



ENTITY: SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA) ANNUAL REPORT 2012/13 ANALYSIS

1. INTRODUCTION

The mandate for South African Social Security Agency (SASSA) is to ensure the provision of comprehensive social security services against vulnerability and poverty within the constitutional and legislative framework. The purpose of this analysis is to provide members with the brief report on the achievements of SASSA with regard to its target areas.

The overall budget of the SASSA for the period under review was R 6 119 770, SASSA spent 94.4 % of that amount. This reflects a good expenditure by the Agency, however the on-going global economic melt-down and the Re-registration played a significance role in terms of the Agency's performance. Furthermore, SASSA received an unqualified audit opinion from the Auditor-General of South Africa (AGSA). This in turn contributed to the Department of Social Development (DSD) which also received an unqualified audit report for 2012/13 financial year¹.

The Agency has to align some of the following government outcomes (special focus on items highlighted):

1. **Improved quality of basic education.**
2. **A long and healthy life for all South Africans.**
3. All people in South Africa are and feel safe.
4. **Decent employment through inclusive economic growth.**
5. **A skilled and capable workforce to support an inclusive growth path.**
6. An efficient, competitive and responsive economic infrastructure network.
7. **Vibrant, equitable and sustainable rural communities and food security for all.**
8. Sustainable human settlements and improved quality of household life.
9. A responsive, accountable, effective and efficient local government system.
10. Environmental assets and natural resources that are well protected and continually enhanced.
11. **Create a better South Africa and contribute to a better and safer Africa and World.**
12. **An efficient, effective and development oriented public service and empowered, fair and inclusive citizenship.**

During his State of the Nation Address (SONA) 2012, President Zuma highlighted the importance of job creation and encouraged all government departments to mainstream job creation in their plans going forward.² In line with this, the Agency through the re-registration process has managed to employ 8000 youth and out of this 3000 are permanent positions.

¹ SASSA (2013)

² SONA. (2012)



SASSA adopted the following key strategic priorities:

- Excellent customer care;
- The automation of systems;
- Improving organisational capacity; and
- Promoting good governance.

2. OVERALL PERFORMANCE AND ACHIEVEMENTS FOR 2012/13³

Notwithstanding many challenges, the Agency successfully managed to reach 10 723 400 beneficiaries, extending its social assistance coverage to the previously excluded and marginalised groups as required by the Constitution. A budget of R30 589 400 was set aside to improve the conditions and efficiency of local offices. The Agency reported that a major improvement to the Social Grants Payment and Administration system (SOCPEN), which had been completed in the previous financial year, was rolled out nationally.

3. PERFORMANCE INFORMATION BY BRANCH

The Agency comprises the Office of the Chief Executive Officer (CEO) and seven branches. Furthermore, there are nine regional offices established to manage social security and provide support to service delivery units. In this section a description of each branch will be provided as follows:

Branch 1: Grants Administration

Objective: To improve the effectiveness and efficiency of the administration of the social assistance programme.

Out of a total of 17 performance targets set for the Branch, 1, 9 targets were not achieved- **this means that only 47% were achieved.** In terms of expenditure this Branch has an over expenditure of 102.7%.

The total number of grants in payment target of 100% was achieved. A highlight for this achievement was seen in the payment of the Child Support Grant whereby the Agency exceeded its target by 104%. In addition, the Agency achieved its target of processing new grant application within 21 days exceeding its set target of 90% by 1%. The total expenditure of Social Relief was 98% of the total amended annual budget. The Agency planned to correct 16 000 records of beneficiaries, and notification letters were sent in the 4th quarter. In terms of foster grant payments, the Agency deviated from its set target of 671 307 (79%) it only achieved 532 159 (21%). The reasons for this was that 95 886 foster child grants lapsed in December 2012 due to the shortage of social workers to bring new foster children into the

³ SASSA, (2013)



system. Additionally, the Agency did not achieve its set annual target of (100%) to reviewing the foster child grant backlog, it reported that it achieved 94.5%. Due to capacity constraints the target was revised to 50% as result of the extension of re-registration for 2012/13. SASSA has planned to correct 500 employee records, however the Agency deviated from this target by 100%.

