



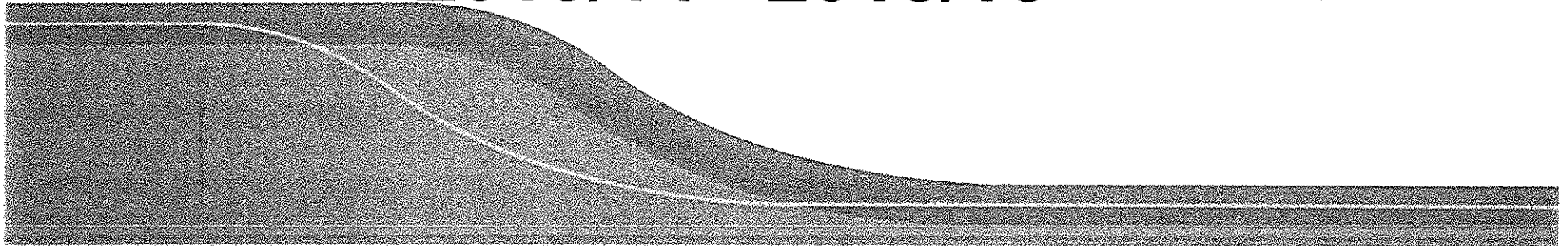
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[ *paying the right social grant, to the right person,  
at the right time and place. NJALO!* ]

## **SASSA Financial Plan**

### **2013/14 - 2015/16**



# Overview of the SASSA budget



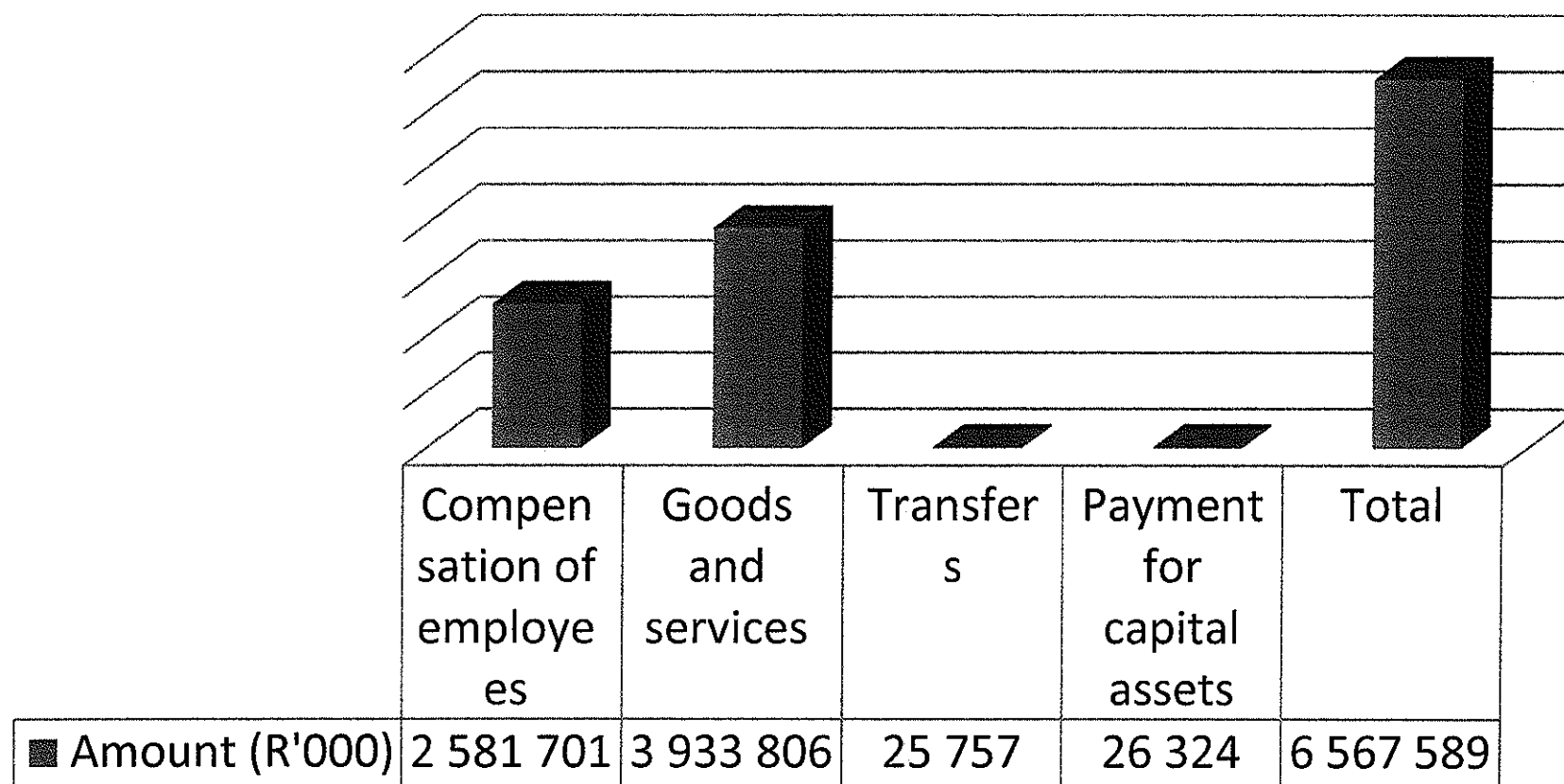
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	R'000	R'000	R'000	R'000	R'000	R'000
ENE Baseline	6 143 657	6 200 270	6 531 188	6 577 589	6 840 486	
Revised Baseline	6 143 657	6 119 770	6 311 048	6 567 589	6 830 486	#####
R' Change from i	-	-80 500	-220 140	-10 000	-10 000	-
% Change from i	0%	-1%	-3%	0%	0%	100%
% Year-on-year increase		0%	3%	4%	4%	5%





