



sassa

SOUTH AFRICAN SOCIAL SECURITY AGENCY

2020/21 ANNUAL REPORT PRESENTATION

Presentation to the Portfolio Committee on Social Development

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[*paying the right social grant, to the right person,
at the right time and place. NJALO!*]



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA



Presentation Outline

- Purpose
- Context
- Overview
- Past three years (2018/19, 2019/20 & 2020/21) performance trend
- Programmes' Performance
- Financial Report and Audit Outcomes
- Recommendations

Purpose

- The purpose of the presentation is to brief the Portfolio Committee on Social Development on SASSA's 2020/21 Annual Report:
 - SASSA's performance against its set objectives in line with Agency's Annual Performance Plan which was revised and re-tabled in July 2020.;
 - Budget and Expenditure; and
 - Audit outcomes

Context



- SASSA's core business is to provide social assistance to eligible South Africans who are unable to support themselves and their dependents with the goal to alleviate poverty.
- During the reporting period, SASSA continued to consistently pay social grants to over **18 million** qualifying South Africans. In addition, over 1,3 million new normal social grants applications and an average of about 5.5 million citizens benefitted from the COVID-19 special relief grant (R350) monthly.
- The overall total number of beneficiaries supported through monthly cash transfers during this reporting period is approximately 24 million (**41% of SA population**).
- During this period, SASSA operations were impacted by a number of variables, largely driven by the Corona Virus (COVID-19) pandemic . The impact was threefold:
 - **Beneficiaries** - Unemployment Rate in the country rose to 32.5% in the fourth quarter of 2020, thus increasing the demand for SASSA services particularly the special Covid-19 SRD grant.(**R350**);
 - **Business Processes:** – SASSA's operations are mainly manual and depends on face to face encounter with the clients/applicants, therefore, the number of clients/applicants seen on a daily basis has been affected as we adhere to the health protocols. Whilst there was an increase in the demand for services, the restricted numbers of people that could be in the buildings and the prohibition of large gatherings affected the manner in which beneficiaries were serviced. This resulted in the introduction of automated application processes;
 - **Staff** – There was a need to ensure balance between service delivery & ensuring that staff is protected given the number of staff who passed on during the period. Sadly, 41 SASSA employees succumbed to the pandemic.

OVERVIEW

Introduction

- SASSA is a Schedule 3A Public Entity established in April 2006 in terms of an Act of Parliament (*SASSA Act, 2004*)
- The objective of SASSA is to
 - act, as the sole agent that will ensure the efficient and effective management, administration and payment of social assistance; and
 - eventually serve as an institution to manage broader social security benefits
- The social assistance programme and the operations of SASSA are fully funded by government.
- The Social Assistance Act of 2004 provide the legal framework for the provision of social assistance

Programmes' Structure

- **Programme 1: Administration**

- Sub-programme 1.1: Executive Management
- Sub-programme 1.2: Corporate Services
- Sub-programme 1.3: Information and Communication Technology
- Sub-programme 1.4: Financial Management
- Sub-programme 1.5: Internal Audit and Risk Management
- Sub-programme 1.6: Strategy and Business Development

- **Programme 2: Benefits Administration and Support**

- Sub-programme 2.1: Benefits Administration
- Sub-programme 2.2: Payment Administration

THREE YEAR PERFORMANCE TRENDS

THREE YEAR PERFORMANCE TRENDS

2018/19 – 2020/21

Financial year	Total No. of APP Targets	Targets Achieved	%	Targets Not Achieved	%
2018/19	39	29	74%	10	26%
2019/20	35	26	74%	09	26%
2020/21	50	37	74%	13	26%

2020/21 ANNUAL PERFORMANCE REPORT

SASSA's Overall Performance

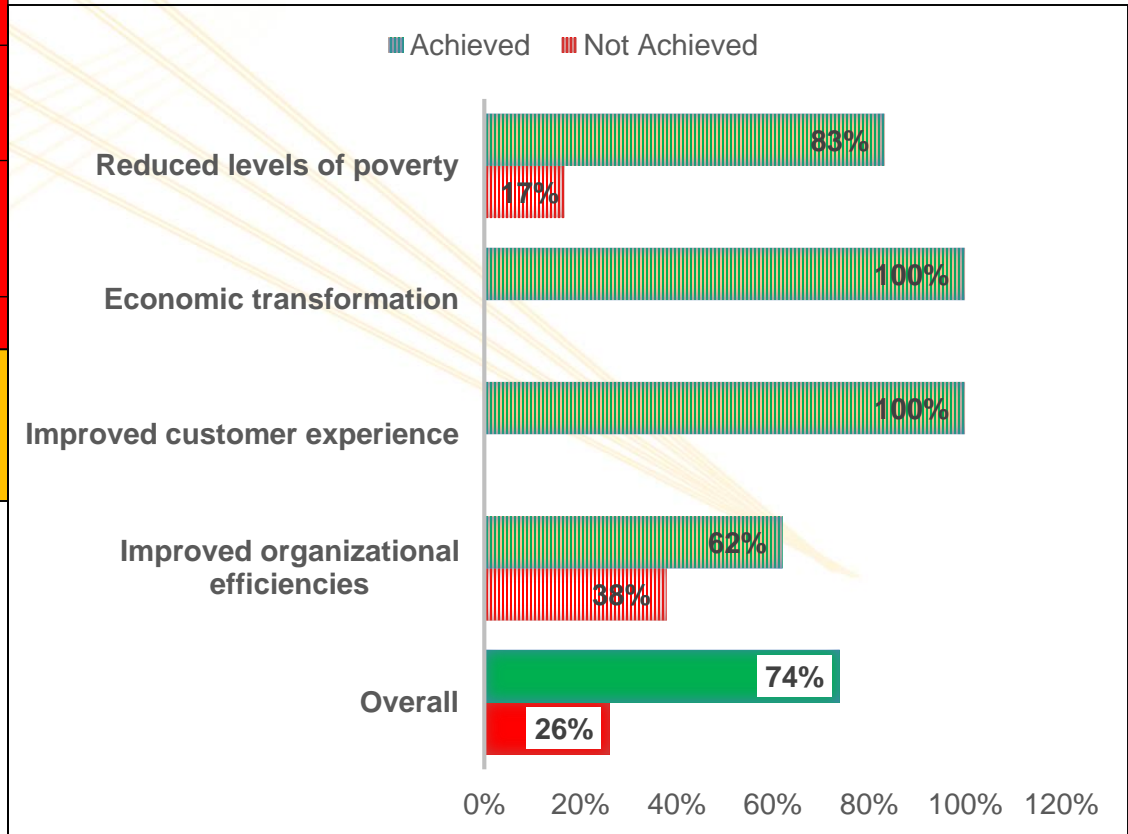
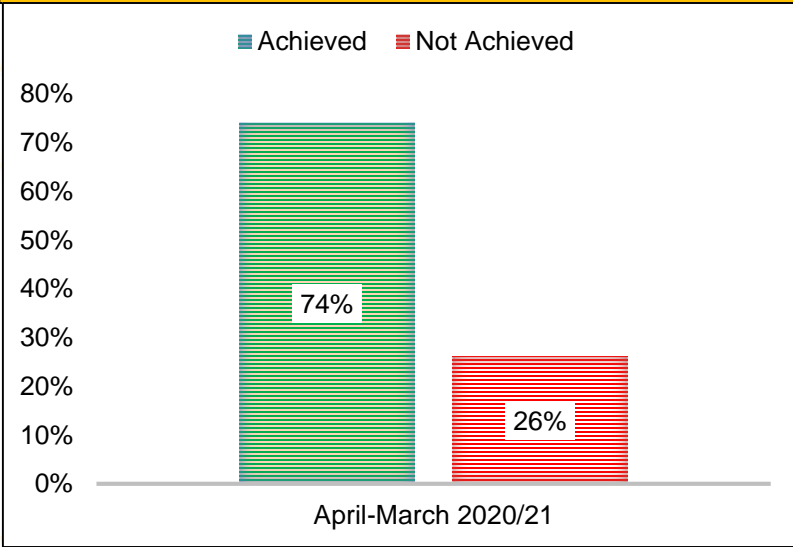


- SASSA's annual performance for 2020/21 financial year is **74%**, which equals performance during the same period in the previous financial year, 2019/20.
- In total, 50 targets were planned for the current reporting period, of which 37 were fully achieved. Programmes' performance is as detailed below:
 - Programme 1: **Administration** achieved 72% of planned targets.
 - Programme 2: **Grants Administration** achieved 78% of planned targets.

