

COUNCIL FOR MEDICAL SCHEMES
2022/23 PROPOSED BUDGET



Funding Proposal 2022/23

Description	Line Ref		2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Goods and services	A1		54 453 240	64 084 222	63 473 528	72 477 099	72 087 715
Compensation of employees	A2		106 702 173	120 594 550	114 649 748	113 072 984	121 354 836
Operating cash expenditure	A		161 155 412	184 678 773	178 123 276	185 550 083	193 442 552
Capital expenditure	B		3 781 117	3 627 192	900 000	1 000 000	1 042 300
Total cash requirement (TABLE 2)	C	A + B	164 936 529	188 305 965	179 023 276	186 550 083	194 484 852
Inspection fees (recovery)	D2		-	(9 321 895)	(102 302)	(102 302)	-
Accreditation fees	E		(7 504 000)	(9 536 067)	(6 779 733)	(6 779 733)	(6 798 998)
Registration Fees	F		(45 385)	(422 959)	(512 947)	(512 947)	(534 644)
Interest Received	G		(4 483 382)	(4 995 730)	(1 945 922)	(1 945 922)	(2 028 234)
Government grant	H1		(5 815 000)	(5 987 000)	(6 530 000)	(6 181 000)	(6 272 000)
Other income	I		(2 842 899)	(789 606)	(274 454)	(274 454)	(286 063)
Total income excluding levies	J	D + E + F + G + H+ I	(20 690 666)	(32 969 924)	(16 145 358)	(15 796 358)	(15 919 940)
Income from levies	K	C - J	144 245 863	155 336 041	162 877 918	170 753 725	178 564 912
Total membership	L		3 992 102	4 016 708	4 030 619	4 039 705	4 053 041
Ley amount proposed	M	K / L	R 36,13	R 38,67	R 40,41	R 42,27	R 44,06
Ley amount approved			R 36,13	R 38,67	R 40,41	R 42,27	
Ley increase (in Rand) based on approved ley			R 2,14	R 2,54	R 1,74	R 1,86	R1,79
Ley increase (in %) based on approved ley			6,30%	7,03%	4,49%	4,60%	4,23%

Consolidated CMS Budget 2022/2023 (per unit)

OLD ORGANISATIONAL STRUCTURE					NEW ORGANISATIONAL STRUCTURE			
Programme Nr	Consolidated expenditure - Per Programme	Actual outcome (Audited)			Programme Nr	Consolidated expenditure - Per Programme	Budget	
		2019/2020	2020/2021	2020/2021			2021/22	2022/2023
1	ADMINISTRATION				1	ADMINISTRATION		
1.1	Office of the CEO and Registrar	18 741 172	17 304 645	16 231 419	1.1	Office of the CEO and Registrar	7 723 608	9 637 280
1.2	Office of the CFO	36 843 475	34 772 336	34 122 020	1.2	Office of the CFO	14 917 962	15 827 597
1.3	Information Systems and Knowledge Management	21 495 599	24 469 417	24 940 721	1.3	Information Systems and Knowledge Management	25 201 872	25 927 126
1.4	Human Resources	11 728 896	8 593 905	8 869 322	1.4	Corporate Services	51 250 267	51 471 574
1.5	Legal Services	22 709 105	26 815 862	21 974 528				
1.6	Council Secretariat				1.5	Council Secretariat	7 311 420	7 653 610
2	STRATEGY OFFICE	13 332 791	9 865 442	9 867 676	2	STRATEGY, PERFORMANCE AND RISK	5 472 661	5 671 402
3	ACCREDITATION	9 480 639	7 712 027	8 451 442	3	REGULATION	39 666 014	41 362 616
4	RESEARCH AND MONITORING	8 468 129	6 239 678	6 492 729	4	POLICY, RESEARCH AND MONITORING	9 622 164	9 854 161
5	STAKEHOLDER RELATIONS	13 607 674	8 584 915	9 171 162	5	MEMBER PROTECTION	24 384 114	26 037 184
6	COMPLIANCE AND INVESTIGATION	15 370 825	11 771 340	11 058 421			-	-
7	BENEFIT MANAGEMENT	7 125 393	5 397 899	6 029 699			-	-
8	FINANCIAL SUPERVISION	13 262 016	11 563 265	11 778 311			-	-
9	COMPLAINTS AND ADJUDICATION	7 677 204	8 725 221	9 135 826			-	-
	OPERATING CASH EXPENDITURE	199 842 916	181 815 952	178 123 276		OPERATING CASH EXPENDITURE	185 550 083	193 442 552
	CAPITAL EXPENDITURE	3 812 179	813 234	900 000		CAPITAL EXPENDITURE	1 000 000	1 042 300
	TOTAL CASH REQUIREMENT	203 655 095	182 629 186	179 023 276		TOTAL CASH REQUIREMENT	186 550 083	194 484 852

