



COUNCIL FOR MEDICAL SCHEMES

Regulatory Plan and Budget

for 2004 / 5

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Part1: Strategic Review

Part 1.

Strategic review

1. Introduction

This regulatory plan covers the financial year 1 April 2004 to 31 March 2005. The regulatory plan sets out the CMS's priorities and the budget. The plan is based on a strategic framework adopted by Council on 14/15 November 2003.

The key strands of the strategic plan include:

- The need to develop a coherent vision for private health regulation to which all agencies of government subscribe, in order attenuate potential regulatory gaps, inconsistencies and conflict. This vision should encompass competition policy in relation to private health sector regulation and effective supply side regulation;
- Optimal implementation of the requirements for designated service providers in the context of prescribed minimum benefits;
- Appropriate regulation of managed health care, with a priority being placed on arrangements that involve or purport to involve risk transfer. The impact of other legislative measures such as the Competition Act and the Medicines and Related Substances Control Act on the development of managed health care should also be taken into account;
- Bringing to finality the issues of demarcation between the business of medical schemes and that of other non-indemnity health insurance product, including firm regulatory action against parties that transgress the demarcation divide;
- A review of governance failures within medical schemes and possible responses to deal with these issues and finally;
- The issue of HIV/AIDS and prescribed minimum benefits as well as the continual development of an appropriate regulatory framework in this regard.

2. Maintaining legitimacy of the Council for Medical Schemes

A key challenge for us this year will be to continue to maintain and develop the legitimacy of the Council for Medical Schemes. We consider CMS' legitimacy to depend critically on two key pillars: the first source of legitimacy is, of course, the legislation and regulations that establish our duties, functions and powers. The second relates to the effectiveness, efficiency and integrity with which we discharge those functions and responsibilities. Our effectiveness and efficiency depend, in turn, on the clarity with which we set out our strategic and operational plans, and the manner in which we report progress against them. This is the key purpose of this document.

Our overall approach to the regulation of medical schemes remains unchanged. We will continue to build on our risk based operating framework. This 'problem-solving' approach requires that we identify the 'big problems' within the medical schemes environment and develop solutions to these big problems.

Our risk based framework will continue to be underpinned by the following key components:

- First, we will continue to refine the categorization of medical schemes into impact bands – *low, medium and high impact bands*. A medical scheme will be allocated to an impact band on the basis of the impact of failure of such a scheme would have on the environment that we regulate. We will continue to use the number of members and pensioner ratios of schemes as the two key variables for the allocation of schemes into impact bands.
- Second, we will continue with the development of *Risk Assessment Frameworks* (RAFs) for those schemes identified as high impact. A RAF is our assessment of the risks posed by individual schemes to our ability to achieve our statutory objectives. The key intention with the RAFs is to focus trustees and CMS' attention on the important risks, so that appropriate actions can be taken.
- Third, we will continue the development and implementation of *Risk Mitigation Plans* (RMPs) to respond to the scheme risks identified in the RAF.

We will continue to be guided by our *Principles of Good Regulations*, including the need to be *proportionate* in the regulatory actions and tools that we use, and an acceptance that we can never put in place a *zero failure* regulatory regime.

3. Fair Treatment of beneficiaries

Part1: Strategic Review

We will also put a greater emphasis this year on implementing the recommendations made by our *Fair Treatment of Beneficiaries Project*. We expect Board of Trustees to give adequate priority to fair treatment of members and their dependants when developing their information and marketing material, designing benefits and determining contributions, administration and governance of medical schemes and in strategies adopted for complaints and dispute resolutions.

We will strengthen our regulatory focus on this aspect of medical schemes responsibility, and we will make an assessment of fair treatment of beneficiaries an important part of our regular monitoring of medical schemes and our risk assessment and risk mitigation plans.

4. Theme Projects for 2004 / 05

We intend to continue our attempts to shift some of our work towards thematic regulation. We learned a number of very valuable lessons during 2003/04 while working on three theme projects, especially on the "*Fair Treatment of Beneficiaries*." We will continue our work on two theme projects that were started during 2003/04 on the ***Development of the Risk Based Regulatory Framework*** and on ***Managed Health Care and Risk Transfer***. We will also commence work on a new ***Governance*** theme project.

Our focus will span issues such as an assessment of causes of governance failures within medical schemes, the extent to which the current governance model or its' misapplication contributes to any identified failures, and a review of strategies to mitigate the risk of governance failure. The theme project will also investigate appropriate frameworks and conditions that ought to be attached to *CMS* approval of additional funding and loans to medical schemes.

5. Improving our responsiveness to stakeholders

We intend, during this year, to focus on improving our customer service, reviewing our enforcement procedures to ensure that they are as effective as they can be, and work on aligning the people processes at *CMS* to our operational and business goals

6. Improving customer service

We aim to provide more accurate and prompt service to our customers, and to make it easier for medical schemes and beneficiaries to deal with us. We will, during this year, refine further our own understanding of who we serve and whom we should expect to please by the regulatory actions that we take. Our regulatory activities necessarily involve many parties, some present in interactions with us and many not. In this context it is important that we are absolutely clear about who are the parties that we are seeking to please. While we believe that all parties that we deal with ought to be treated with respect and dignity, we are also keenly aware that many times the person(s) we seek to please may not be directly involved in a particular regulatory transaction.

We also intend to improve the efficiency with which we process applications for benefit and contribution changes, reinsurance and request for exemptions. We will conduct a comprehensive review of our complaints and dispute resolution procedures in order to streamline them, taking into account the recommendations made at our *Seminar on Fair Treatment of Beneficiaries*. Finally, we will continue to consolidate the manner in which medical schemes and others report to us the data that we need, with the aim of making our electronic statutory returns easier for medical schemes.

7. Reviewing enforcement procedures

As a regulator, we exert influence through our enforcement actions. It is becoming increasingly clear that enforcement is principally about the messages that are given and the timing of such messages. For our messages to be effective, we have to find ways of shortening as much as possible while retaining fair administrative procedure, the time between an event taking place and any subsequent enforcement actions. At the moment this time is sometimes too long and lacks clarity and predictability, resulting in the impact of regulatory action being muted or misunderstood.

We also intend to ensure that we maintain a balance between the need for enforcement and our responsiveness to our stakeholders. We are aware that paying insufficient attention to stakeholder satisfaction may compromise our ability to provide a responsive and high level service. We are concerned, however, not to push the notion of stakeholder satisfaction too far, or apply it to regulatory terrains where it may not belong, as this may be equally perilous.