Summary of SASSA's performance for the 2020/21 Financial year *(Audited)*

Branch	2020/21 Financial Year				
	Planned Targets	Targets Achieved		Targets Not Achieved	
Administration	32	23	72%	9	28%
Benefits Adm. and Support	18	14	78%	4	22%
Total	50	37	74%	13	26%

Diagram Depicting the 2020/21 Performance



AFFECTED TARGETS WITHIN CORE BUSINESS



- **Programme 2: Benefits Admin and Support**

- Eligible beneficiaries in receipt of COVID-19 special relief grant (R350) – 87.58% beneficiaries received the COVID-19 special relief grant (R350) against a 100% target.
- SRD applications awarded to individuals and households in disastrous situations - 191 558 of 250 983.
- Children below the age of 1 in receipt of the children's grant - 550 919 of 580 000.
- Regulation 26A mandates implemented electronically - Ninety-one percent (7 073 of 7 764) were processed electronically.

AFFECTED TARGETS WITHIN ADMINISTRATION PROGRAMME



- **Programme 1: Administration**

- Audit action plan interventions - 87% (109 of 126) interventions were implemented against a 100% target.
 - Reduction of irregular expenditure – historical irregular expenditure was reduced by 12% against a target of 50%.
 - Social assistance debts recovered and/or written off - 1.17% was collected against a 5% annual target.
 - Financial misconduct cases (backlog) – 35% (434 of 1 228) of the backlog cases were finalised against a 75% annual target.
 - Organisational transformation interventions**
 - Change management, Culture survey, Audit and review of SASSA ethics management, Business Process Re-engineering.
 - Review of SASSA HCM policy to incorporate among others virtual operations.
- The impact of COVID-19 and Supply Chain processes were mainly the contributing factors to the non-achievement of the targets.

STATUS OF TARGETS WHICH WERE NOT ACHIEVED



Programme 2: Benefits Admin and Support

- ❑ COVID-19 special relief grant (R350) – 87.58% beneficiaries were paid against a 100% target.
- ❑ The target was not achieved mainly due to the March 2021 payments which could not be processed pending administrative approval, the March 2021 payments were subsequently processed in the new financial year, 2021/22.
- ❑ SRD applications awarded to individuals and households in disastrous situations - 191 558 of 250 983.
- ❑ Due to the implementation of the special relief grant (R350), some applications of the normal SRD were diverted to the special grant hence a decline in the number of applications awarded. The normal SRD grant is part of SASSA mandate and is included in the 2021/22 APP.

STATUS OF TARGETS WHICH WERE NOT ACHIEVED



Programme 2: Benefits Admin and Support

- Children below the age of 1 in receipt of the children's grant - 550 919 of 580 000.
- During the hard lock down, SASSA offices were completely closed for about eight weeks and affected the applications take up rate. This target has been included in the 2021/22 APP and SASSA is working closely with the Department of Health to ensure that qualifying children are registered for social assistance.
- Regulation 26A mandates implemented electronically - Ninety-one percent (7 073 of 7 764) were processed electronically.
- The target is chasing Regulation 26A mandates (*funeral policies*) that are processed electronically, however, the difference of 9% were processed manually and the benefits to beneficiaries were not compromised.

STATUS OF TARGETS WHICH WERE NOT ACHIEVED



Programme 1: Administration

- ❑ Audit action plan interventions - 87% (109 of 126) interventions were implemented against a 100% target.

STATUS:

- ❑ The implementation of the outstanding audit action plan interventions was prioritised in the new year financial year for completion.
- ❑ Reduction of irregular expenditure – historical irregular expenditure was reduced by 12% against a target of 50%.

❑ STATUS:

- ❑ SASSA opened the 2020/21 financial year with R1.227 billion irregular expenditure, the majority of this expenditure relates to Six (6) major cases amounting to R820.8 million. As indicated previously these cases mostly emanated as far back as 2014/15 and they are still under various stages of disciplinary process. In some cases, external service providers (legal experts) were appointed to investigate, review internal investigation reports and/or act as employer representatives in initiating corrective disciplinary processes.

STATUS OF TARGETS WHICH WERE NOT ACHIEVED



Programme 1: Administration

- ❑ Social assistance debts recovered and/or written off - 1.17% was collected against a 5% annual target.
- ❑ **STATUS:**
- ❑ SASSA's request to write off an amount of R278 million was rejected by National Treasury, however, an additional motivation has since been resubmitted for consideration by National Treasury and the feedback is yet to be received by SASSA.
- ❑ Financial misconduct cases (**backlog**) – 35% (434 of 1 228) of the backlog cases were finalised against a 75% annual target.
- ❑ **STATUS:**
- ❑ The finalisation of the backlog cases is a priority for SASSA in the current financial year, an improved performance of 58% at the end of September 2021 has been recorded.

STATUS OF TARGETS WHICH WERE NOT ACHIEVED



Programme 1: Administration

Organisational transformation interventions

- Change management, Culture survey, Audit and review of SASSA ethics management, Business Process Re-engineering (BPR).
- Change Management and culture survey were merged into one project and a service provider was appointed and contracting completed. The implementation in the current financial year is at an advanced stage and expected to be completed by March 2022.
- A service provider was also appointed for the implementation of the BPR, contracting was completed and implementation in the current financial year is at an advanced stage. The BPR implementation will overlap into 2022/23 financial year.
- The Audit and review of SASSA ethics management is being implemented in the current financial year, however, its implementation is done internally.

Review of SASSA HCM policy to incorporate among others virtual operations.

The policy was tabled to the SASSA National Bargaining Forum (SNBF) and a positive response was obtained, the policy has now been approved by the CEO for implementation.

Detailed Performance Per Programme

Agency Performance – Services to beneficiaries

Implementation of Social Assistance Programme

Outcome: Reduced levels of poverty

Objective: Providing social assistance to eligible older persons, people with disabilities and children who are unable to support themselves

Desired Impact: Reduction in the proportion of persons living below the lower-bound poverty lines - primarily on those who cannot provide for themselves

Planned 2020/21 Target

Status as at 31 March 2021

1 200 000 social grant applications approved

A total of **1 379 634** social grant applications were approved over the 2020/21 financial year, representing a 115% achievement against the annual target

Increase the number of grants in payment from **18 290 592** to an estimated **18 606 874** by end of March 2021 at an estimated cost of **R188 billion**

The number of social grants in payment increased from **18 290 592** at the end of March 2020 to **18 440 572** at the end March 2021 at a cost of R199 billion. This represents an approximate growth of 0.8%.

Grant Type	No. of Beneficiaries
OAG	3722 675
WVG	40
GIA	267 912
DG	997 752
FCG	309 453
CDG	150 151
CSG	12 992 589
Total	18 440 572

Of the total grants in payment, 75% were women, 32% youth and 9% were persons with disabilities.

