial institutions. An ombudsman provides an independent, impartial, fair, timely and efficient dispute resolution process that is free to consumers. It is independent of, and external to, the companies that are being complained about.

The current reform initiatives under Twin Peaks regime seeks to address the shortcomings of the current system. The main reform according to the FSR Act creates an Ombud Council as a statutory body tasked with ensuring that customers are able to access effective, independent, fair and timely dispute resolution. The Ombud Council will set rules for the Ombud schemes to drive consistent approaches and adherence to minimum best standards.

The novel coronavirus developments affected the operations of the OPFA in the latter part of the 2019/20 financial year due to lockdown measures that restricted any form of service exception if essential. This also meant that the OPFA had to close down its offices and work remotely but also suspend walk-in complaints which on average amounts to half of complaints received. This had an impact on the number of complaints received and finalised as the pension fund industry administration was also initially on lockdown to submit responses timeously.

The current external environment presents the following opportunities and threats:

## Opportunities

<b>Opportunity</b>	<b>Description</b>
<b>Stakeholder relations</b>	<ul style="list-style-type: none"> <li>• Digital interaction with stakeholders</li> <li>• OPFA can demonstrate how to operate a public entity with ethical leadership and credible governance</li> <li>• Leverage goodwill of stakeholders to improve on response times.</li> <li>• Develop proactive training programmes for pension fund administrators and board members to reduce complaints</li> <li>• Enhance relationships with media and increased use of channels that reach scattered areas</li> <li>• Participate in legislative reform discussions</li> <li>• Conduct public education about OPFA determinations</li> <li>• Establish value-add partnerships with other Ombuds and Consumer bodies</li> </ul>
<b>Operational efficiencies</b>	<ul style="list-style-type: none"> <li>• Invest and maximise on IT capabilities</li> <li>• Promote use of emails to lodge complaints</li> </ul>

## Threats

<b>Threat</b>	<b>Description</b>
<b>Stakeholder relations</b>	<ul style="list-style-type: none"> <li>• Office Access to complainants due to restricted movement</li> <li>• Office Access to complainants across provinces due to single location in Gauteng</li> <li>• Potential reputational damage due to misinformation spread through media channels about the organisation</li> </ul>

	<ul style="list-style-type: none"><li>• Continuous avoidable misconduct by some pension funds may undermine public confidence in the office and industry</li><li>• Delay on Twin-peaks transition impact on governance, funding and staff members</li></ul>
--	---

The OPFA considers the emerging opportunities and threats within its capability to respond effectively. The organisation will reposition its stakeholder engagement strategy to respond to its current challenges of misconduct by specific pension funds and enhance its media relations.

## PART C: MEASURING OUR PERFORMANCE

### 8. Strategic outcome-oriented goals

The OPFA has three strategic goals that are based on the mission and mandate of the OPFA and are supported by clearly defined objectives and well-defined key performance indicators, namely:

<b>Strategic Outcome Oriented Goal 1</b>	Resolve Complaints in accordance with our mandate.
<b>Goal Statement</b>	To resolve complaints in a procedurally fair, economical and expeditious manner by complying with the ACT within the available budget and in line with set targets.
<b>Strategic Outcome Oriented Goal 2</b>	Achieve Operational Excellence.
<b>Goal Statement</b>	Strengthening the office's organisational capacity to deliver on its mandate by becoming an employer of choice and acting in accordance with the relevant regulatory framework by achieving unqualified audit reports.
<b>Strategic Outcome Oriented Goal 3</b>	Effective Stakeholder Engagement.

**Goal Statement**

Identify, develop and maintain key stakeholder relationships in the pension funds industry, government, public and governing bodies to enhance performance, accountability, and public confidence.