8. Aligning people processes to business goals

We recognize that in order for us to be successful in achieving the regulatory objectives that we have outlined here, we need to place our staff at the center of our organizational purpose. We will work within a newly constituted staff coalition called **CMS ACTIVE** to make progress on a number of themes that will allow us to better align the context within which we work to our business goals.

These themes will include **people processes** such as performance management, remuneration, training, skills development and succession planning; issues of **cultures and values** such as creating a positive environment for work motivation, team work, management of diversity and non-discrimination. In future our work within **CMS ACTIVE** will focus on other themes such as the type of **leadership and top team** that is needed for an organization such as ours and **organizational structures** that allow for the attainment of our business goals.

9. Budget for 2004 / 5

The budget that we propose for 2004/05 has been prepared in the light of our regulatory plan outlined

The **CMS'** focus has been evolving over the last few years as our statutory responsibilities have been clarified, both as a

Part1: Strategic Review

here. The full budget is outlined in part three. Our proposed budget for 2004/05 increases by 6% when taking into account our normal activities. The addition of the work on development of a National Reference Price List means that our final budget increases by 9%. The effect on levies charged will be a 5% increase to R9, 17 from R8, 74 per member per year, or just over 76 cents per member per month.

result of government mandates and of the evolving and dynamic medical schemes environment. We hope that the overall balance of activities that we have proposed will be seen as a reasonable judgment in our effort to deliver on our statutory remit of enhancing protection of members and promoting the stability of medical schemes.

T. PATRICK MASOBE
CEO – COUNCIL FOR MEDICAL SCHEMES
MARCH 2004

Part 2.

Regulatory Plan

Registration and accreditation unit

Promote understanding of the medical schemes environment by trustees, beneficiaries and the public

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Promote sound corporate governance of medical schemes	Participate in BOT Training Workshops as requested by Training Division	BoT Training workshops	Improved governance of schemes by BOT's
	Participate in workshops and group discussions with brokers, administrators and managed care organizations	Workshops with brokers by August 2004, administrators by February 2005 and managed care by March 2005	
Ensure fair treatment of beneficiaries by determining minimum standards of information provided to the public	Assist in reviewing the document "Questions and Answers"	Q&A document finalized by 1 July 2004	Better informed members
	Participate in developing guidelines for completion of marketing material and application forms used by medical schemes	Industry agreement on minimum set of information to be given to members, by June 2004. Model application forms, by July 2004	Information provided to members by schemes is simple, understandable and promotes fairness
Assist with assessment of capitation arrangements	Participate in theme project on assessment of capitation contracts	Theme project report, by July 2004	Rules are consistent with capitation contracts
	Ensure that schemes rules are consistent with capitation contracts	50% of scheme rules reviewed for capitation contracts, by August 2004; 100% by December 2004	

Part2: Regulatory Plan Registration and Accreditation Unit

Secure an appropriate level of protection for beneficiaries of medical schemes and the public by authorising the conduct of medical scheme business

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Ensure compliance by all schemes in their rules with the Act, amended regulations and revised model rules	Evaluate and process rule amendments in terms of diagrammatical process (See Annexure 1)	40 % within 30 days of receipt	Compliance with policy decisions and regulatory framework
		40 % within two months of receipt	
		20 % within 3 months of receipt due to need for further interaction	
	Interpret and guide stakeholders re contents of model rules	Communication to stakeholders, as required	Certainty in application of law is achieved
	Communicate reasons for not registering unacceptable rules and provide justifiable reasons	Upon registration of rules	Certainty in application of law is achieved
		Within 7 days of analysis if rules are unacceptable for registration	
	Manage amalgamation and liquidation procedures in compliance with the expositions approved and prevailing legislation.	Report to Registrar for confirmation within two weeks of application to appoint liquidator and submission of Liquidation and Distribution accounts	Ensure compliance with relevant provisions upon amalgamation between and dissolution of schemes
	Ensure submission by schemes of Annexure 1 and 2 on contributions and benefit changes, by 30 September of each year	Annexure 1 and 2 analysed and approved / registered by 30 November of each year	Contribution and benefit changes are evaluated and approved prior to implementation by schemes

Part2: Regulatory Plan
Registration and Accreditation Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Establish electronic Scheme rules database as part of EDMS system	Participate in EDMS / Knowledge Bank project team and contribute to development of technical specification document and request for proposal	Technical specification document and request for proposal on EDMS/Knowledge Bank developed and submitted for approval by end of February 2005	Online submission of scheme rules Electronically manage Financial Soundness of administrators entities and document retention of schemes data Shared information available electronically for management purposes
Assist Compliance with reviewing sustainability of benefit options and taking appropriate action	Conduct an assessment of benefit options based on quarterly reports of benefit options in order to evaluate: Adequacy of membership; proposed measures to effect changes to benefit design in respect of identified schemes	Quarterly report on compliance of options with minimum membership within 4 weeks after receipt	Compliance with legal requirements Avoid unnecessary proliferation of benefit options within schemes

Part2: Regulatory Plan Registration and Accreditation Unit

Foster compliance with the act by managed care organisations

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Effect accreditation of managed care organisations	Ensure submission of applications as determined	100% accredited by March 2004	Accreditation in compliance with MSA
	Evaluation of applications in conjunction with R&M.		Create safe environment for schemes to contract for specified services
	Coordinate meetings of Council Sub-committee to review applications		
	Prepare recommendations for Council approval.		

Part2: Regulatory Plan Registration and Accreditation Unit

Foster compliance with the act by broker and broker organisations

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Ensure accreditation of brokers in terms of Act	Review and process applications for accreditation of brokers	60 % of applicants for accreditation or renewal within 30 days of receipt;	All brokers are accredited in terms of the Act
	Maintain database for broker accreditation	100% within 60 days of receipt due to further interaction.	
	Renewal notification Advisory services		
	Render assistance to Compliance on request with respect to suspension/withdrawal of accreditation	Report, jointly with Compliance, on possible suspensions / withdrawals of accreditation.	Ensure compliance with Medical Schemes Act.
	Liaison with FSB to ensure consistency with FAIS	Scheduled meetings of Task Team at least once every 3 months	Ensure compliance with FAIS and MSA

Part2: Regulatory Plan Registration and Accreditation Unit

Foster compliance with the act by administrators

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Accreditation of Administrators	Manage performance by contractor in accordance with targets set in tender document & through participation in Steering Committee	Reports on administrator accreditation for approval by Council	Administrators function in terms of regulatory standards
	Evaluation of reports by Steering Committee and preparing recommendations for Council	Accreditation to all bona fide administrators by end of April 2004 100% accredited by February 2005 based on contractor evaluation	
	Review results and identify areas for improving accreditation criteria	Reports on possible improvements	
Ensure compliance by administrators with the requirements for accreditation	Ensure submission of management representation letters and annual audit reports on systems of internal financial control and annual financial statements of administrators	Submission of Regulation 25 annual reports within 4 months after administrators financial year end	Administrators are financially sound Administrators function in terms of regulatory standards
	Evaluate reports and make recommendations re continued accreditation status if required.	Evaluation completed within 3 months of receipt of relevant documents	