Implementation of Social Assistance Programme

Outcome: Reduced levels of poverty	
Objective: Objective: Reduction of exclusion errors for children below 1.	
Desired Impact: Reduction in the proportion of persons living below the lower-bound poverty lines - primarily on those who cannot provide for themselves	
Planned 2020/21 Target	Status as at 31 March 2021
580 000 children below the age of 1 in receipt of the children's grant.	<ul style="list-style-type: none"> • 550 919 children below the age of 1 were in receipt of the children's grant. This represents 95% achievement against the target. • By end of March 2021, 48.17% of eligible children within this age group were in receipt of social grants.

Implementation of COVID-19 Relief Measures (COVID-19 Social Grants Top-up)

Outcome: Reduced levels of poverty

Objective: Provide social relief of distress to persons experiencing temporary crisis.

Desired Impact: Reduction in the proportion of persons living below the lower-bound poverty lines - primarily on those who cannot provide for themselves

Planned 2020/21 Target

Status as at 31 March 2021

Payment of COVID-19 social grants top-up for May to October 2020 implemented for the following grant types:

Payment of COVID-19 social grants top-up for the months May to October 2020 was implemented for the following grant types (as per the President's pronouncement in April 2020):

- CSG – R300 per child for May only.
- R500 per caregiver from June to October 2020.
- OAG, WVG, DG, FCG, CDG - R250 per month.

- R300 per child /R500 per caregiver;
- OAG, WVG, DG, FCG, CDG - R250.

No. of social grants top-up payments per grant type

Grant type	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER
CDG	148 580	148 601	148 576	148 459	148 633	149 289
Combined	20 552	21 149	21 276	20 754	21 400	20 356
CSG	12 778 121	7 155 894	7 177 007	7 201 946	7 215 504	7 227 194
DG	1 074 417	1 067 829	1 067 671	1 038 447	1 061 736	1 065 119
FCG	342 832	343 711	348 492	347 708	356 330	361 444
OAG	3 664 167	3 662 038	3 695 922	3 697 171	3 697 684	3 705 868
WVG	61	58	59	54	49	47
Total	18 028 730	12 399 280	12 459 003	12 454 539	12 501 336	12 529 317

Implementation of COVID-19 Relief Measures (Special COVID-19 SRD Grant)

Outcome: Reduced levels of poverty

Objective: Provide social relief of distress to persons experiencing temporary crisis.

Desired Impact: Reduction in the proportion of persons living below the lower-bound poverty lines - primarily on those who cannot provide for themselves

Planned 2020/21 Target

Status as at 31 March 2021

100% of eligible beneficiaries in receipt of COVID-19 special relief grant (R350)

SASSA approved 62 924 207 cumulative applications whilst 55 109 713 were paid, representing 87.58%.

All COVID-19 special relief grant (R350) applications received by SASSA on a monthly basis including existing ones were considered as new and subjected to a verification process. This resulted to 98 757 899 cumulative applications processed.

A total of 19.5 billion was paid to eligible applicants of COVID-19 special relief grant (**average 5.5 million beneficiaries per month**).

NB: By end of March 2021, March payments were still outstanding, pending National Treasury's approval.

Implementation of COVID-19 Relief Measures (Special COVID-19 SRD Grant)

Outcome: Reduced levels of poverty

Objective: Provide social relief of distress to persons experiencing temporary crisis.

Desired Impact: Reduction in the proportion of persons living below the lower-bound poverty lines - primarily on those who cannot provide for themselves

The payments made were as follows:

No. of COVID-19 special relief grant (R350) payments

Month	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Total
No. of applications received	6 605 445	7 518 308	8 346 136	8 951 206	9 146 107	9 357 534	9 553 560	9 657 870	9 789 903	9 876 113	9 955 717	98 757 899
Approved	4 424 555	5 061 868	5 572 916	5 973 930	6 038 618	6 136 015	6 089 973	5 941 919	5 945 235	5 958 719	5 780 459	62 924 207
Paid	4 423 810	5 057 415	5 549 417	5 962 787	6 036 457	6 112 660	6 017 274	5 418 489	5 324 605	5 206 799	-	55 109 713
% Paid	99,98	99,91	99,58	99,81	99,96	99,62	98,81	91,19	89,56	87,38	-	87,58



Implementation of COVID-19 Relief Measures

Care Dependency Grant (CDG) and Temporary Disability Grant (TDG)

Outcome: Reduced levels of poverty

Objective: Provide social relief of distress to persons experiencing temporary crisis.

Desired Impact: Reduction in the proportion of persons living below the lower-bound poverty lines - primarily on those who cannot provide for themselves

Planned 2020/21 Targets	Status as at 31 March 2021
<p>100% of Care Dependency Grants (CDG) which should lapse as a result of the child reaching the age of 18 years between February and October 2020 to remain in payment until October 2020.</p>	<p>100% (11 085 of 11 085) of Care Dependency Grants (CDG) which were due to lapse between February and December 2020 were identified and kept in payment until the end of December.</p> <p>The 11 085 CDGs reported, comprised 8 962 for the period February to October 2020 and an additional 2 123 for November and December 2020.</p>
<p>100% of Temporary Disability Grants (TDG) which lapsed during the period February to June 2020 reinstated and paid until October 2020.</p>	<p>100% (207 218 of 207 218) of Temporary Disability Grants (TDG) which were due to lapse between February and December 2020 were identified and kept in payment until end of December 2020.</p> <p>The 207 218 TDGs reported comprised of 107 635 for the period February to June 2020 and an additional 99 583 for July to December 2020.</p>

The reporting period was extended through the gazetted regulations by the Minister of Social Development.

Implementation of Social Relief of Distress Programme (SRD)

Outcome: Reduced levels of poverty

Objective: Provide social relief of distress to persons experiencing temporary crisis.

Desired Impact: Reduction in the proportion of persons living below the lower-bound poverty lines - primarily on those who cannot provide for themselves

Planned 2020/21 Targets	Status as at 31 March 2021												
:250 983 SRD applications awarded at a cost of R407 million.	<p>SASSA issued a total of 191 558 SRD awards at a cost of R225 million to individuals and families under distress. This represents 76.32% achievement against the planned target.</p> <table border="1"> <thead> <tr> <th colspan="2">Number of SRD applications awarded</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>11 324</td> </tr> <tr> <td>Food Parcel</td> <td>158 866</td> </tr> <tr> <td>School Uniform</td> <td>18 221</td> </tr> <tr> <td>Voucher</td> <td>3 153</td> </tr> <tr> <td>Total</td> <td>191 558</td> </tr> </tbody> </table>	Number of SRD applications awarded		Cash	11 324	Food Parcel	158 866	School Uniform	18 221	Voucher	3 153	Total	191 558
Number of SRD applications awarded													
Cash	11 324												
Food Parcel	158 866												
School Uniform	18 221												
Voucher	3 153												
Total	191 558												
30% (R122 million) of total SRD rand value awarded through cooperatives and SMMEs	<p>In line with the commitment to contribute towards empowerment of SMMEs and cooperatives, 46.44% (R189 million) of total SRD rand value (R407 million) was awarded through cooperatives and SMMEs during the 2020/21 financial year.</p> <ul style="list-style-type: none"> • Cooperatives – R13,342,690 • SMMEs – R175,391,565 												

Social Assistance Payments

Outcome: Reduced levels of poverty

Objective: Social grants beneficiaries are paid the right amount at the right time

Desired Impact: Reduction in the proportion of persons living below the lower-bound poverty lines - primarily on those who cannot provide for themselves

Planned 2020/21 target: 95% of social grant payments successfully processed

Status as at 31 March 2021:

- SASSA paid over 18 million social grants monthly to approximately 11.3 recipients;
- The 11.3 million recipients were paid into their bank accounts across 24 banks including Post Bank. Overall successful transactions processed were above 99% per month;
- The total amount paid is **R199 billion** inclusive of the top-ups.