## STRATEGIC GOAL 1: DISPOSE OF COMPLAINTS RECEIVED

### 8.1.1.1 Measuring the Impact

<b>Impact statement</b>	A trusted, independent and impartial Pension Funds Adjudicator
-------------------------	--

### 8.1.1.2 Measuring Outcomes

<b>Outcome</b>	<b>Outcome Indicator</b>	<b>Baseline</b>	<b>Five-year target</b>
1.1 New Complaints Unit to finalise matters received expeditiously	1.1.1 Time taken in days for the NCU to acknowledge receipt of complaints.	New KPI	Within 2 working days
	1.1.2 Time taken in days for the NCU to refer premature complaints to respondents.	New KPI	Within 5 working days
	1.1.3 Time taken in days for NCU to assess and allocate complaints to Early Resolution and Case Management Teams.	New KPI	Within 2 working days

	<p>1.1.4 Time taken in days for NCU to close complaints as:</p> <p>Abandoned, Withdrawn, Duplicates, Out of jurisdiction</p>	<p>New KPI</p>	<p>Within 2 working days</p>
--	--	----------------	------------------------------

### 8.1.2.1 Measuring the Impact

<b>Impact statement</b>	A trusted, independent and impartial Pension Funds Adjudicator
-------------------------	--

### 8.1.2.2 Measuring Outcomes

Outcome	Outcome Indicator	Baseline	Five-year target
1.2 Dispose of complaints in a procedurally, fair, expeditious resolution of complaints in terms of the ACT	1.2.1 Percentage of complaints finalised within set timeframes	8234 matters finalised as follows: 5319 determinations, 2404 settlements and 511 deemed out of jurisdiction.  36% of complaints within 6 months, 98% within nine months of receipt and 100% within eleven months of receipt.	To finalise 85% of the complaints within six months of receipt, 100% within nine months with an exception of cases that are under curatorship and/or re-opened due to reasons not within the OPFAs control.
	1.2.2 Time taken to close matters allocated for closure at CMU as:  Abandoned, Withdrawn, Duplicates, Out of jurisdiction	New KPI	Within 2 working days

## STRATEGIC GOAL 2: ACHIEVE OPERATIONAL EXCELLENCE

### 8.1.3.1 Measuring the Impact

<b>Impact statement</b>	An organisation that leads by example and committed to service excellence
-------------------------	---

### 8.1.3.2 Measuring Outcomes

<b>Outcome</b>	<b>Outcome Indicator</b>	<b>Baseline</b>	<b>Five-year target</b>
2.1 Achieve operational excellence and clean administration	2.1.1 Unqualified audit opinion	Unqualified audit opinion with no material findings on performance information and compliance	Unqualified audit opinion with no material findings on performance information and compliance
	2.1.2 A percentage of valid OPFA Supplier invoices paid within 30 days	100%	100% except in cases where the invoice is under a dispute process or requires an approval outside of the approved delegation of authority

#### 8.1.4.1 Measuring the Impact

<b>Impact statement</b>	An organisation that leads by example and committed to service excellence
-------------------------	---

#### 8.1.4.2 Measuring Outcomes

<b>Outcome</b>	<b>Outcome Indicator</b>	<b>Baseline</b>	<b>Five-year target</b>
2.2 Achieve operational excellence and establish an effective value proposition that will ensure that the OPFA attracts and retains talent.	2.2. Percentage implementation of Employment Equity plan for the specific areas:	African employees – 82,8% (48 of the 58 employees)	79% African employees
	% African employees	Female employees – 60% (35 of the 58 employees)	45% Female employees
	% Female employees	Employees with disabilities – 0% (0 of the 58 employees)	5% Employees with disabilities
	% Employees with disabilities		

## STRATEGIC GOAL 3: EFFECTIVE STAKEHOLDER ENGAGEMENT

### 8.1.5.1 Measuring the Impact

<b>Impact statement</b>	Informed consumers and establish meaningful, collaborative relationships with stakeholders
-------------------------	--

### 8.1.5.2 Measuring Outcomes

Outcome	Outcome Indicator	Baseline	Five-year target
3.1 Conduct impactful awareness programmes; build meaningful and collaborative stakeholder relationships.	3.1 Percentage implementation of activities for stakeholder engagement plan	36% implementation of activities in the stakeholder engagement plan	90% implementation of activities for stakeholder engagement (As listed below):  4 x Webinars Industry Conferences and Seminars participation  2 x Determination releases per month  4 x Media releases  1 x Annual Report issued

			4 x Internal Staff meetings
--	--	--	-----------------------------

### 8.1.6.1 Measuring the Impact

<b>Impact statement</b>	Committed to good customer service experience and interactions that add value to our stakeholders
-------------------------	---

### 8.1.6.2 Measuring Outcomes

<b>Outcome</b>	<b>Outcome Indicator</b>	<b>Baseline</b>	<b>Five-year target</b>
3.2 High quality customer service experience and impactful stakeholder engagement	3.2 Overall percentage of stakeholder satisfaction survey – the survey will be conducted once every three years	64,14% Stakeholder satisfaction rate	90% satisfaction rate from Stakeholder satisfaction survey