Financial Supervision Unit

Secure an appropriate level of protection for beneficiaries of medical schemes and the public by monitoring financial performance and promoting financial soundness of schemes

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Help improve standard of medical schemes' reporting	Training of administrators to discuss the preparation of financial statements, projections, budget etc.	Administrators workshops - 2 workshop (April) - 1 workshops (Jan 2005)	Improved quality of standardized reports by medical schemes
Help improve the integrity of controls and systems of the administrators	Provide assistance to R & A in the evaluation of the reports to be submitted by the administrators in terms of Regulation 17 and 25	Recommendation on evaluation of Annexure C1 report in terms of Regulation 17 (2)(d) (Accreditation of Administrators). Recommendation on evaluation of Annexure C2 (Annual Financial reports) and Annexure D (Management representation letter) in terms of Regulation 25.	Improved systems of internal controls amongst accredited administrators
Help ensure the financial soundness of the administrator	Provide assistance to R&A on the financial soundness of the administrator (Regulation 22).	Recommendation on the financial soundness of the administrator (Regulation 22).	Financial Soundness of administrators

Part2: Regulatory Plan Financial Supervision Unit

Promote financial stability, soundness and sustainability of medical schemes

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Improve statutory returns as tools for reporting	Identify and document changes to statutory returns to incorporate changes in accounting standards, legislation and to be more user friendly.	Refined statutory returns	Improve availability of data for sound decision making (both regulatory and scheme management).
	Consultation with SAICA Medical schemes Project Group in respect of identified changes.		
	Quarterly returns.	Quarterly returns (Feb/Mar 2004; Feb/Mar 2005)	Trustees are able to review financial performance of their schemes on an ongoing basis.
	Annual return – 2003/4.	Annual return (Dec 2003/Jan 2004; Dec 2004/Jan 2005)	
	Disseminate 2003/2004 on-line annual statutory return.	Annual return available to industry for completion	
	Analysis of Returns: - Quarterly - Annual	Report 6 weeks after official submission date of return. Annual report June 2004	
Enhance appreciation /understanding of factors that impact on financial soundness of schemes.	Define total claims.	Shadow solvency report (Sept/October 2004)	Better understanding of differences in calculation of solvency and impact on industry solvency.
	Calculate 'shadow solvency' based on total claims using Dec 2003 statutory return data		

**Part2: Regulatory Plan
Financial Supervision Unit**

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Improve Audit and Accounting guide issued by SAICA	Liaise with SAICA and assess the amendments to the Act and Regulations and Accounting and Audit standards to ascertain the impact on the content of Audit and Accounting guide for medical schemes	Revised Audit and Accounting Guide.	Enhanced financial reporting based on updated legislation and accounting standards reflected in the guide.
Monitor the financial soundness of medical schemes.	Identifying of schemes non-compliant with Regulation 29 using the returns and supporting documents	Compile a report listing the schemes non-compliance with Regulation 29	Improved financial position and performance of the medical schemes.
	Examine and evaluate methodically and in detail the structure and elements of the business plan in order to assess the true financial position and performance of the medical schemes.	Compile and provide a recommendations report for implementation of an action plan in respect of continuous adherence to the Act. Monitoring meetings with the BoT to ensure compliance with the action plan.	
Assist in ensuring compliance mainly with the financial aspects of the Act.	Assessment/analysis of the following applications received from schemes: <ul style="list-style-type: none"> - Auditor approval; - Reinsurance contracts; - Exemptions from the provisions of the Act - New schemes - Amalgamations 	Preparation of a recommendation report in respect of the following applications received from schemes: <ul style="list-style-type: none"> - Auditors' approval; - Reinsurance contracts. Preparation of a report assessing the financial implications of: <ul style="list-style-type: none"> - Exemptions from the provisions of the Act - New schemes 	Improved levels of compliance.

**Part2: Regulatory Plan
Financial Supervision Unit**

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
		- Amalgamations	
	Assessment of investment products in order to understand the nature of it; and evaluating compliance with the Act.	Compile and review of standard checklist.	Improve levels of compliance.
Ensure that financial guidelines used by CMS are up to date.	Review: - auditor approval - standard business plans - standard management accounts and standard reinsurance guidelines.	Reviewed standard documentation to be maintained on the website	Improved standard documentation to be used by medical schemes.
Assist in ensuring that the schemes benefit options are financially sound.	Assessment of financial impact of new benefit options and changes to existing options Examine and evaluate methodically and in detail the structure and elements of the business plan in order to assess the true financial position and performance of the benefit options of the scheme.	Preparation of recommendation in respect of new benefit options and changes to existing options Compile and provide a report on the financial soundness of every option in the scheme to R&A and Compliance, for implementation of and action plan in respect of continuous adherence to the Act with regard to the schemes benefit options.	Improve financial soundness of the benefit options in a medical scheme.
Assist in instituting routine inspections of selected schemes.	Assist in conducting the inspections.	Assist in preparation of the inspection report	Scheme management is improved.

Part2: Regulatory Plan
Financial Supervision Unit

Provide support and guidance to trustees, and promote understanding of the medical schemes environment by trustees, beneficiaries and the public

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Promote good governance in the medical schemes industry	Assist in the development of governance guidelines	Guidelines	Improved governance of schemes' fund by trustees.
	Development and enhancement of the financial guidelines for the Board of Trustees manual.	Enhanced financial chapters for the BoT manual.	Improved financial understanding of schemes by BoTs
Contribute to BoT training on financial issues	Prepare and present modules on financial management of schemes to BoTs at training workshops.	Number of modules presented as per training targets (one a quarter).	Increased capacity by BoTs for financial management of schemes.
	Take part in Registrar's annual road shows with BoTs.	Number of presentations at road shows as per corporate targets.	

Research and monitoring unit

Secure an appropriate level of protection for beneficiaries of medical schemes and the public by authorising the conduct of medical schemes business and monitoring the financial performance and soundness of medical schemes

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Clinical support in relation to registration of scheme rules	Rendering of clinical advice and support rendered per request received	Advice provided on request of R&A, within one week of request being made	Appropriate evidence based rules

Part2: Regulatory Plan Research and Monitoring Unit

Provide support and guidance to trustees and promote understanding of the medical schemes environment by trustees, beneficiaries and the public.