Social grant payments successfully processed per month

Month	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021
Payment File	11 329 051	11 339 502	11 349 457	11 405 850	11 410 316	11 441 462	11 463 194	11 477 710	11 509 390	11 358 689	11 345 979	11 380 805
Successful Payments	11 328 984	11 326 188	11 349 235	11 405 513	11 410 061	11 441 182	11 462 777	11 477 216	11 508 698	11 357 984	11 345 272	11 380 042
% successful	99,999	99,883	99,998	99,997	99,998	99,998	99,996	99,996	99,994	99,99	99,99	99,99
Rejections	67	1 3314	222	337	255	280	417	494	692	705	707	763
% Rejected	0,001	0,117	0,002	0,003	0,002	0,002	0,004	0,004	0,006	0,01	0,01	0,01

NB: The April 2020, payments were accounted for in the 2019/2020 financial records due to staggering that was introduced in March 2020

Social Assistance Payments

Outcome: Reduced levels of poverty

Objective: Social grants beneficiaries are paid the right amount at the right time

Desired Impact: Reduction in the proportion of persons living below the lower-bound poverty lines - primarily on those who cannot provide for themselves

Planned 2020/21 target: Monitor compliance to SASSA//SAPO SLA for social grant payments

Status as at 31 March 2021:

Compliance to SASS//SAPO SLA for social grant payments was monitored and managed. In the process, the following non-compliance issues were identified and subsequently addressed:

- Across all regions, 11 sites were reported to experience instability of the IGPS and only 6 beneficiaries were rescheduled, specifically in the Eastern Cape - beneficiaries were paid later.
- Overall 31 of 1 525 (2%) cash pay points were rescheduled thereby creating a challenge with regard to stabilisation of payment.
- A number of **SAPO outlets** without chairs, shelter and water for beneficiaries on grant payment days were reported in EC (28), FS (5), GP (4), KZN (45), MPU (1), LP (0), NC (34) and NW (7). Likewise **Cash pay points** without the aforementioned amenities were reported in EC (197), FS (20), GP (0), KZN (263), LP (0), MP (4), NC (2) and NW (4).
- Reconciliations received from SAPO were also delayed due to challenges experienced by SAPO in updating SOCPEN changes on IGPS.
- Non-compliance issues were raised with SAPO and major improvements were recorded.
- Additional oversight structure led by the DGs of DSD & DTSP has been setup to address the ongoing challenges.

Social Assistance Payments

Outcome: Improved customer experience

Objective: Reducing the long queues during payment from approximately 6 million on the 1st of every month

Desired Impact: Reduction in the proportion of persons living below the lower-bound poverty lines - primarily on those who cannot provide for themselves

Planned 2020/21 target: Social grants payment staggering implemented to reduce long queues and ease the burden on the National Payment System

Status as at 31 March 2021:

- In order to reduce congestion at social grant access points and effect a measure of physical distancing in line with Disaster Management Regulations, the payment of social grant was staggered from May 2020.
- SASSA released social grant payments in a staggered manner separating the payment dates for older persons and persons with disabilities from the other social grants beneficiaries.
- Deposits of grants into beneficiaries accounts were effected as follows: Older Persons Grant - **3rd day**; Disability grants – **4th day**; and Children's grants- **5th day** of every month except where the 3rd falls on a weekend/holiday, money became available on the next working day.
- The staggering of payments was an immediate success significantly reducing crowd volumes at access points such as ATMs and retail stores (POS); reducing pressure on the NPS, SAPO systems and the cash supply value-chain.
- **NB:** The payment of the COVID-19 SRD grant at post offices impacted on the gains achieved from this initiative.

Improved Customer Experience

Outcome: Improved customer experience	
Objective: Improved grant application process including enquiries and provision of feedback	
Desired impact: Enhanced customer satisfaction	
Planned 2020/21 targets	Status as at 31 March 2021
<ul style="list-style-type: none"> <input type="checkbox"/> 90% of enquiries resolved within 21 days. <input type="checkbox"/> 60% of disputes resolved within 21 days. <input type="checkbox"/> SASSA norms and standards for payment reviewed. 	<ul style="list-style-type: none"> <input type="checkbox"/> 93.86% (300 511 of 320 177) enquiries were resolved within 21 days. <input type="checkbox"/> 80.82% (59 of 73) of disputes resolved within 21 days. Minimal disputes received and resolved timeously due to system integration with SAPO. <input type="checkbox"/> SASSA norms and standards for payment were reviewed and approved. The review was undertaken to consider latest developments within the social assistance service delivery environment.

Improved Organisational Efficiencies

Outcome: Improved customer experience	
Objective: Improved grant application process including enquiries and provision of feedback	
Desired impact: Enhanced customer satisfaction	
Planned 2020/21 targets	Status as at 31 March 2021
<ul style="list-style-type: none"> <input type="checkbox"/> 95% of new grant applications processed within 10 days. <input type="checkbox"/> 100% of Regulation 26A mandates implemented electronically. 	<ul style="list-style-type: none"> <input type="checkbox"/> 99.3% (1 482 442 of 1 493 488) of new grant applications processed within 10 days, and 87.45% (1 306 087 of 1 493 488) new grant applications were processed in one day <input type="checkbox"/> 91.10% (7 073 of 7 764) of Regulation 26A mandates (<i>funeral policies</i>) were implemented electronically.

Agency Performance – Administration

Improved Organisational Efficiencies

Outcome: Improved organisational Efficiency	
Objective: Improve legislative compliance	
Desired Impact: Enhanced Competency, governance and accountability within SASSA	
Planned 2020/21 targets	Status as at 31 March 2021
<ul style="list-style-type: none"> <input type="checkbox"/> 2021/2022 APP developed and tabled to Parliament by March 2021. <input type="checkbox"/> Annual Performance report on the implementation of the APP produced and submitted to oversight institutions. 	<ul style="list-style-type: none"> <input type="checkbox"/> Final SASSA APP was developed, adopted by EXCO, submitted to the Minister of Social Development on 31 January 2021 for approval and tabled to Parliament on 15 March 2021. <input type="checkbox"/> Annual Performance report on the implementation of the 2019/20 APP was produced, audited and submitted to the EA, NT, AGSA and other relevant institutions. The report carried a 74% performance and an unqualified audit opinion.

Effective Financial Management

Outcome: Improved organisational efficiencies

Objective: Improved financial management

Desired Impact: Enhanced Competency, governance and accountability within SASSA

Planned 2020/21 targets

- Irregular expenditure reduced by 50%
- Average cost of administering social assistance (projected at R38)
- Administration cost as a percentage of social assistance transfers budget (projected at 4.4%)

Status as at 31 March 2021

- Irregular expenditure was reduced by 12% (R146 421 687 of R1 227 924 605).
- Average cost of administering social assistance was R32 per beneficiary {R7 billion (administrative budget)/18 million (number of beneficiaries)}/12 months
- Administration cost of social assistance transfers budget was 3.17% of the total social grants budget: {R7 billion (administrative budget)/R221 billion (social assistance budget)}

Effective Financial Management

Outcome: Improved organisational efficiencies

Objective: Improved financial management

Desired Impact: Improved compliance to financial prescripts.

Planned 2020/21 targets

- 95% of eligible suppliers paid within 30 days.
- 5% of social assistance debts recovered and/or written off.

Status as at 31 March 2021

- 99.99% (2 779 out of 2 780) eligible suppliers paid within 30 days.
- 1.17% (R8 042 489.41 of R686 443 065.51) of social assistance debts was recovered. The 5% target equates to R34 322 153.28.