In terms of the disability assessment quality assured target of 129 966, the Agency achieved 11 574 and only deviated by 8% (10 392). This was due to the contract with doctors that expired in June 2012. A total number of 692 pay points were improved, this exceeds the 400 target by 292. Furthermore, the Agency upgraded 95 local offices which surpasses its target of 72. During the financial year under review SASSA target was to achieve 100% of the implementation of tribunal decisions, however this target was not met due to the new procedure SCOPEN. In view of the afore mentioned, re-registration became a pattern that prevented the Agency from meeting its annual targets.

Issues to Consider:

- The Agency deviated from its target of correcting 16 000 records of beneficiaries by 100%.
- The Agency reported that it revised 50% of its targets for the foster child grant backlog review. When was this revised?
- A number of pay point and office upgrades have been reported. For the purposes of oversight, can the Agency provide the Committee with the detail of the exact location of these improvements? Please provide the names and locations of these pay points.
- How will the Agency deal with the challenge of overspending in the next financial year?
- When the Agency embarks on big projects it is anticipated that this might negatively impact on the activities of SASSA. The Agency needs to set itself realistic targets and take into consideration the projects that the Agency envisages to embark on, so that in future this will not impact on its daily activities?



Issues to Consider:

- In 2011/12 financial year the Agency reported that due to financial constraints, the branch was not fully operational during the year under review. It is also not reflected in the annual report. What impact does this have as this branch is supposed to provide strategic support to the CEO and regional operations?

Branch 2: Chief Operations Management

Branch 3: Strategy and Business Development

Objective: To improve the effectiveness and efficiency of the administration of the social assistance programme.

This Branch has a total of only 7 performance targets. Out of the total the Agency only achieved (42.8%) of its stated targets and 57.2% were not achieved. Totals Expenditure for this programme is 62.0% for the financial year 2012/13.

The Agency only managed to produce 3 partnership reports as oppose to 4 that was targeted. Furthermore the Business Process Re-engineering for finance was not completed.

Issues to Consider:

- What was the reason for the Business Process Re-engineering for finance not being completed? Are there mechanisms in place to address this in the next financial year? What would be the implications of this not being completed?

Branch 4: Internal Audit and Risk Management

Objective: To promote good governance in the administration of the Agency.

Under this Branch, the Agency achieved (100%) of all of its performance targets. An under budget expenditure of 28.3% was recorded for the year under review (2012/13).



SASSA exceeded its target of 50% by achieving 78% of identifying fraud cases investigated. In terms of validating and verifying the suspicious grants, 89% of the advertised posts have been filled during the 2012/13 financial year, resulting in an increase in investigating capacity.

Branch 5: Corporate Services

Objective: To improve the effectiveness and efficiency of the administration of the social assistance programme

Under this Branch the Agency achieved (100%) of all of its performance targets. An under budget expenditure of 13% was recorded for the year under review (2012/13).

In terms of infrastructure, the Agency reported that it improved a total number of ninety five (95) local offices which marks an over achievement of twenty three (23) more than the 72 annual target that SASSA had set itself. Furthermore, six hundred and ninety two (692) pay points were upgraded at a cost of R18 776 416, surpassing the annual target by two hundred and ninety-two (292).

Branch 6: Finance

Objective: To provide financial management services to the Agency.

Out of a total of 6 performance targets set for this Branch, 3 targets were not achieved - this means that only 50% were achieved. In terms of expenditure this Branch has an under expenditure of 3.5%.

The Agency set itself a target of achieving 100% of paying eligible suppliers within 30 days. It was reported that out of a total of 9 233 various suppliers, 84.26% (7 780) were paid within 30 days. Furthermore, SASSA set itself 50% of recovering debt from staff as per Acknowledgement of Debt (AoD), however 40.70% was not recovered.

Issues to Consider:

- What mechanisms are put in place to address the challenge of non-recovered debt from staff?

Branch 7: Information and Communication Technology

Objective: To improve the effectiveness and efficiency of the administration of the social assistance programme.