## 9. Key Risks

Outcome	Key Risk	Risk Mitigation
Dispose of complaints in a procedurally, fair, expeditious resolution of complaints in terms of the ACT	Impact of Covid19: Risk of service Interruptions Funding risk due reduction if levies collected Non-compliance with Occupational Health and Safety Litigation	<ul style="list-style-type: none"> <li>- Adoption and enforcement of regulations and response measures internally</li> <li>- Regular benchmarking with Department of Health and Labour Covid19 guidelines</li> </ul>
Dispose of complaints in a procedurally, fair, expeditious resolution of complaints in terms of the ACT	Significant Increase in complaints received and which may lead to complaints finalised outside of the targeted timeframes	<ul style="list-style-type: none"> <li>- Process re-engineering projects to improve efficiency of internal processes</li> <li>- Implement continuous performance management</li> </ul>
Dispose of complaints in a procedurally, fair, expeditious resolution of complaints in terms of the ACT	Implementation of the Financial Sector Regulation Act and impact on mandate of OPFA, governance, operating model and funding.	<ul style="list-style-type: none"> <li>- OPFA to make use of oversight structures of the FSCA</li> <li>- Continuous engagement with National Treasury on progress regarding implementation of FSR Act and impact on the OPFA</li> </ul>
Dispose of complaints in a procedurally, fair, expeditious resolution of complaints in terms of the ACT;	Delayed enactment of the Levies on Financial Institutions Bill (Money Bill) –	<ul style="list-style-type: none"> <li>- Continuous engagement with the FSCA, National Treasury and other</li> </ul>

Achieve operational excellence, Effective stakeholder engagement	increased risk of underfunding of operational activities.	relevant stakeholders regarding funding of OPFA operations
To ensure established ICT systems support business needs and overall organisational strategy and the OPFA risk management strategy	Inadequate business contingency management regarding infrastructure and business continuity (e.g. offices, IT systems, people and third-party suppliers)	<ul style="list-style-type: none"> <li>- Implement environmental issues identified in the ICT report, i.e. IT infrastructure refresh</li> <li>- Continuous monitoring of third-party service level agreements</li> <li>- Implementation of an effective back-up solution</li> </ul>

## 10. Resource considerations

Trends in number of key staff — it is not envisaged that the number of key staff will remain the same during this strategic plan. A position of Chief Operations Officer is currently vacant and will be filled during this period.

Trends in supply of key inputs — No major change expected, except for amendments to the ACT and if jurisdiction is amended.

The OPFA has significant reliance on the FSCA in the maintenance and operational functions of its ICT. This is expected to continue over the period of the strategic plan.

The funding and budget estimates of the strategic objectives are set out in terms of the Medium-Term Expenditure Framework and trend analysis as set out in Annexure A. The levy rate proposed in the Financial Sector Levies Bill has taken into account the 2019/20 Budget with an inflationary increase year on year on the Medium Term.

Trends in governance structures — it is envisaged that the implementation of Twin Peaks framework will result in an impact of governance structures and increased costs related thereto. However, in line with an agreement with National Treasury, the governance Committees of the FSCA will continue to serve the OPFA.

## **11. Risk Management and mitigation factors**

The OPFA regards good corporate governance and risk management as a core to the way it conducts its affairs. As such the OPFA has implemented a risk management strategy that provides for a coherent and structured approach in identifying, reviewing and managing the risks of the OPFA. This process is regulated by the establishment of an oversight Risk Committee that meets at least quarterly in a year and a management committee that meets on a monthly basis.

Risks identified by the organisation are documented in operational risk registers per function/business unit which culminate in an organisational risk register. All risks identified are assessed for their potential impact on the organisation and mitigation plans implemented thereon. The OPFA has also implemented a Fraud and Corruption Prevention strategy and plan in line with its undertaking not to tolerate fraud and corrupt activities. The strategy and plan are monitored in line with OPFA's risk management policy.

## PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

### GOAL 1

#### Key Performance Indicator 1.1

<b>Indicator title</b>	<p>New Complaints Unit (NCU) to finalise matters received</p> <p>Expediently:</p> <p>1.1.1 Time taken in days for the NCU to acknowledge receipt of complaints.</p> <p>1.1.2 Time taken in days for the NCU to refer premature complaints to respondents.</p> <p>1.1.3 Time taken in days for NCU to assess and allocate complaints to Early Resolution and Case Management teams.</p> <p>1.1.4 Time taken in days for NCU to close complaints as:</p> <ul style="list-style-type: none"> <li>• Abandoned</li> <li>• Withdrawn</li> <li>• Duplicates</li> <li>• Out of jurisdiction</li> </ul>
<b>Definition</b>	<p>The indicator measures how soon complaints received are acknowledged, assessed and finalised by the New Complaints Unit. Matters are either closed at assessment or allocated to Early Resolution and Case Management teams for processing. The amount of time taken needs to be measured to ensure that the assessment process from the time a matter is received is efficient.</p>
<b>Source/ collection of data</b>	<p>Respond system; quarterly case management reports; email and website automated responses</p>
<b>Method of calculation</b>	<p>Time it takes in days to close matters by NCU or allocate matters to Early Resolution and Case management teams</p>
<b>Link to National Development Plan</b>	<p>OUTCOME 13: SOCIAL PROTECTION</p>
<b>Data limitations</b>	<p>Dependent on the accuracy of the Respond system reports</p>
<b>Type of indicator</b>	<p>Output and efficiency</p>
<b>Calculation type</b>	<p>Cumulative</p>
<b>Reporting cycle</b>	<p>Quarterly</p>

<b>New indicator</b>	Yes – The KPI was amended
<b>Desired performance</b>	1.1.1 Within 2 working days 1.1.2 Within 5 working days 1.1.3 Within 2 working days 1.1.4 Within 2 working days
<b>Indicator responsibility</b>	New Complaints Unit Supervisor

### Key Performance Indicator 1.2

<b>Indicator title</b>	1.2.1 Percentage of complaints finalised within set timeframes 1.2.2 Time taken to close matters allocated for closure at CMU as: <ul style="list-style-type: none"> <li>• Abandoned</li> <li>• Withdrawn</li> <li>• Duplicates</li> <li>• Out of jurisdiction</li> </ul>
<b>Definition</b>	Measures the effectiveness and efficiency of the complaints resolution process using a Percentage and time as unit measures.
<b>Source/ collection of data</b>	Respond system; quarterly case management reports
<b>Method of calculation</b>	Complaints finalised within a specific period / total number complaints finalised x 100 (percentage of complaints finalised within given time) Finalised – Determinations, Out of jurisdiction (by Case Management teams) and settlement matters. Time it takes in days to close matters by CMU
<b>Link to National Development Plan</b>	OUTCOME 13: SOCIAL PROTECTION
<b>Data limitations</b>	Dependent on the accuracy of the Respond system reports
<b>Type of indicator</b>	Output and efficiency
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No

<b>Desired performance</b>	To finalise 85% of the complaints within six months of receipt, 100% within nine months with an exception of cases that are under curatorship and/or reopened due to reasons not within the OPFAs control.  Within 2 days
<b>Indicator responsibility</b>	Team leaders: Case Management

## GOAL 2

### Key Performance Indicator 2.1.1

<b>Indicator title</b>	Unqualified audit opinion
<b>Definition</b>	Remain within budget and comply with all regulatory prescripts applicable to the OPFA including the requirements of the PFMA and Treasury Regulations. Ensure financial soundness and clean administration.
<b>Source/ collection of data</b>	External Auditor's report
<b>Method of calculation</b>	No material findings giving rise to a qualified Audit opinion.
<b>Link to National Development Plan</b>	OUTCOME 5: A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH
<b>Data limitations</b>	No specific limitations
<b>Type of indicator</b>	Outcome and impact
<b>Calculation type</b>	Non — Cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Unqualified audit opinion
<b>Indicator responsibility</b>	Chief Financial Officer

### Key Performance Indicator 2.1.2

<b>Indicator title</b>	A percentage of valid OPFA Supplier invoices paid within 30 days
<b>Definition</b>	To ensure supplier invoices are paid on time
<b>Source/ collection of data</b>	Payments made to suppliers
<b>Method of calculation</b>	Total supplier invoices paid within 30 days/ Total supplier invoices paid during period under review
<b>Link to National Development Plan</b>	OUTCOME 5: A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH
<b>Data limitations</b>	No specific limitations