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Promotion of Access to Information Act	Processing of all requests in terms of POATIA	Full compliance with POATIA in respect of handling of requests, publication of manuals and notices, and provision of statistics	Greater accessibility of information to consumers and stakeholders
	Update POATIA manual (if necessary)		
	Send statistics to South African Human Rights Commission		
	Update section 15 notice		

Part2: Regulatory Plan Research and Monitoring Unit

Investigate and resolve complaints raised by beneficiaries and the public

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Clinical support in resolution of complaints	Rendering of clinical advice and support rendered per request received	Advice provided on request of the Complaints Division, within one week of request being made	Clinically appropriate resolution of complaints, resulting in greater health protection for consumers

Part2: Regulatory Plan Research and Monitoring Unit

Monitor the impact of the Act, research developments and recommend policy options to improve the regulatory environment.

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Monitoring the impact of the Medical Schemes Act and trends in Private Health Finance	Review of content of returns Analysis & reports on non accounting portions of 1/4ly & annual returns	Returns revised to accommodated REF requirements – subject to REF process Analysis and report of non-accounting portions of annual and 1/4ly returns, and preparation of write-up on this analysis for annual report, subject to timeframes determined by FSU and Communications	Appropriate data collection by the office to meet policy and regulatory needs Better informed industry and public
Monitoring of the impact of the designated service provider legislation and the CDL	Publication of a tender document to invite tenders for assessment of the impact of the chronic disease list and DSPs on financial soundness, benefit design, access to care and adequacy of selected DSPs by mid April 2004 Award of tender by end May 2004 Close contract management and participation in research processes Presentation of preliminary report to Council by mid August 2004	A report with assessment and recommendations in respect of the impact of DSP regulations and CDL on members and medical schemes by end July 2004, with mechanisms in place for ongoing monitoring	Improved understanding of the impact of DSPs and CDL, and optimal responsiveness to problems experienced

**Part2: Regulatory Plan
Research and Monitoring Unit**

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
	Communication of results and preliminary recommendations by end September 2004		
Monitoring affordability issues within medical schemes	Data abstraction from rule amendments, and analysis of data on contribution changes	Report on extent of contribution increases from 2003 to 2004, by end March 2004	Informed policy and decision-making
		Report on extent of contribution increases from 2004 to 2005, by end March 2005	
Review of minimum benefit package and supplementary benefit option structures	Defining and ICD 10 coding of existing PMB package	Existing package ICD 10 coded by end December 2004	An affordable, marketable priority list of conditions consistent with the proposed risk equalisation framework, comprising a revised minimum benefit package
	Revisit PMB inclusion criteria and review of package consistent with REF direction, including:	Concept document on feasibility and proposals for a standardized set of benefit option packages by March 2005	Greater standardisation of supplementary option packages to facilitate consumer choice, comparability of cost and benefit structures, and enhanced competition on price and provider options
	Literature reviews	Revised definition of basic package of benefits by December 2005	
	Consultative fora		
	Technical review team		
	International consultative visit		
	Development of the concept of a standardised set of benefit option packages		

**Part2: Regulatory Plan
Research and Monitoring Unit**

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Review process for the CDL algorithms	Establishment of a specialist review committee to consider representations made by interested parties in respect of inadequacies in the algorithms by April 2004 Formulation of initial recommendations to the Minister for modification of the algorithms, if necessary, by December 2004 Continuation of review committee process on an ongoing basis	Gazetting of modifications to the CDL algorithms as and when required	CDL algorithms which are at all times up to date, state-of-the-art and evidence-based
National Health Reference Price List	Manage process required for the development of the NRPL	Maintenance of 2004 NHRPL Publication of 2005 NRPL by August 2004 Maintenance of 2005 NRPL	Administrative efficiency through a benchmark price list
Investigation into drivers of medical inflation: Part 1 (Hospital Costs)	Research by means of literature review, interviews, focus group discussion and contract review issues relating to hospital costs which negatively impact on medical schemes and mechanisms to mitigate this impact from a scheme, hospital group and regulatory perspective	Report on hospital costs and pricing to Council by March 2005	Greater understanding of cost drivers with a view to ensuring effective market or regulatory interventions where appropriate to reduce levels of cost escalation

Part2: Regulatory Plan Research and Monitoring Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Regulatory development	Follow-up on recommendations for extension of HIV PMB to include HAART to facilitate promulgation	A draft set of regulatory and statutory amendments submitted to the Minister for consideration by end October 2004, incorporating:	A more effective and responsive regulatory framework
	Review of legislative impact, internal and external consultation, identification of anomalies and problem areas, culminating in CMS breakaway to consider recommendations for statutory and regulatory amendments by end April 2004	technical improvements	
		REF framework (subject to policy processes)	
		NRPL framework (depending on National Health Bill passage)	
	Consultative workshops on proposed amendments by end June 2004	Publication of undesirable business practice declarations, as required	
	Formalisation of recommendations for amendments as submission to the Minister of Health for introduction in 2005, by end October 2004		
	Finalisation of REF legislative framework, subject to policy processes in relation to REF		
	Publication of undesirable business practice declarations as		

**Part2: Regulatory Plan
Research and Monitoring Unit**

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
	possible outcome of governance project		
	Development of NRPL regulations in conjunction with DOH, contingent on enactment of National Health Bill		
Appropriate regulation of Bargaining Council Funds	In consultation with Dept of Labour, development of a strategy document on LRA schemes based on legal opinion on legal status by mid May 2004	Presentation of coherent strategy document for consideration by Ministers of Health and Labour by November 2004	Resolution to long-standing uncertainty, and appropriate protection to low cost funding environment
	situational analysis by end August 2004		
	implementation strategies by end October 2004		
Managed Health Care	Consolidation of office and Council viewpoints on issues pertaining to managed care, supplemented by appropriate literature reviews	Consensus document of Council on definitional issues in relation to managed health care and regulatory direction by end July 2004	Accreditation of managed care organizations consistent with appropriate policy framework
	Continued participation in managed care accreditation review processes, as per R&A targets	Accreditation of managed care organisations as per regulatory framework informed by appropriate research and policy inputs, as per R&A requirements	

**Part2: Regulatory Plan
Research and Monitoring Unit**

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Industry-wide implementation of ICD10	Ongoing participation and leadership in ICD 10 task team to fast-track industry readiness for ICD10 and prepare for industry-wide implementation considering operational, technical and training issues	Mandated use of ICD10 wef 2005, subject to appropriate exceptions	Greater efficiency through more standardisation of billing practices and data collection

Part2: Regulatory Plan Research and Monitoring Unit

Foster the continued development of the CMS as an employer of choice.