Effective Financial Management

Outcome: Improved organisational efficiencies

Objective: Implementation of an effective consequence management system

Desired Impact: Reduced wastage and cases of non-compliance/irregular expenditure/financial misconduct. Improved accountability and effective deterrence

Planned 2020/21 targets

- 50% of financial misconduct cases (**current**) finalised within 120 days
- 75% of financial misconduct cases (**backlog**) finalised

Status as at 31 March 2021

- 99% (66 of 67) of financial misconduct cases (**current**) were finalised within 120 days.
- 35.34% (434 of 1 228) backlog cases were finalised.
 - Of the total misconduct cases, 894 were irregular expenditure cases.
 - ✓ 512 irregular expenditure cases were referred to National Treasury for condonement of which 302 were condoned during the year under review. The feedback remained outstanding at the end of March 2021 for the 210 cases.
 - ✓ The balance of 382 cases were still being considered internally through labour relations processes to institute consequence management.

Improved Organisational Efficiencies

Outcome: Improved organisational efficiencies

Objective: Implementation of an effective consequence management system

Desired Impact: Reduced wastage and cases of non-compliance/irregular expenditure/financial misconduct. Improved accountability and effective deterrence

Planned 2020/21 targets **Status as at 31 March 2021**

<p><input type="checkbox"/> 30% labour relations cases finalised</p>	<p><input type="checkbox"/> 67% (148 of 221) of labour relations cases were finalised (<i>these were cases received during the reporting period</i>).</p> <p>– Additional to 67% achievement there were 51 carried over cases from previous financial years, which were finalised. This increased overall achievement of cases from 148 to 199, thereby increasing the overall percentage to 90% (199 of 221), of these cases 145 were misconduct and 54 grievances.</p>
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Sanctions issued:

Written warning – 31	Counselling - 13
Final written warning – 50	Verbal warning – 10
Suspension without pay – 13	Resigned – 4
Dismissal – 5	Withdrawn – 30
Demotion – 1	Not guilty – 2

Improved Organisational Efficiencies

Outcome: Improved organisational efficiencies	
Objective: Organisational transformation interventions	
Desired Impact: Restructured business processes to retain competitive advantage	
Planned 2020/21 targets	Status as at 31 March 2021
Organisational transformation interventions implemented: <ul style="list-style-type: none"> <input type="checkbox"/> Skills audit conducted. <input type="checkbox"/> Change management conducted. <input type="checkbox"/> Culture survey conducted. <input type="checkbox"/> Audit and review of SASSA ethics management conducted. <input type="checkbox"/> Business Process Re-engineering: As-is Business process developed and mapped (BPR). <input type="checkbox"/> Digital transformation strategy developed and approved. 	<ul style="list-style-type: none"> <input type="checkbox"/> Skills Audit for General and Executive Managers was conducted and Skills Development report developed; <input type="checkbox"/> The Terms of Reference for the Change Management tender was reviewed and enhanced to include the culture survey. The tender was awarded and contracting discussions completed; <input type="checkbox"/> The project was merged with the Change Management programme. The Terms of Reference for the Change Management tender was reviewed and enhanced to include the culture survey; <input type="checkbox"/> The Terms of Reference was approved, tender advertised and evaluated; <input type="checkbox"/> The Terms of Reference was approved, tender advertised and evaluated. The tender was considered by Bid Adjudication Committee (BAC) however, it was referred back to the Evaluation Committee for consideration of BAC inputs; <input type="checkbox"/> Digital Transformation Strategy was developed and approved.

Organisational Efficiencies

Outcome: Improved organisational Efficiency	
Objective: Improve legislative compliance	
Desired Impact: Enhanced Competency, governance and accountability within SASSA	
Planned 2020/21 targets	Status as at 31 March 2021
SASSA HCM policy reviewed to incorporate new developments such as managing remote workforce, review of staff utilization and strengthened employee wellness programme.	The Draft Reviewed HCM Policy was developed. Consultations were completed with internal stakeholders namely, EXCO, Human Capital Management and Governance.

Organisational Efficiencies

Outcome: Improved organisational Efficiency

Objective: An effective and efficient ICT system

Desired Impact: Agile business processes – convenience to beneficiaries and improve efficiency.

Planned 2020/21 targets

Status as at 31 March 2021

ICT Strategy reviewed for alignment with SASSA five year strategic plan.

- The ICT Strategy was reviewed and approved for alignment with SASSA five-year plan. Key projects were also identified and presented to EXCO for endorsement. These projects include:
 - ✓ Online grants application system
 - ✓ Smart reviews for social grant beneficiaries
 - ✓ Grants Payment system
 - ✓ Bank account verification
 - ✓ Biometric identity access management system for SOCPEN users and beneficiaries
 - ✓ Interface with payment partners
 - ✓ Electronic fraud detection system
 - ✓ Call Centre Solution modernisation
 - ✓ Electronic customer surveys system
 - ✓ Integrated (modernised) grants system
 - ✓ Enhanced ERP system
 - ✓ Roll-out online learning capabilities

Organisational Efficiencies

Outcome: Improved organisational Efficiency	
Objective: Automated and digitized grants administration system	
Desired Impact: Agile business processes – convenience to beneficiaries and improve efficiency.	
Planned 2020/21 targets	Status as at 31 March 2021
Biometric identity access management system implemented for SOCPEN users in line with the approved project plan	Biometric identity access management system was implemented for SOCPEN users in 391 offices. These offices are spread across all nine regions.

Economic Transformation

Outcome: Economic Transformation

Objective: To enable socio economic development of the social assistance beneficiaries.

Desired Impact: Social assistance beneficiaries are not subjected to means test in their entry to tertiary education.

Planned 2020/21 targets	Status as at 31 March 2021
Grant beneficiaries in Matric referred to NSFAS for financial assistance.	The database of all grant beneficiaries (572 878) who were registered for matric in 2020 was referred to NSFAS and DSD for financial assistance.

Improved Organisational Efficiencies

Outcome: Improved organisational Efficiency

Objective: Automation of grant processes

Desired Impact: Agile business processes – convenience to beneficiaries and improve efficiency.

Planned 2020/21 targets

Status as at 31 March 2021

Automated and digitised Grants Administration system implemented:

- Scanning solution deployed to regions and supported by a training module as per approved project plan

The scanning solution was deployed in 284 local offices and supported by a training module as per approved project plan

Online grant applications solution developed and implemented in SASSA districts.

The Online grants application were implemented in 52 districts.

- A total of 1 933 officials were trained on the solution and 20 035 (CSG = 12 771, FCG = 243, OAG = 7 021) grant applications were received through this channel.

System enhancements (Migration from legacy systems).

Business case was developed, and the system enhanced to accommodate the payment of COVID-19 special relief grant. Technical support was provided for the stabilization of the system.

Improved Organisational Efficiencies

OUTCOME: Improved organisational Efficiency

Objective: Automated and digitized grants administration system

Desired Impact: Agile business processes – convenience to beneficiaries and improved efficiency.