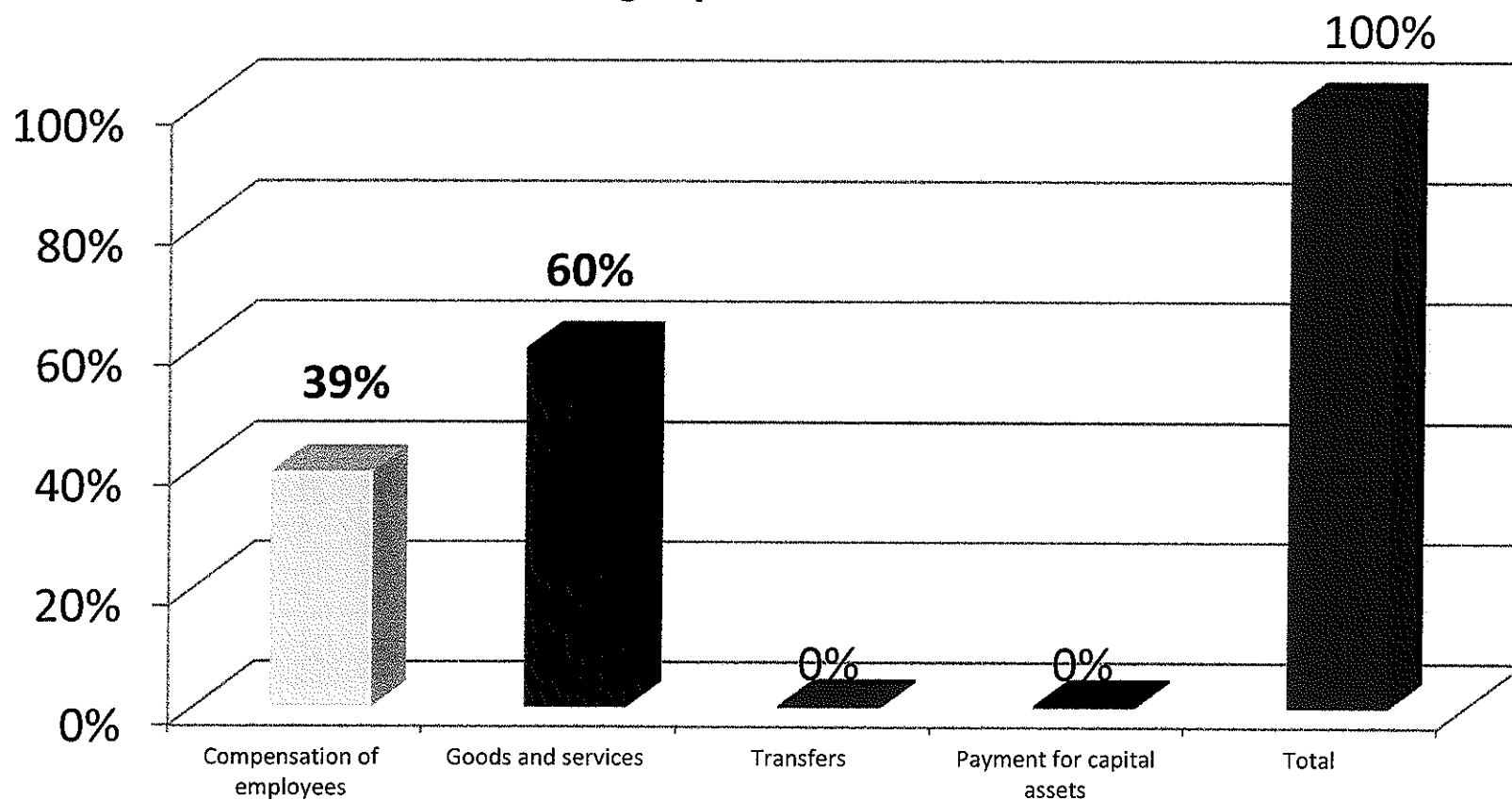
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## Allocation per economic classification of expenditure