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Effective management of information	Efficient management of Resource Centre including procurement, cataloguing, information provision, management of information requests in terms of Promotion of Access to Information Act	Provision of high quality library and information retrieval service to staff and Council, on an ongoing basis	An informed and data rich working environment
Support IT in investigating feasibility of options for electronic data management	Participate in feasibility assessment conducted by IT	Report to SMM on options, subject to IT timeframes	A more efficient and customer friendly workplace

Part2: Regulatory Plan Research and Monitoring Unit

Develop strategic alliances nationally, regionally and internationally.

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
HPCSA liaison committee	Continued participation in CMS/HPCSA liaison committee	Defined by the process Broaden plan for interaction with them	Greater regulatory coordination

Compliance unit

Foster compliance with the act by medical schemes, administrators and brokers and initiate enforcement action where required.

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Full inspection of non compliant schemes	Inspection triggered by auditor interviews, market intelligence, financial or governance concerns.	Initiate inspection within 10 days of concerns being raised.	Plan to ensure compliance of scheme.
Assist FSU with non compliance with solvency requirements	Invoke appropriate regulatory action specified in solvency triage, where schemes fail to meet solvency.	Regulatory action specified in solvency triage to be effected within 30 days of solvency assessment.	Improved level of solvency.
Review sustainability of benefit options	Conduct an assessment of benefit options in respect of adequacy of membership & financial soundness based on quarterly reports.	Regulatory action within 45 days of assessment to ensure compliance	Compliance with minimum requirements. Avoid unnecessary proliferation of benefit options.
	Propose measures to effect compliance with minimum requirements.		
Put reinsurance practice on a stronger footing	Finalise regulatory action on reinsurance contracts.	As per FSU targets.	More appropriate use of reinsurance and compliance with reinsurance guidelines.
Ensure compliance with demarcation agreement	Review of existing products determined as important, and review applications for new products.	Existing products by June 2004, new products within 3 months of becoming aware thereof.	Insurers and schemes complying with demarcation agreement.

Part2: Regulatory Plan Compliance Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Ensure schemes comply with commission payments to brokers	Routine inspection of 5 medical schemes to check for compliance with broker commission payments.	Inspection of schemes from Aug to Oct 2004. Prosecution of non-compliance.	Adherence to the Regulations regarding commission.
To enforce rulings made by the Registrar, including persistent non-adherence	Review rulings made by Complaints with the view to enforcing same. Advise Legal Services of persistent non-adherence for possible court action	Schemes implementing Registrar's rulings. Monthly memorandum to Legal Services.	Adherence to rulings. Persistent non-adherence to rulings is dropped.
Promote awareness of code of conduct for brokers and enforce compliance therewith	Provide a compliance module for broker training.	July 2004.	Adherence to the code of conduct by brokers – satisfied members.
Provide prompt advice on code of conduct	Provide advice to stakeholders regarding code of conduct.	Within 72 hours of request for advice.	Awareness of conduct by public.

Part2: Regulatory Plan Compliance Unit

Promote guidance and support to trustees, and promote an understanding of the medical schemes environment by trustees, beneficiaries and the public of the medical schemes environment.

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
To provide training on the compliance priorities to Boards of Trustees	Participation in trustee training.	BoT workshops per training targets.	Trustees with knowledge & grasp of legal implications of trusteeship.
			Improved standard of governance of medical schemes.

Part2: Regulatory Plan Compliance Unit

Investigate and resolve complaints raised by beneficiaries and the public.

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
To conduct disciplinary hearings for broker infringements of the Regulations and code of conduct	Review disciplinary procedure manual with Legal Services to ensure it complies with the Act and Regulations.	Enforceable disciplinary procedures manual by April 2004. Council sub-committee by July 2004.	Compliance with the Act, Regulations and code of conduct by brokers.
To conduct disciplinary hearings for broker infringements of the Regulations and code of conduct	Lead investigations regarding disciplinary enquiries as per compliance themes and priorities.	Number of disciplinary hearings in a priority area.	Compliance with the Act, Regulations and code of conduct.

Part2: Regulatory Plan Compliance Unit

Develop strategic alliances nationally and internationally.

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Assist Legal Services with establishing a relationship with specialist regulatory bodies	With Legal Services enter into discussions with SARS and Scorpions to develop MoU.	Finalised MoUs.	Increased co-operation between regulatory bodies

Legal services unit

Provide support and guidance to trustees and promote understanding of the medical schemes environment by trustees, beneficiaries and the public

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Promote sound corporate governance amongst board of trustee members.	Participation in trustee training.	<u>Presentations at:</u> Bot workshops per training targets.	Improved governance of medical schemes. Trustees with sound knowledge & grasp of legal implications and fiduciary responsibility of trusteeship.
Fair treatment project	Review of model rules to ensure compliance with king ii report & international literature on member participation;	Model rules that comply with king ii report & other literature on member participation;	Full member participation on scheme matters;
	Review of model rules to include specific grievance procedures for members unhappy with election and decision-making processes in agm.	Model rules that include specific grievance procedures for members unhappy with election and decision-making process in agm/ bot	Members in a position to act in accordance with specific grievance procedures if unhappy with election and decision making process in agm.

Part2: Regulatory Plan Legal Services Unit

To identify areas of non-compliance and institute appropriate remedial measures

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Review section 46 & obtain legal clarity	Initiate legal proceedings for a declarator on section 46 process. Revision of section 46.	Judicial pronouncement on sect. 46 process.	Clarity on sect. 46 process and powers of the council.
Support fais task team	Rendering technical legal support to the task team on the fais act.	Advice on legal interpretation of the relationship between medical s. Act & fais act.	Creation of certainty in relation to application of the fais & medical schemes act.

Securing an appropriate level of protection for beneficiaries of medical schemes & the public by authorizing the conduct of medical schemes business & monitoring financial performance & soundness of schemes.

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Enforce compliance with the act	Render legal advice & assistance on registration of medical schemes & the accreditation of intermediaries.	New registrations which accord with legislative provisions & policy directives.	Schemes registered in accordance with the act.
	Render technical legal assistance on rule amendments.	Amendment of rules in accordance with legislative provisions & policy directives.	Rule amendments in accordance with the act.
	Render legal advice to the registrar & council in instances of disputes concerning registration of schemes & rule amendments.	Resolution of disputes in accordance with the act & other relevant legislation.	Properly resolved disputes in accordance with the act.