Planned 2020/21 targets	Status as at 31 March 2021
<p><input type="checkbox"/> Integrated validation database with Government Datasets developed</p>	<p><input type="checkbox"/> Application Programme Interfaces (API) were developed and implemented to enable validation and analysis against datasets. The datasets include the Unemployment Insurance Fund, National Student Financial Aid Scheme, South African Revenue Services, Department of Correctional Services and National Population Register.</p>
<p><input type="checkbox"/> Online application channels for Special SRD implemented (USSD, WhatsApp, Telephony, Website and email)</p>	<p><input type="checkbox"/> The online application channels for Special SRD were implemented. Applications were received from the different channels (USSD, WhatsApp, Telephony, Website and email).</p> <p>✓ An average of R9 million applications were received through various channels on a monthly basis, the highest being through the USSD channel - 78%, followed by WhatsApp – 12%, and the Website – 10 %.</p>

Improved Organisational Efficiencies

Outcome: Improved organisational efficiencies	
Objective: Reduced wastage and cases of fraud	
Desired Impact: Improved capacity, governance and accountability within SASSA	
Planned 2020/21 targets	Status as at 31 March 2021
<ul style="list-style-type: none"> <input type="checkbox"/> 50% of reported fraud and corruption cases investigated and finalised. <input type="checkbox"/> Suspected fraud detected and referred to relevant stakeholders (e.g. Grant Administration, SAPO, and Banks) for corrective action. 	<ul style="list-style-type: none"> <input type="checkbox"/> 90% (263 of 292) reported fraud, theft and corruption cases investigated and finalised. These related mainly to social grants. <input type="checkbox"/> 25 Suspected fraud cases were detected and referred to Law Enforcement Agencies. <input type="checkbox"/> Suspected fraud was detected and referred to relevant stakeholders (e.g. Grant Administration, SAPO, and Banks) for corrective action. These suspected fraud measures include: <ul style="list-style-type: none"> ✓ SAPO employees were matched against the SOCPEN system: 1 768 grants suspended. ✓ 4 726 Grants for beneficiaries who transacted outside South Africa during lockdown were suspended. ✓ Matching of COVID-19 SRD applicants against the databases of various entities so as to detect those with income were identified and declined: ✓ Correctional Services inmates who were in receipt of social grants, such grants were stopped: 105. ✓ More than 3 million COVID-19 SRD grant applicants were declined because they had other sources of income, saving the fiscus at least R12 billion.

Improved Organisational Efficiencies

Outcome: Improved organisational Efficiency	
Objective: Implementation of an effective internal control system.	
Desired Impact: Reduced wastage and cases of non-compliance/irregular expenditure/financial misconduct	
Planned 2020/21 targets	Status as at 31 March 2021
<input type="checkbox"/> 15 internal audit reviews conducted on high risk areas	<input type="checkbox"/> 16 internal audit reviews were conducted. This represents 107% performance against the planned target. <ul style="list-style-type: none"> ✓ Non-payment and double payment of beneficiaries ✓ Three (3) months Marketing and Communication Services for the Payment Transition (Addendum) ✓ SRD requests for quotation (HO) ✓ Cleaning service Request for Quotations (RFQ) in 1 region ✓ Appointment of service providers for SRD ✓ Annual Performance Report 2019/20 ✓ Annual Financial Statements 2019/20 ✓ Security Tender ✓ SAPO Reconciliation ✓ Verification of documents relating to Consequence Management ✓ Beneficiary Account Management; ✓ Utilisation of surplus funds ✓ Asset Management ✓ Follow-up on implementation of agreed action plans ✓ SCM: Procurement of PPE's and deviation on procurement of SRD grant ✓ Fleet Maintenance Costs

Improved Organisational Efficiencies

Outcome: Improved Customer Experience

Objective: Improved grant application process including enquiries and provision of feedback

Desired impact: Enhanced customer satisfaction

Planned 2020/21 targets

Education programmes benefitting beneficiaries implemented.

Education programmes benefitting staff implemented

Status as at 31 March 2021

In order to ensure informed citizenry, SASSA implemented education programmes benefitting beneficiaries focusing on COVID-19 pandemic, financial literacy, anti-fraud messaging and promotion of SASSA services including the benefits of receiving social grants through electronic means (through virtual communication, electronic and print media).

A total of 2 103 programmes were implemented.

Education programmes benefitting staff were implemented on the COVID-19 Pandemic and promotion of SASSA services through electronic means (virtual, electronic and print communication).

A total of 654 programmes were implemented.

FINANCIAL PERFORMANCE

Expenditure: Economic Classification

Programme	Budget Amount	Expenditure	%Spent
Compensation of employees	3,468,484	3,330,619	96%
Goods and Services	3,958,075	3,736,496	94%
Transfers	41,195	43,755	106%
Payment for capital assets	21,027	-	0%
Non-cash items	-	109,772	0%
Total	7,488,782	7,220,642	96%

Over spending on transfers due to leave days paid especially staff who were approved for early retirement without penalty as approved by the National Treasury. The cost for payment of capital assets is accounted for in the Statement of Financial Position (notes) as the agency receives a cash budget but reports on an accrual basis of accounting.

Expenditure: Programmes

Programme	Budget Amount	Expenditure	% Spent
Administration	2,847,453	2,639,920	93%
Benefits Administration	4,641,329	4,580,722	99%
Total	7,488,782	7,220,642	96%

Expenditure: Programmes incl. subprogrammes

Programme	Budget Amount	Expenditure	%Spent
1. ADMINISTRATION	2,847,453	2,639,920	93%
Executive Management	168,481	116,694	69%
Internal Audit & Risk Management	103,045	58,373	57%
Corporate Services	1,415,833	1,344,096	95%
Finance	521,700	488,789	94%
Information & Communication Technology	607,061	605,216	100%
Strategy & Business Development	31,333	26,751	85%
2. Benefits Administration	4,641,329	4,580,722	99%
Total	7,488,782	7,220,642	96%

2020/21 F/Y in a nutshell



- A month before the commencement of the financial year the country went into a national lockdown.
- In just a month into the financial year the Agency had to reprioritise funds to provide for the cost of procuring the personal protection equipment (PPE) and the decontamination of the offices in line with the DPSA's guidelines to combat the spread of the COVID-19 virus in the workplace.
- The Agency was faced with bearing the unfunded costs of implementing the Special COVID-19 R350 SRD grant as the National Treasury did not provide any additional funds for this purpose.
- A downward adjustment R229.639 million was effected to the Agency's budget during the adjustment budget process.
- There was an off-set as the savings realised as a result of the impact of the lockdown were able to cushion the unfunded costs emanating from the pandemic.

Commentary On Expenditure



- While the COVID-19 pandemic caused concern as a result of the unfunded expenditure that was to be incurred the financial year was characterised by trade-offs as the pandemic affected operations and thus expenditure on certain key items was lower than expected. As a result overall preliminary expenditure at the date of reporting reached 96%, thereby leaving a balance of 4%.

Compensation Of Employees

- Expenditure on compensation of employees was 4% below the expected level of spending due to the vacant funded posts which were not filled as at financial year-end. The other contributing factor is that the expenditure excludes the cost of living adjustments (salary increases) for levels 1-12 which were not implemented following Government's decision.

Commentary On Expenditure

GOODS AND SERVICES



Although the Agency had to incur unfunded expenditure as a result of the implementation of intervention measures against the effects of the COVID-19 pandemic (PPE, Special R350 Grant) overall spending on goods and services reached 94% as the expenditure on certain items was affected by the national lockdown restrictions as activities related to these expenditure items were lower than planned. These items are:

- **Communication** which experienced an underspending despite about 20% of the budget having been reprioritised to fund the unfunded activities,
- **Fleet** – Travel restrictions affected the utilisation of fleet.
- **Maintenance and repairs** as maintenance work was minimal during the lockdown
- **Travel** – The under expenditure could have been significantly high had it not been for the reprioritisation of about 30% from this item to fund the unfunded intervention activities. Expenditure on travel was negatively impacted on by the travel restrictions.
- **Training and staff development** – Training was minimal during the lockdown
- **Venues and facilities** – The restrictions on gatherings impacted on the spending

Commentary On Expenditure



Apart from the items whose expenditure was impacted upon by the lockdown the following items also experienced underspending:

- **Consultants** - The allocation for fraud investigations was not fully spent. The expenditure incurred on this item was related to the work done by the SIU. An amount of about R12 million was allocated for special projects such as the Business Intelligence solution support maintenance, Culture survey, Ethics survey which had not yet commenced as financial year-end as they were at tendering stage. The internal fraud investigations activities involve travel but due to the lockdown this affected the expenditure.
- **Security and Cleaning** - At the time of budget allocation some of the region's contracts had expired while some were due to expire in 2020. Therefore, the allocation for the regions whose contracts had expired or were due to expire in 2020 was increased by more than 5% over the 2019/20 financial year. The increase was aimed at accommodating the possible increases when new contracts are awarded during the course of the 2020/21 financial year and to also cater for the month-month extensions before the new contracts are awarded. The SCM process was still to be finalised by financial year-end.
- **Leases** – This was due to offices that were budgeted for and the procurement process was still to be finalised by financial year-end.

