



5.5 Regional Medical Advisory Panels

The first Regional Medical Advisory Panel was set up as a pilot in the Western Cape. A second Regional Medical Advisory Panel has been set up in KwaZulu-Natal. Other provinces are set to follow during the course of the 2006/7 financial year.

5.6 Financial stability

There was an increase in employers registered with the Fund. As on 31 March 2006, 295 651 employers were registered with the Fund as compared to 285 668 in 2005. This increase in employer compliance helped the Fund to raise almost R3 billion for the past financial year. The Fund has more than R15 billion in assets of which R13,5 billion is invested. The accumulated funds consist of more than R7,4 billion in the Pension Account and R6,1 billion in the Statutory Reserve Fund. The latest actuarial evaluation report indicated that the Fund is in a sound financial position.

6. CHALLENGES

- Capacity to process and finalise claims timely
- Re-designing business processes and aligning the structure of the fund while still meeting clients needs
- Infrastructure for decentralization of functions to Provincial Offices and Labour centres
- Reduce long delays and improve quality in section 51 and 56 hearings
- Infrastructure for rollout of the Provincial Medical Advisory Panels
- Non compliance with COIDA by employers and late reporting of accidents



KRA's	KEY OUTPUTS	PERFORMANCE MEASURES		RESULTS/PROGRESS & VERIFICATION SOURCE	CONSTRAINTS	CORRECTIVE ACTION
		TIME IN Q	INDICATOR			
1. STRENGTHENING SOCIAL PROTECTION	1.1 Improved and equitable Compensation benefits	QLY	1.1.1 50% of compensation fund claims processed and paid within 90 days of receiving complete documentation	Compensation: 45%, Medical aid: 70% and Occupational diseases:45% paid within 90%	Disintegrated IT systems	IT enhancements and quick wins introduced
		Q4	1.1.2 100% of backlog claims processed and finalised	-Compensation: 55%, medical claims:30% and occupational claims: 55% of backlog claims processed -510 objections heard	Disintegrated IT systems High staff turnover in Legal Services due to contract posts	Restructuring in the whole Claims Directorate
		Q4	1.1.3 Appeals and objections settled timely			
		Q4	1.1.4 Provincial Medical Advisory Panels established	Two panels operating in WC and KZN, Gauteng one being established		
	1.2 Improved revenue generation and debt collections	Q4	1.2.1 97% of all employers assessed	270 887 of the 295 651 registered employers have been assessed during the financial year. This represent 92% of the registered employers		
		1.2.2 5% increase in revenue generation	Contribution revenue from employers has increased from R2 377 million in 2004/05 to R2 741 million. An increase of 15%			



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			1.2.3 5% increase in registered employers	Registered employers have increased from 285 668 on 31 March 2005 to 295 651 on 31 March 2006. An increase of 3,5%	Lack of ability to trace unregistered employers	Integration with the UIF employer database is planned for the 2006/07 financial year
	1.3 Effective cash and investments management		1.2.4 10% increase in debt collections	R2 576 million assessments have been collected in comparison with the R2 360 million during the previous year. An increase of 9,2%		
2: STRENGTHENING THE INSTITUTIONAL CAPACITY OF THE DoL	2.1. Management reforms and restructuring of the fund are effected	Q1	2.1.1 The Compensation Fund turn-around strategy developed and implemented	Strategy developed Implementation will take place during 2006/07		
		Q2	21.2 Identify partnerships to improve Business Processes and systems	Meetings/discussions held with various companies to look at their processes and systems. Pilot process initiated at RMA to test the functionality of their systems.	Due to IT integration and other challenges it was decided to only look at business processes that would assist in streamlining the Funds processes.	Additional functional being developed in the current systems.
		Q3	2.1.3 Claims enquiries function decentralised	The SAFika Enquiries system was developed and decentralised to all offices to assist clients with claims queries.	The update of the system was on a weekly basis.	The system update is now done daily.
	2.2 Enhance Quality and access to COIDA services	Q1-4	2.2.1 Setup of a CF Call centre	The call centre was launched on 1 st March 2006.	Contract staff are leaving for other employment.	There is a move to have all contract staff taken over from the service provider by the Department.