Part2: Regulatory Plan Legal Services Unit

Investigating and resolving complaints raised by beneficiaries and the public

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Render support to complaints unit	Render support & advice on complaints of a complex legal nature.	Legally sound & enforceable rulings.	Members' satisfaction & confidence in the council.
	Take responsibility for appeals brought before council.	Prompt turn around times in resolution of complaints.	Improved protection of members

Part2: Regulatory Plan Legal Services Unit

Render legal support to various units

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Provide legal support to the registrar & the council / operational units in the office of the registrar.	Contracts;	Efficient and effective policies & procedures.	Proper delivery of service to the industry.
	Labour relations;	Render advice to the other units	Strengthening relationship between the council & health-care providers->
	Policy & procedures;		
	Applicable legislation;		
	Tender committee;		
	Render secretarial support to exco & council;		Hasa com-plaint " <i>set-off</i> "; Dr's com-plaints various " <i>set-off</i> ";
	Render secretarial support to appeal board.		Widening cleft between service providers & schemes.

Complaints unit

To monitor and effectively resolve complaints raised by members and the public.

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Resolve complaints raised by beneficiaries	Analyse complaints raised by beneficiaries and send to schemes for responses as required by Section 47 of the Medical Schemes Act	Acknowledgement sent to members within 5 days of receipt of complaint	Informed members
	Resolve complaints, having received responses from schemes	50% of complaints resolved within 30 days; 90% within 60 days and 100% within 90 days	Speedy resolution of complaints
	Inform complainant of outcome of complaint or any further action where necessary	Letter to complainants within 3 days of having received response from scheme, and taking a decision on complaint	Improved member confidence in complaints resolution system
Make progress in cases where schemes fail to respond within 30 days	Submit a ruling for Registrar's assent in all cases where schemes have failed to respond within 30 days	Submit ruling to Registrar within 5 days of end of period provided to scheme	Members whose complaints are not responded to by schemes are able to have rulings made by the Registrar
	Inform complainant and scheme of Registrar's ruling	Rulings dispatched to complainant and scheme within 5 days of ruling	
Resolve complaints through mediation	Arrange dispute resolution meetings where conciliation has failed or where complainant indicated dissatisfaction	Dispute resolution meeting held within 7 days of deadlock	

Part2: Regulatory Plan Complaints Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Handle walk-in consultations	Provide speedy assistance to "walk-in" complainants	Attending to members timeously	Enhanced customer service
Resolve complaints received from service providers	Organise meeting between provider(s) and scheme to resolve complaint on non-payment of accounts	50% resolved within 45 days, 80% within 60 days and 100% within 120 days	Improved payment of claims by schemes
Appeals in terms of Section 48 of the Medical Schemes Act	Provide input to Appeal Sub-Committee on behalf of the Registrar as appropriate	Documentation on appeals for Legal Services or Appeal Committees within 2 weeks of appeal hearing	Appeals are dealt with by Council effectively
Giving members accurate information	Enhance interdepartmental communication	Meetings once a month to discuss new developments on the Act and the industry as a whole	Members are well informed on the Medical Schemes Act
Improve awareness of complaints handling and processes by consumers, trade unions, and schemes and trustees	Presentations on complaints handling processes	On request by training officer	Greater awareness by the public of complaints resolution mechanism within schemes
	Radio Talk Shows on complaints handling	On request by Communication	Greater awareness by the public of complaints resolution mechanism within schemes
Improve resolution process at scheme level	Review the draft document which has already been forwarded to the Registrar for finalization	In conclusion with the Registrar, working document by June 2004	Improved complaints resolution by schemes

Part2: Regulatory Plan Complaints Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Management of the Complaints Unit	Monitor and manage the performance of staff within the unit	Two sessions per year. Monthly meeting with every staff member	To enhance CMS as employer of choice
		Formal performance evaluation sessions	A culture of feedback and performance
		Expenditure within budget	Expenditure reflects activities
		Monitor adherence to budget	

Communication and education unit
Sub-heading

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME

Internal Finance Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Prepare accurate monthly management accounts for Council. S40 (4) b	Accurate recording and processing of transactions in various books of first entry. Correct allocation of account codes in the processing of cheques and receipts.	Submit financial information in the prescribed format on actual revenue and expenditure of the preceding month. Management reports e.g. Income statement, Balance Sheet, Cash flow statement, Variance report and notes to the financial statements are produced.	Management accounts are produced monthly and serve at SMM, Council and Audit Committee. The structures interrogate these accounts and provide advice where applicable. Decisions are taken on the basis of a fair presentation of accounts
Prepare Annual Financial Statements and ensure that they are audited. (S55). Financial statements are prepared in accordance with the generally accepted accounting practice.	Collect all the invoices and receipts and any other relevant information needed for the making of provisions and prepayments. Prepare an audit file	Annual financial statements are submitted to the Auditor General and Treasury on 31 May each year. Audit Committee evaluates the AFS seven days after the Auditor General report. Submit annual financial statements to relevant Treasury and the Executive Authority by 31 August each year.	To have an unqualified audit opinion each year. Annual financial statements are tabled in the National Assembly by the Minister on 30 September each year.

Part2: Regulatory Plan Internal Finance Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Maintenance of effective and efficient Internal Controls. (TR.3.2), S38 (ia), S76 (4).	Conduct a risk assessment regularly to identify emerging risk of Council. (Work of internal auditors).	Revised policies incorporated in the finance and procedure manual. A revised Fraud prevention plan.	Ensure that Council transactions are conducted in terms of the finance policies, HR policies and any other relevant legislation governing Council e.g. Companies Act, Income Tax Act, UIF, SDA etc.
Revision of financial policies in line with the PFMA.	Document the necessary changes and discuss them at SMM.		Maintenance of policies that is consistent with changing needs of the corporate environment and relevant legislation.
	Communicate the internal controls to all staff.		An improved culture of adherence to internal control is maintained in Council.
	Discuss with audit committee		A risk management strategy is produced which include -Fraud prevention plan
			Workshops are conducted with staff.