Financial Health 2020/21



Description	2020/21	2019/20
Surplus for the year	R338, 149,931	R744,394,843
Amount of cash and cash equivalents at year-end (Accumulated surplus)	R2,051,052,774	R2,774,462,839
Retained surplus declared to National Treasury (NT)	R1,103,477,284	R1,703,208,000
Retained surplus applied for from NT and approved	R439,666,209	R641,648,000
Funds to be surrendered to NT if Not approved by National Treasury	R663,811,075	R1,061,560,000

AUDIT OUTCOMES

Auditor-General Report and Comments

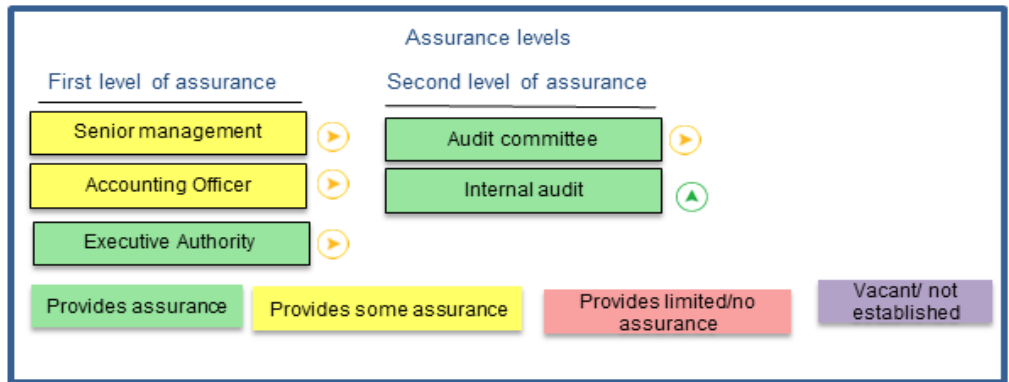
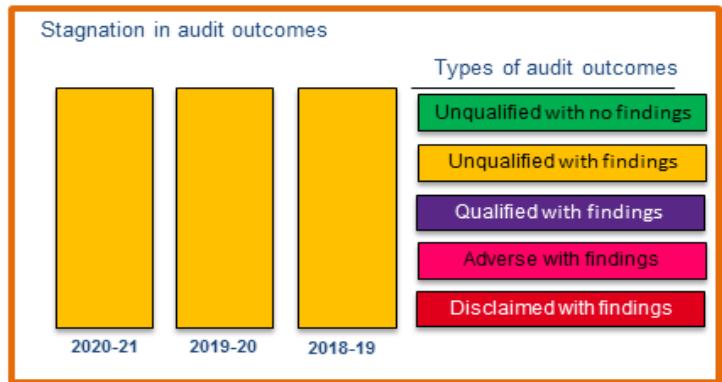
2020/21 Audit Outcome

- **Annual Financial Statements (AFS):**
 - Annual Financial Statements were presented fairly
 - **Unqualified audit opinion** was received for the year ended 31 March 2021
- **Performance Information**
 - Similarly, SASSA received an **Unqualified audit opinion** on Predetermined objectives.
- **Material Adjustments**
 - There were material adjustments on Predetermined objectives. SASSA is developing Audit Action Plan to address the identified factual findings to both AFS and Predetermined objectives.

Material finding on audit of predetermined objectives

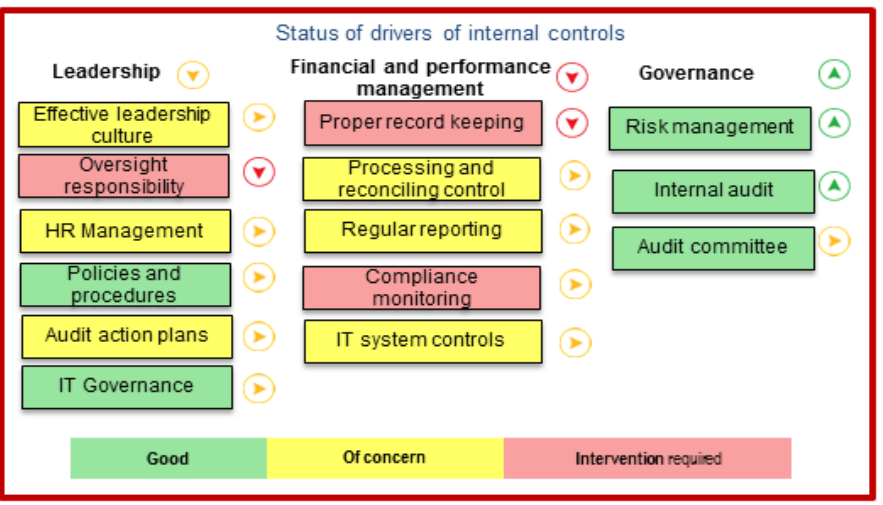
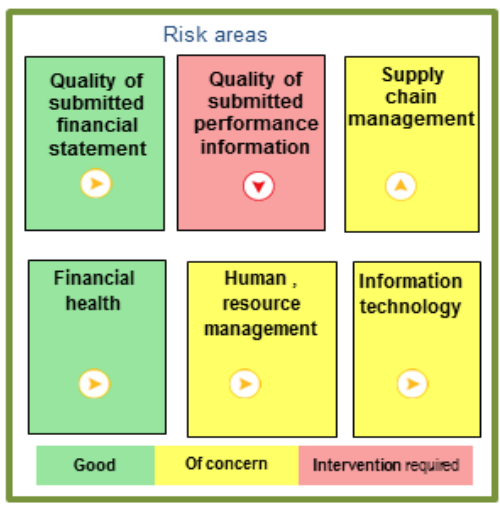
- **Affected performance indicator:** Number of social grants approved.
- **MATERIAL FINDING:** SASSA reported an achievement of 1 379 634 social grants approved against a target of 1 200 000 social grants approved. During the audit, AGSA found that the supporting evidence provided materially differed from the reported achievement.
- **CAUSE:** All grant applications which were captured on the last day of the month in which the month ended mid week, our Business Intelligence system could not pick them up for reporting. This, resulted in an under reporting of about 39 538 applications.