# Overview of the budget cont.

**% Share of budget per economic classification**



# Overview of the budget



- The strategic and spending focus of SASSA is on the administration and payment of social grants.
- The baseline budget grows below the projected headline CPI of 5, 4% and declines by an amount of R10 million 2014/15 and 2015/16 respectively.
- Following success of the financial turnaround strategy unaudited AFS for 2013/14 shows a net accumulated surplus of R1, 089, 000 billion. The funds will strategically be used on flagship once-off projects.

# Overview of the budget



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- The majority of the budget (39%) is on compensation of employees, followed by the cash handling fees (30%), while the balance caters for operational expenses such as office accommodation, cleaning, security, travel, communication, etc.
- 54 % of the budget is located at Head Office while 46% is shared among the nine regions. The majority of the 54% of head office's share includes the cash handling fees which makes Head Office's share bigger.
- Internal allocation process is guided by the principle of affording first priority to key cost drivers and striving for an achievement of balance between competing needs



# Overview of the budget (cont...)



- The award of a cash disbursement contract to a single contractor has resulted in positive spin-offs as the cost of business in this area has declined
- However, efforts to address service delivery challenges at local offices and service points necessitated the acquisition of requisite human capacity, leading to an increase in compensation of employees.



# 2014/15 Allocations per key cost driver



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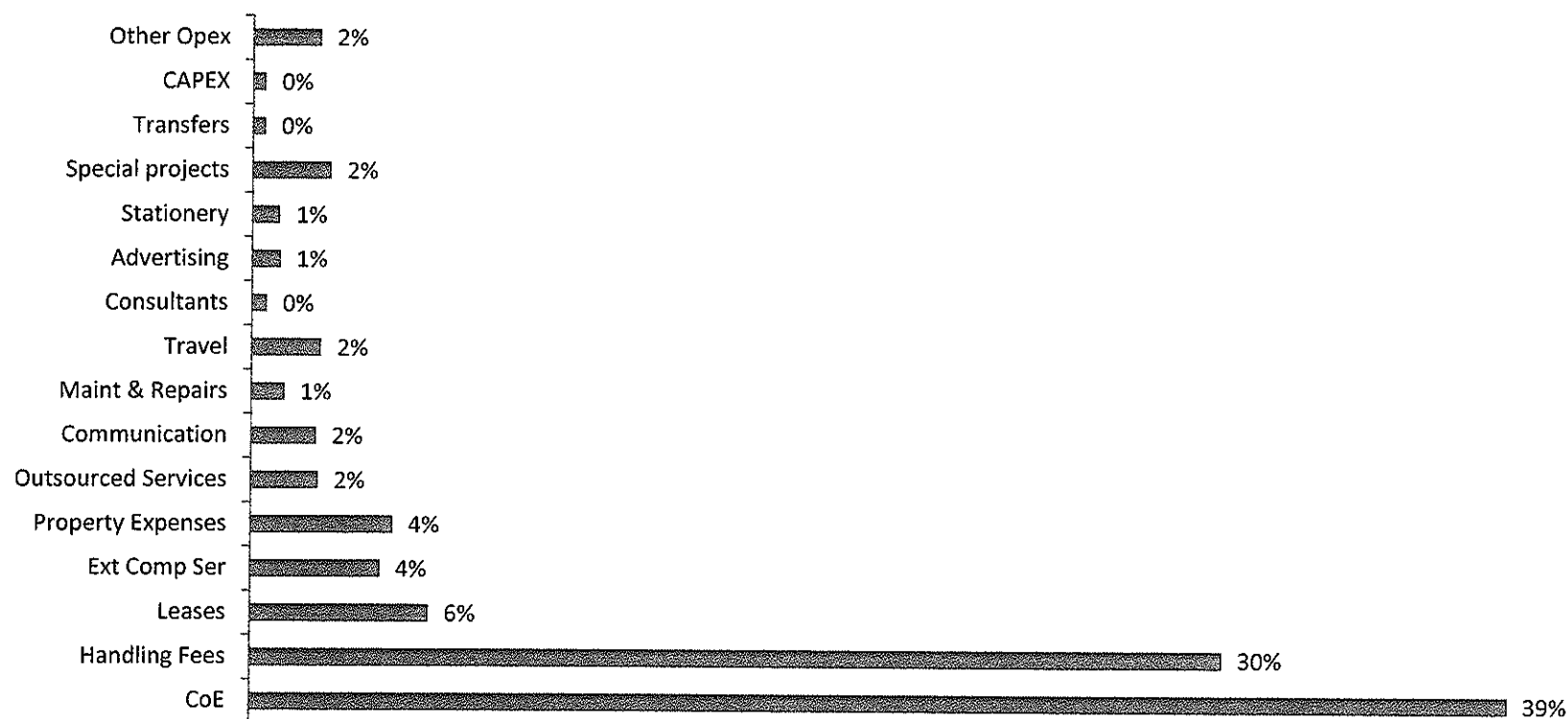
<b>Voted Funds</b>	<b>6 567 589</b>
<b>Allocation per Cost driver</b>	
CoE	2 581 701
Audit Costs	19 404
Busaries	5 906
Cash Handling Fees	1 994 112
Leases	366 655
Ext. Compt Serv	266 263
Software licences	36 153
Property Expenses	292 345
Outsourced Services	138 200
Communication	133 508
Maint. & Repairs	68 424
Travel	142 530
Consultants	30 488
Advertising	58 068
Stationery	56 551
Training & staff dev.	25 723
Transfers	25 757
Capex	26 324
Special projects	160 785
Other Opex	138 693
<b>Total</b>	<b>6 567 589</b>





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## % Share per key cost driver