Part2: Regulatory Plan Internal Finance Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
To ensure Audit Committee meetings are held quarterly. (TR.3.1), S76 (4d)	Audit committee meetings are held quarterly.	Audit committee meetings take place as scheduled.	Continuous assessment of the financial position of Council and the identification of risks inherent in the management of an organisation. Provide financial advice to Council.
An effective and properly constituted Audit Committee in terms of the PFMA.	Preparation of documentation and distribution to Audit Committee members seven days before the meetings to all audit committee members e.g. Financial Statements, policy documents etc.	Audit Committee recommendations are implemented timeously.	
	Communicate Audit Committee recommendations to relevant structures of Council.		
	Review Terms of Reference of Audit Committee members annually.		
	Review audit charter and communicate to Audit Committee members annually.		
Preparation and maintenance of Annual Budget. (S53)	Consultative budget meetings are convened in line with the budget cycle.	Reviews are documented to comply with the Public Finance Management Act (PFMA).	The budget is approved by the Executive Authority.
Review budget to ensure consistency with approved budget and projected cash flow.	Cost centre heads submit their budget inputs with clear projections on a month to month	A consolidated budget is submitted six months before or another period agreed to.	A levy on schemes is determined and published in the gazette

**Part2: Regulatory Plan
Internal Finance Unit**

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
	basis. Obtaining quotations where applicable.		
	Consolidate the Council budget.		
	Monthly variance reports are produced.		
Revenue Management (S38)(1)	Collect all monies due to Council.	Improved debtor's collection system is maintained in Council.	An accurate presentation of Debtors balances in the balance sheet.
	Maintain proper records of all debtors.		
	Charge interest on overdue accounts.	Management of revenue is in line with the PFMA.	Manage revenue efficiently and effectively.
Expenditure Management (S76) (4)b	Ensure all expenditure is necessary; all expenditure is appropriate and is paid promptly.	Statutory creditors are settled within the prescribed period.	An accurate presentation of Creditors balance in the balance sheet.
	Ensure that expenditure is approved, in line with budget and in line with strategic objectives.	Expenditure is managed and is in line with budget and strategic objectives.	Ensure there is no fruitless and wasteful expenditure.

Part2: Regulatory Plan Internal Finance Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Procurement system (T.R. 16.6.)	Review procurement policy in the policies and procedures document.	Sign contracts and service level agreements with preferred suppliers.	A fair, open and transparent procurement system that ensures compliance with BEE principles is maintained.
	Ensure that procurement is in line with policy.	Ensure preferred supplier list is maintained.	Report on BEE suppliers is provided.
Cash Management (S11)	Implementation and maintenance of an EFT system.	Determine cash flow requirements from time to time.	Make informed decisions on cash flow requirements.
	Adherence to investment policies. Making timeous payments.	Investments are held with approved financial institutions.	
	Cash forecast/cash flow projections.		
	Bank accounts approved by Treasury.		
Asset Management (S31)(1)d	Maintenance of an up to date fixed asset register.	Proper control systems exist for assets.	Council's assets are not exposed to risks.
	Ensure that assets are insured at all times.		

Part2: Regulatory Plan Internal Finance Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Personnel costs management. (T.R 8.3.)	A payroll system that complies with relevant legislation is maintained.	Salaries are paid on the 25 TH of each month.	All salaries are within budget and for appointed staff.
	Legislated deductions against payroll are made.	Personnel costs are within budget.	
	Ensure that all appointments are approved by the CEO.	Produce accurate information on the IRP5 at the end of each tax year.	
	Changes to conditions of employment approved by CEO.		
Ensure that personnel in Finance are adequately skilled.	Develop training plans for staff in Finance.	Staff is encouraged to enrol for courses in line with their accountabilities.	Staff is up to date with developments around financial management e.g. PFMA and Treasury Regulations.
	Workshops are arranged for staff to equip themselves with the changing financial management environment.		Staff are also able to advise on financial management.
			Internal Finance is adequately staffed.

Human resources development unit
Continue the development of *CMS* as an employer of choice

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Realign the organizational objectives and the context within which staff work, through by facilitating the development of organizational strategy through <i>CMS Active</i> .	Communicate broad aims, plans and progress of the process to the wider organization	A report every two months to the wider organization on progress being made by <i>CMS Active</i>	People within the organization are put in the center of organizational strategy which allows for collective thought, trust and commitment to developing direction for the Council.
Coordinate the 'visioning' sessions of <i>CMS Active</i>	Identify and agree specific themes of a people strategy to commence with.	Agreement within CMS Active on initial topic to handle, by March 2004.	Staff is engaged on the HR direction the organization will make a difference and possible barriers to obtaining that vision.
	Develop proposals, through <i>CMS Active</i> , on the following issues pertaining to <i>People processes</i> : (i) Performance management, (ii) remuneration strategy, (iii) skills development and career pathing, and succession planning at <i>CMS</i> .	New proposals on performance management to SMM, by end April and to Council by end of May 2004.	A performance driven organizational culture is nurtured and developed.
Develop a set of culture, values and core beliefs that the organization can agree on.	Develop proposals, through <i>CMS Active</i> , on the following issues pertaining to <i>Cultures and Values</i> at CMS: (i) Creating a positive environment for work <i>motivation</i> , (ii) teamwork, (iii) managing diversity and fostering a non-discriminatory environment.	A skills audit report and training plan to SMM by July 2004. Recommendations on career pathing and succession planning to SMM by July and to Council by August 2004.	A culture of learning is fostered, and staff are able to identify career paths within the <i>CMS</i> .

Part2: Regulatory Plan
Human Resources Development Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
		A remuneration strategy to SMM by end of September, and to Council by end of November 2004.	Consistency and clarity is provided in remuneration and is linked to career pathing.
		Actions plans to create an environment in which staff can be motivated to deliver their best performance, by June 2004.	Optimise human capital by bringing human element to the fore by motivating staff to deliver their best.
		Action plans for fostering successful teamwork, including skills required by managers to promote team work, by November 2004.	An environment that allows each member of staff to contribute optimally in his/her own unique way.
		Action plan for managing diversity, by February 2005.	An organization where barriers have been dissolved while still operating within the letter and spirit of non-discrimination laws.
Forecast the demand and supply of personnel with particular attention to scarce skills	Secure suitably qualified permanent and temporary staff.	Timely recruitment of talented personnel for both permanent and temporary positions through advertising and headhunting	Improved management of recruitment. Talented staff are attracted and retained.

Part2: Regulatory Plan
Human Resources Development Unit

Implement Affirmative Action and Employment Equity in line with National Policy

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Manage equity profile in line with National objectives.	Report on Employment Equity in terms of the Employment Equity Act	DoL informed of the Employment Equity status for the Council for Medical Schemes for 2004/05	Equity targets within the Council developed in line with the Employment Equity Act.
	Chair and facilitate the EE Forum	All staff informed and engaged in process of developing Employment Equity Plan for the Council.	Requirements of the Employment Equity Act fulfilled.
	Develop an Employment Equity Framework	EE Framework and EE Plan are presented to SMM by April 2004.	Requirements of the Employment Equity Act fulfilled.
	Develop an Employment Equity Plan.	EE plan presented to SMM by May 2004 and to Council by June 2004.	Requirements of the Employment Equity Act fulfilled.
	Submit EE Plan to Dept. of Labour	Plan submitted to DoL Labour by July 2004.	Requirements of the Employment Equity Act fulfilled.