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CMS Budget 2022/2023

ORGANISATIONAL STRUCTURE		OLD			NEW	
Notes	Per Economic classification		Budget	Actual outcome (Audited)	Budget	
		2019/2020	2020/2021	2020/21	2021/22	2022/2023
	Compensation of employees	116 570 088	114 649 748	109 402 216	113 072 984	121 354 836
1	Salaries and wages	113 278 352	110 871 791	105 542 858	108 831 883	117 277 719
2	Social contributions	3 291 736	3 777 958	3 859 358	4 241 101	4 077 118
	Goods and services	83 272 828	63 473 528	72 413 736	72 477 099	72 087 715
3	Agency and support / outsourced services	562 819	3 542	2 657	185 550	186 097
4	Communication	754 230	2 445 138	2 601 531	3 055 473	3 184 719
5	Computer services	4 582 954	5 290 581	4 932 599	4 785 976	4 988 423
6	Consultants	14 942 422	7 156 785	9 472 081	12 998 816	13 243 557
7	Lease payments	12 402 618	12 126 952	12 123 102	14 131 966	15 319 748
8	Advertising and marketing	1 385 355	265 185	303 308	1 823 551	1 823 551
9	Audit costs	1 122 636	1 388 705	1 091 529	1 174 278	1 000 000
10	Bank charges	85 223	54 649	53 383	110 400	115 070
11	Bad debt			291 400	-	-
12	Board costs	3 456 720	3 435 389	3 214 126	3 574 994	3 726 216
13	Legal fees	20 751 583	18 376 263	25 286 280	13 053 752	9 929 262
14	Non life insurance	448 585	627 267	657 761	606 784	632 451
15	Other unclassified expenditure	4 210 603	2 330 936	2 594 150	3 161 135	3 402 851
16	Printing and publication	1 154 782	915 456	786 290	1 098 582	1 145 052
17	Property payments	5 074 025	4 936 219	4 956 049	5 252 798	5 474 992
18	Staff cost note	4 833 127	2 694 449	2 638 309	2 990 571	3 119 072
19	Venue and facilities	1 659 308	31 257	25 536	632 916	726 683
20	Repairs and maintenance	542 988	409 180	431 080	989 355	1 031 204
21	Training and staff development	1 389 940	914 057	886 110	1 732 904	1 824 206
22	Travel and subsistence	3 912 911	71 519	66 457	1 117 298	1 214 560
	OPERATING CASH EXPENDITURE	199 842 916	178 123 276	181 815 952	185 550 083	193 442 552
23	Capital expenditure	3 812 179	900 000	813 234	1 000 000	1 042 300
	TOTAL CASH REQUIREMENT	203 655 095	179 023 276	182 629 186	186 550 083	194 484 852

Notes supporting table 3

1. Salaries and wages

Compensation of employees includes remuneration in cash. Specifically included are salaries and anniversary bonus (long service award) and costs for filling of positions as part of the phasing in of the new organisational structure over the MTEF period.

2. Social contributions

Contributions by employer towards employees' life cover and contributions payable for workmen's compensation to the Compensation Fund is included under this line item.

3. Agency and support / outsourced services

Recording of appeal board hearings, strategic planning meetings, Council meetings and labour relations matters.

4. Communication

Communication refers to costs incurred for communication through a variety of communication mediums, including telephone, fax, courier and printing.

5. Computer services

Payments made for computer services provided by external service provider. These includes computer related expenditure, such as back-up tapes and cartridges for printers, internet solutions and software license subscriptions.

6. Consultants

Consulting services refer to the appointment by the organisation of a professional person(s) to provide technical and specialist services or to assist with the design and implementation of projects/programs for the achievement of a specific organisational objective. It is not necessary to maintain these skills in-house since they are required on a once-off or temporary basis. This line item includes amongst other things, Internal audit fees, Appeal board, Commissioned Investigations, etc.

7. Lease payments

Renting of building, copiers and other assets.

8. Advertising and marketing

Included within this item is the media monitoring contract, advertising costs as well as social media advertising costs.

9. Audit costs

In line with Section 188 of the Constitution of South Africa Section 188, The Auditor-General performs the external audit function.

10. Bank charges

Charges on commercial bank account (ABSA).

11. Bad debt

A debt relating to statutory receivables that has been provided for.

12. Board costs

All payments related to the functions of the board. This includes remuneration of Council and sub-committees of Council.

13. Legal fees

Cost incurred for services rendered by attorneys and advocates.

14. Non-life insurance

Non-life insurance claims represent the claim due under contracts in respect of non-life insurance, that is, the amount which insurance enterprises are obliged to pay in settlement of injuries or damages suffered by persons or goods (including fixed assets).

15. Other unclassified expenditure

All expenditure items that could not be classified in any mentioned category.

16. Printing and publication

Costs incurred for printing documents or publications produced for wide distribution inside or outside the organisation e.g. annual reports, brochures, pamphlets, posters and books.

17. Property payments

This item provides for all payments related to contractual obligations contributing to the functionality of the CMS building, namely cleaning, security and municipal services.

18. Staff cost note

Costs relating to staff (temporary or permanent) that are not classified under compensation of employees (salaries and wages; social contributions). These costs include inter alia recruitment and relocation; temp services; training and staff development; workmen's compensation and employee wellness.

19. Venue and facilities

Venue costs are costs associated with obtaining a right to use the specific venue / site / location at that particular time.

20. Repairs and maintenance

Costs incurred for maintaining, repairing and day-to-day running of assets.

21. Training and staff development

The cost of training staff for development and improved efficiency. This cost includes materials, manuals, cost of external trainers as well as conference costs where applicable.

22. Travel and subsistence

Travel and subsistence are the reimbursement of travel expenses within or outside South Africa for business purposes.

23. Capital expenditure

Expenditure in respect of the purchasing of assets is classified as capital expenditure and mainly consists of computer equipment, computer software, office equipment and furniture and fittings.