<b>Type of indicator</b>	Outcome and impact
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly
<b>New indicator</b>	Yes
<b>Desired performance</b>	100% except in cases where the invoice is under a dispute process or requires an approval outside the approved delegation of authority
<b>Indicator responsibility</b>	Chief Financial Officer

### Key Performance Indicator 2.2

<b>Indicator title</b>	2.2. Percentage implementation of Employment equity plan for the specific areas:  % African employees % Female employees % Employees with disabilities
<b>Definition</b>	To ensure that appropriate talent is recruited, developed and retained to support the execution of the PFA's mandate whilst complying with employment legislation.
<b>Source/ collection of data</b>	Human resources management and EE reports
<b>Method of calculation</b>	Percentage compliance with EE plan for specific areas
<b>Link to National Development Plan</b>	OUTCOME 5: A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH
<b>Data limitations</b>	Change in staff complement may impact on %
<b>Type of indicator</b>	Outcome and impact
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly/Annually

<b>New indicator</b>	No
<b>Desired performance</b>	79% African employees 45% Female employees 5% Employees with disabilities
<b>Indicator responsibility</b>	HR manager

## GOAL 3

### Key Performance Indicator 3.1

<b>Indicator title</b>	Percentage implementation of activities in the approved stakeholder engagement plan
<b>Short definition</b>	Engagement of key stakeholders involved in industry, public and governing bodies to enhance performance, accountability, and public confidence.
<b>Source/ collection of data</b>	Implementation Reports/Agenda/Meeting requests/Minutes of meetings/approval MEMO's/invoices etc.
<b>Method of calculation</b>	% implementation of approved annual Stakeholder Engagement Plan for the identified activities
<b>Link to the National Development Plan</b>	OUTCOME 12: AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTED PUBLIC SERVICE
<b>Data limitations</b>	No specific limitations
<b>Type of Indicator</b>	Outcome and impact
<b>Calculation type</b>	Non — Cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	80% implementation of activities in the approved stakeholder engagement plan  4 x Webinars  2 x Determination releases per month  4 x Media releases  1 x Annual Report issued  4 x Internal Staff meeting
<b>Indicator responsibility</b>	Deputy Pension Funds Adjudicator

### Key Performance Indicator 3.2

<b>Indicator title</b>	Overall percentage of stakeholder satisfaction survey
<b>Short definition</b>	Obtain feedback to improve services provided to complainants and ensure meaningful engagement with the OPFA relevant stakeholders.
<b>Source/ collection of data</b>	Stakeholder engagement satisfaction survey report.
<b>Method of calculation</b>	Measure Overall Percentage/rate of stakeholder engagement satisfaction
<b>Link to the National Development Plan</b>	OUTCOME 12: AN EFFICIENT, EFFECTIVE AND DEVELOPMENT ORIENTED PUBLIC SERVICE
<b>Data limitations</b>	No specific limitations
<b>Type of Indicator</b>	Impact
<b>Calculation type</b>	Non — Cumulative
<b>Reporting cycle</b>	Once every three years
<b>New indicator</b>	No
<b>Desired performance</b>	75% satisfaction rate from Stakeholder satisfaction survey
<b>Indicator responsibility</b>	Team leaders

ANNEXURE A

Funding and Budget estimates over the Medium-Term Expenditure Framework

PE No PE232  
 Entity name Office of the Pension Funds Adjudicator

Table A.2 PE No

R thousand	Audited Outcome			Revised budget	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23		
Administration	6 524	6	12	14	30,3%	15,6%	16	18	19	9,8%	21,3%
Dispose of complaints received	46 788	44	44	52	3,7%	76,4%	989	072	136	4,5%	69,1%
Achieve operational excellence	1 083	624	908	182	72,8%	6,8%	54	56	59	5,3%	7,4%
Effective stakeholder relationships	280	5	4	5	49,8%	1,2%	692	046	525	-12,5%	0,9%
-	-	868	874	942	-	-	580	605	632	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expense</b>	<b>54 675</b>	<b>57 679</b>	<b>63 026</b>	<b>73 162</b>	<b>10,2%</b>	<b>100,0%</b>	<b>77 316</b>	<b>81 235</b>	<b>85 895</b>	<b>5,5%</b>	<b>98,6%</b>
Check expenditure	-	-	-	-	-	-	-	-	-	-	-

### **1.3 Trend analysis**

The OPFA, as part of its strategic objectives review, also assessed its funding, taking into account the reforms in the financial services sector due to implementation of Twin-Peaks and the required resources to deliver on its mandate and additional functions stated in the Financial Sector Regulation Act.