Part2: Regulatory Plan
Human Resources Development Unit

Assist managers to implement performance management

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Manage Performance in line with care and grow principle.	Assist managers to implement a new performance management system.	New system is implemented by June 2004.	Managers are competent and objective in their management of performance of staff.
	Collate results, managed moderation as required and formalize payment of performance bonuses.	Results are collated, documented and tabled to the moderating committee for approval, by end June and end November 2004.	Performance bonuses effected on time in an objective formalized fashion.
		Payment of performance bonuses effected by 20 December 2004.	

Part2: Regulatory Plan
Human Resources Development Unit

Organizational Efficiency and Effectiveness

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Monitor efficiency and effectiveness of organization.	Provide ongoing Employee relations and general consultancy to Heads, Line Mangers and staff	Effective and efficient management of Human Capital in the employ of the Council	Improved internal service to staff Audit HR policies, and submit to SMM for approval after staff consultation.

Part2: Regulatory Plan
Human Resources Development Unit

Develop Management competencies (on soft issues)

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Implement a Management Development programme	Conceptualize Management Development Programme for Council's managers.	Concept plan to SMM, by May 2004.	Managers acquire competencies in management of soft issues.

Information technology unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
To facilitate an efficient, timely, focused and educated workforce, through information technology interventions.	Investigate and prepare a Final Technical Specification Document and RFP Document for a robust Electronic Document Management Solution and Knowledge Bank.	Detailed Technical Specification and RFP Document on EDMS and Knowledge Bank Prepared by end March 2005.	Improved workforce efficiency through electronic collaboration.
	Deploy a Human Resource Management System.	Human Resource Management System deployed by end July 2004.	Improved workforce efficiency through electronic collaboration.
	Deploy a new Resource Center Management system.	Resource Center System deployed by end July 2004.	Improved workforce efficiency through electronic collaboration.
To source and maintain the latest information on our stakeholders by implementing mechanisms to increase the proportion of data available to council.	Reliable, stable and efficient database solutions developed and maintained.	New Accreditation System rolled out for use by End July 2004.	Our stakeholders are always able to access data pertaining to their areas of responsibility quickly, effectively, anytime and anywhere.
		Schemes Database improved and consolidated by end May 2004.	
		CMS Tracker System developed and deployed on an organizational level by end April 2004.	
		Statutory Return System deployed as per set schedule.	
		Shadow REF Return developed, tested and deployed by	

Part2: Regulatory Plan Information Technology Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
		November 2004.	
		Web Zones for Brokers, Brokerages, Administrators etc. Deployed by end of February 2005.	
		Fully functional WAP Site developed by 1 April 2004.	
	Maintain an efficient IT Helpdesk by means of different interventions such as network maintenance and support etc.	Ongoing IT Helpdesk function maintained at an Industry Level Service Standard with adherence to Industry Norm Response Times.	All our stakeholders (internal) ensured of an Efficient Helpdesk function.
To facilitate an environment in which external stakeholders are informed, empowered and educated through the application of relevant information technology.	Maintain a fully interactive website with dedicated member zones which are user friendly, informative and educational.	<u>Ongoing development and maintenance of:</u> <ul style="list-style-type: none"> • Public Access Areas • Member Access Areas • WAP Site 	Improved Web and WAP access to all stakeholders.
	Supplement this Website with an Interactive WAP Site for Mobile users.		
Ensure 100% "uptime" through effective maintenance, upgrade and administration of the cms information technology infrastructure.	LAN infrastructure tested and maintained.	LAN cabling tested twice annually for problems and defunct cabling replaced or patched.	True 100 Mbs connectivity maintained.

Part2: Regulatory Plan Information Technology Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
	Server farm health regularly assessed and required "patches" loaded.	Ensure that all servers are running the latest service packs and that they perform optimally once a week.	All servers running at peak performance with 100% uptime 24/7.
	Telephony infrastructure tested and maintained.	Perform checks on the Telephone system once a week.	Telephone system running at peak performance with 100% uptime 24/7.
Ensure that disaster recovery and data backup procedures are in place.	Perform Daily Differential Backups and Weekly Full Backups.	Backups performed on a scheduled daily and weekly basis.	Data remain intact and can be recovered if lost.
		Backup tapes stored offsite on a weekly and monthly basis.	
		Backed up data restored from time to time to test backup success.	
	Uninterrupted Power Supply System (UPS) tested and maintained.	Ensure that the Power Generator (Genset) and UPS remain optimally functional by performing failover tests bi-weekly.	IT Infrastructure remains fully functional in case of major power outage.
	Environmental Monitoring System on main server room tested and maintained.	Perform failover tests weekly to ensure that all the EMS Alarm triggers are in working condition.	Server rooms and data remain intact in case of fire, high temperature and humidity.

Part2: Regulatory Plan
Information Technology Unit

OBJECTIVES	ACTIVITIES	OUTPUTS	OUTCOME
Ensure that adequate domain security measures are in place.	Security infrastructure tested and regularly checked for vulnerabilities.	Check Intrusion Detection Logs weekly to monitor possible intrusion attempts. Perform Controlled Intrusion Attempts twice a year to test system vulnerability.	Unauthorised access attempts (hacks) prevented and attempts (hacks) monitored and reported to relevant authorities.
	Continue to Fine tune Group Policy to enable a secure private network.	Perform a monthly review of Group Policy Objects and fine tune if required.	End-User environment controlled and restricted to ensure a secure domain.
	Ensure the upkeep of Anti-Virus Measures to prohibit the spread of computer viruses or malicious Trojans or worms.	Perform daily checks to ensure that the newest Anti-Virus Patterns have been disseminated on the domain.	Ensure a 100% Virus Free Domain 24/7.
To ensure that information technology policies and procedures are formulated and updated.	Establish an IT Sub-Committee.	IT Sub-Committee established by end April 2004.	IT Sub-Committee established.
	Develop a Business Continuity Plan which will incorporate a Disaster Recovery Plan. Establish a List of Preferred Service Providers in collaboration with Finance Unit.	Business Continuity Plan developed by IT Sub-Committee by end of November 2004. Establish a List of Preferred Service Providers before the end of August 2004.	Policies and procedures formulated and up to date. A list of Preferred Suppliers in terms of various services required within IT established.

Part 3.

**Budget
For 2004 / 2005**

Part3: Budget for 2004 / 2005