Summary of the audit results 2020/21

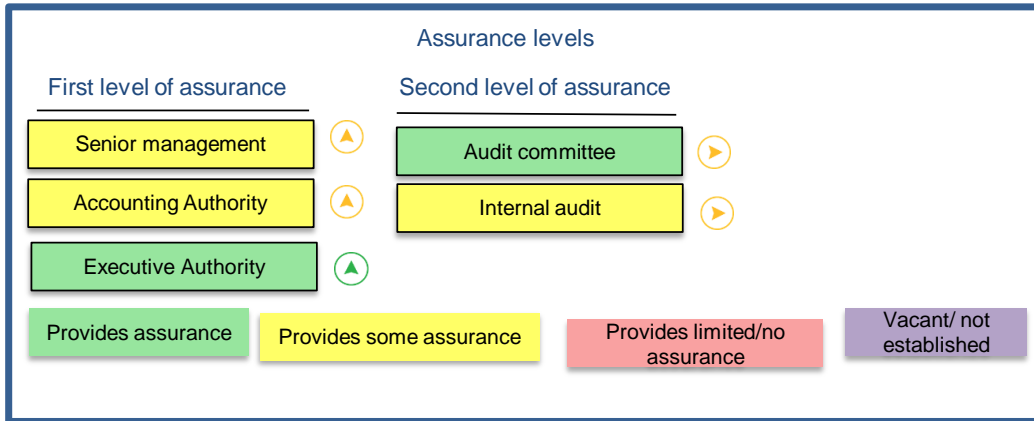
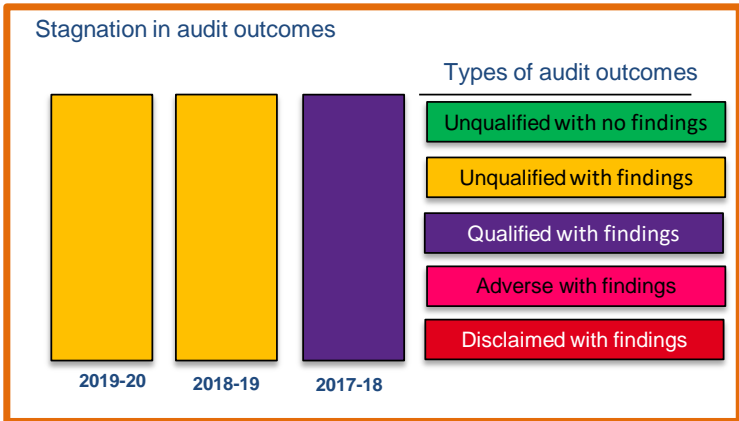


Root causes should be addressed

1. Slow response in improving internal controls and addressing risk areas.
2. Instabilities and vacancies in key areas



Summary of the audit results 2019/20



1

To improve the **audit outcomes** ...

2

... the key role players need to **assure** that ...

5 ... the **root causes** are addressed ...

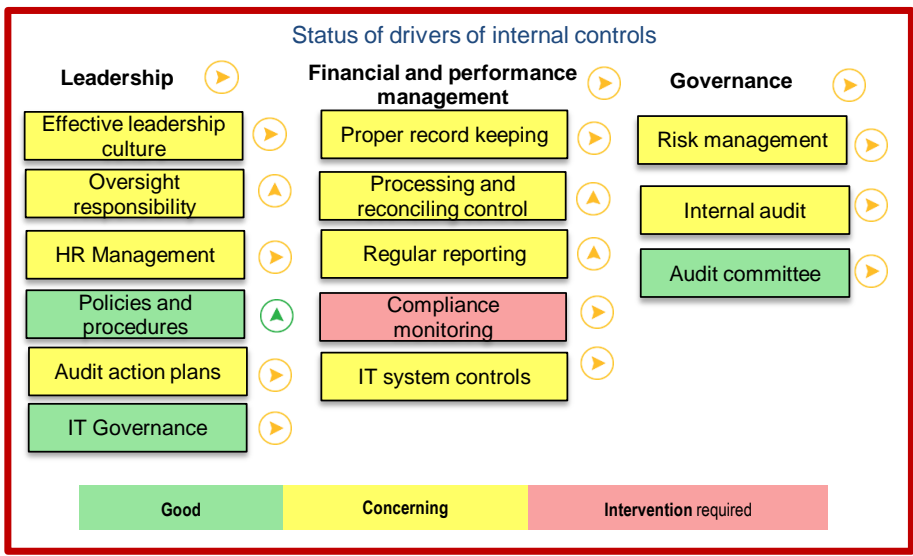
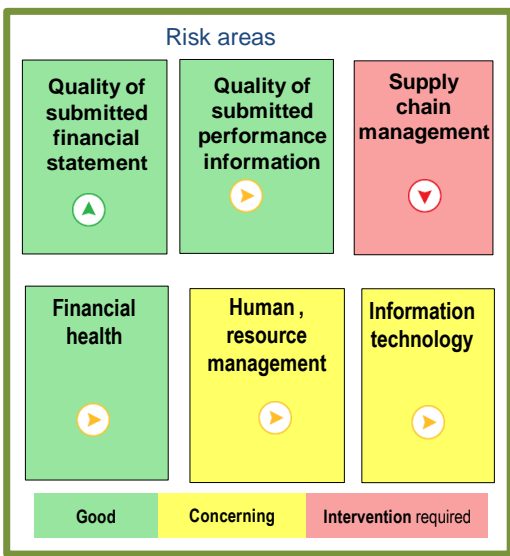
4

... the **risk areas** and ...

3

... attention is given to the **key controls** and ...

- ### Root causes should be addressed
- Slow response in improving internal controls and addressing risk areas
 - Inadequate consequence for poor performance and transgressors
 - Instability and vacancies in key positions



Irregular Expenditure Note

Notes to the Annual Financial Statements 2020/21		
	2020-2021	2019-2020
Opening balance	1,227,924,605	1,837,333,926
Add: Irregular expenditure -Current	20,330,503	102,409,302
Add: Irregular expenditure – relating to the prior year	3,491,329	1,128,091
Add: IE recorded in the current year but incurred in the prior year	6,137,116	-
Add: IE lease contract expired in prior periods but still in use	43,143,127	-
Less: Irregular expenditure condoned	144,986,772	388,242,061
Less: Amounts found not to be irregular expenditure	13,845,511	324,704,653
Closing Balance as at 31 March 2021	1,142,194,397	1,227,924,605

Details of current year irregular expenditure as at 31 March 2021



	2020-2021	2019-2020
Extension of other contracts and lease payment's	5,614,535	57,692,896
Cleaning and sanitation	13,509,947	-
CIDB non-compliance		3,900
Local Content non-compliance		241,816
Irregular expenditure- Medical assessments		13,962,807
Expired Telkom contract		26,767,789
COVID 19 - procurement		2,279,210
Procurement with less than three quotations	3,050,763	-
Other matters	4,292,373	1,460,883
Total	26,467,618	102,409,302

Key Audit matters



Area	Factual finding	Root causes	Intervention (s)
1. Expenditure management	No prevention of R73,1 million irregular expenditure, majority of which relate to expired lease contracts	<ol style="list-style-type: none"> 1. Current expired leases incurring IE 2. Dependency on Department of Public Works & Infrastructure as Immovable Property management policy directs as such <ul style="list-style-type: none"> • Breakup procurement • State of Disaster 	<ol style="list-style-type: none"> 1. Immovable Property management policy, procedures and delegations have been reviewed and awaiting approval for implementation 2. Finalise procurement of already expired lease (Engage DPWI and National Treasury) 3. Intensify consequence management and accountability
2. Procurement and contract management	Ineffective procurement controls and contract management:	<ul style="list-style-type: none"> • Breakup procurement • State of Disaster • Interpretation of instruction notes and SCM prescripts • Late reporting to DTI (beyond 10 days) 	<ul style="list-style-type: none"> • Corrective process in terms IE Framework • Implement NT instruction 11 of 2020/21 (No blanket emergency due to State of Disaster) • Post-audit of existing contracts & transaction 1 April -30 Sept 2021 • Training and empower EXCO/BAC/RBAC • Review SCM policy & SOPs

Key Audit matters

Area	Factual finding	Root causes	Intervention (s)
<p>3. Performance Target: Number of social grants approved</p>	<p>AGSA identified completeness issues identified on the “Number of social grant applications approved” performance indicator</p>	<p>An error occurred in the programming of Business Intelligence scripts resulted in incomplete report</p>	<p>The discrepancies due to error in the system programming were corrected and the supporting evidence now does reconciled to the reported achievement.</p>

Recommendations

- It is recommended that the Portfolio Committee on Social Development notes and support;
 - SASSA 2020/21 Annual Performance Report;
 - SASSA 2020/21 Annual financial statements; and
 - The 2020/21 audit outcomes.



Thank you