The OPFA derives its revenue in the form of transfers from the FSCA based on the requirements of section 30R of the Pension Funds Act. The OPFA submits a budget based on its estimate of costs to operate to the Financial Sector Conduct Authority and the accounting authority for approval as required by the ACT. A discussion was held with the FSCA Chief Financial Officer on the 2020/21 budget and the medium term, it was agreed that the FSCA will contribute R75.392 with an increment of 3% for the next 3 years. The budget will be augmented by prior year reserves and savings to fund capital projects.

#### **1.3.1 Revenue**

The OPFA's main revenue source is the FSCA contribution, as stated above. Other revenue consists of interest earned on cash balances which is not material. The transfers are based on an approved budget that is driven by the costs of funding the OPFA operations. Revenue from 2017/18 to 2020/21 increased by 8.4 per cent average growth rate to R75.392 million mainly due to additional position of Senior Legal Advisor, Chief Operations Officer and Supply Chain Management Officer that were approved to bolster the corporate support function of the organisation.

Over the medium term, revenue is expected to increase to R82.383 million by 2023/24, at an average annual growth rate of 3.0 per cent. The growth rate is kept below the forecasted average inflation for the same period. However the increment was agreed upon between the FSCA and OPFA and considered sufficient when augmented by current reserves, to sustain its operations.

### 1.3.2 Expenditure

Expenditure increased from R57.948 million 2017/18 to R73.162 million in 2020/21, at an average annual growth rate of 10.2 per cent. This growth was primarily driven by the significant increase in computer services expenditure resulting from the improved ICT capability maturity level of the OPFA. Where from 2016/17 the OPFA embarked on a project of replacing its old ICT infrastructure and improving its current systems to automate key processes and this project will continue in the medium term. Total capital expenditure is expected to be estimated at a R17 million additional investments over the medium term which mainly comprises of ICT infrastructure replacement at Disaster Recovery Sites, automation and business intelligence solutions to improve processes and realise more efficiencies.

Staff costs have grown by 9.8 per cent between 2017/18 to 2020/21 to an amount of R42.817 million mainly due to new positions added to the corporate support function as mentioned above. Due to the nature of the activities (Complaints management) of the OPFA which are service based and people intensive, staff capacity will be monitored in the medium term against the number of complaints received.

Spending on goods and services has also increased at an average annual growth rate of 9.8 per cent from 2017/18 to 2020/21 to R26.985 million. The main cost drivers in spending on goods and services will remain office lease rentals, professional fees, legal fees, computer services and audit fees. Due to a much need additional office space procured and provision for BBBEE compliance related expenditure, goods and services will increase by 8.7 per cent in the medium term.

Stakeholder engagement activities that require physical interaction and travel have been cancelled and related budget was reallocated to Covid19 related expenditure and some portion to training costs. The Covid19 expenditure (R0.942 million) relates to the procurement of consumables and awareness/education initiatives as part of the OPFA's safety and health response measures to manage Covid19 impact on the business operations and continuity.

Cost containment and active expenditure management will continue to be achieved through the monitoring of consultant costs primarily relating to fees paid for conciliators, actuarial fees, business continuity, change management consultants, workflow specialists and public relations fees. These costs are dependent on the number and nature of cases, and/or other intermittent requirements. Creating internal positions for this expertise, based on past experience would not be cost effective. The OPFA currently does not employ any person in these positions.

The Office of the Pension Funds Adjudicator is heavily reliant on its human resources capacity to deliver on its mandate. The OPFA will therefore continue to strive to provide a preferred employer climate and comply with employment equity requirements. As at 1 April 2020, the OPFA had a total staff establishment 61 employees excluding interns of which only 9 positions were vacant at the time. The office has conducted a complaints management process re-engineering exercise to ascertain possible opportunities for more efficiencies including improving its systems and processes. Recommendations from that report include; additional staff members which were put on hold until the economic conditions recover and required investment in IT systems. The OPFA has embraced these challenges and has capitalised on opportunities presented by the current circumstances to ensure execution of its mandate in an effective, efficient and economical manner.