## Special projects



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### Project Name

### Allocation (R'000)

Improvement of conditions at Local Offices

33,992

ICT Infrastructure Deployment

49,193

Biometrics system

5,000

New Payment Model

25,351

Integrated Community Outreach Programme

18,034

Transportation of files

8,821

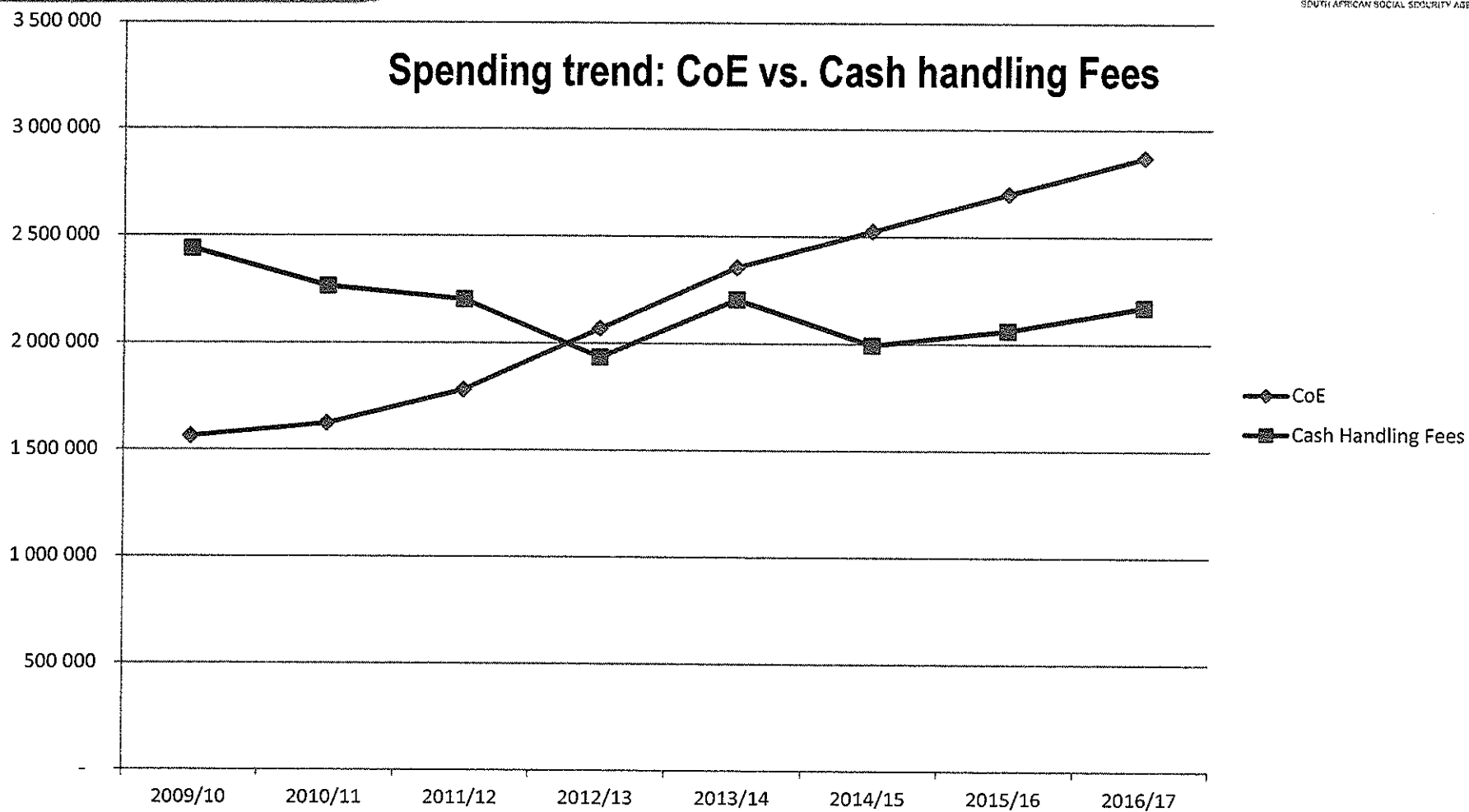
Paypoint Development

19,421



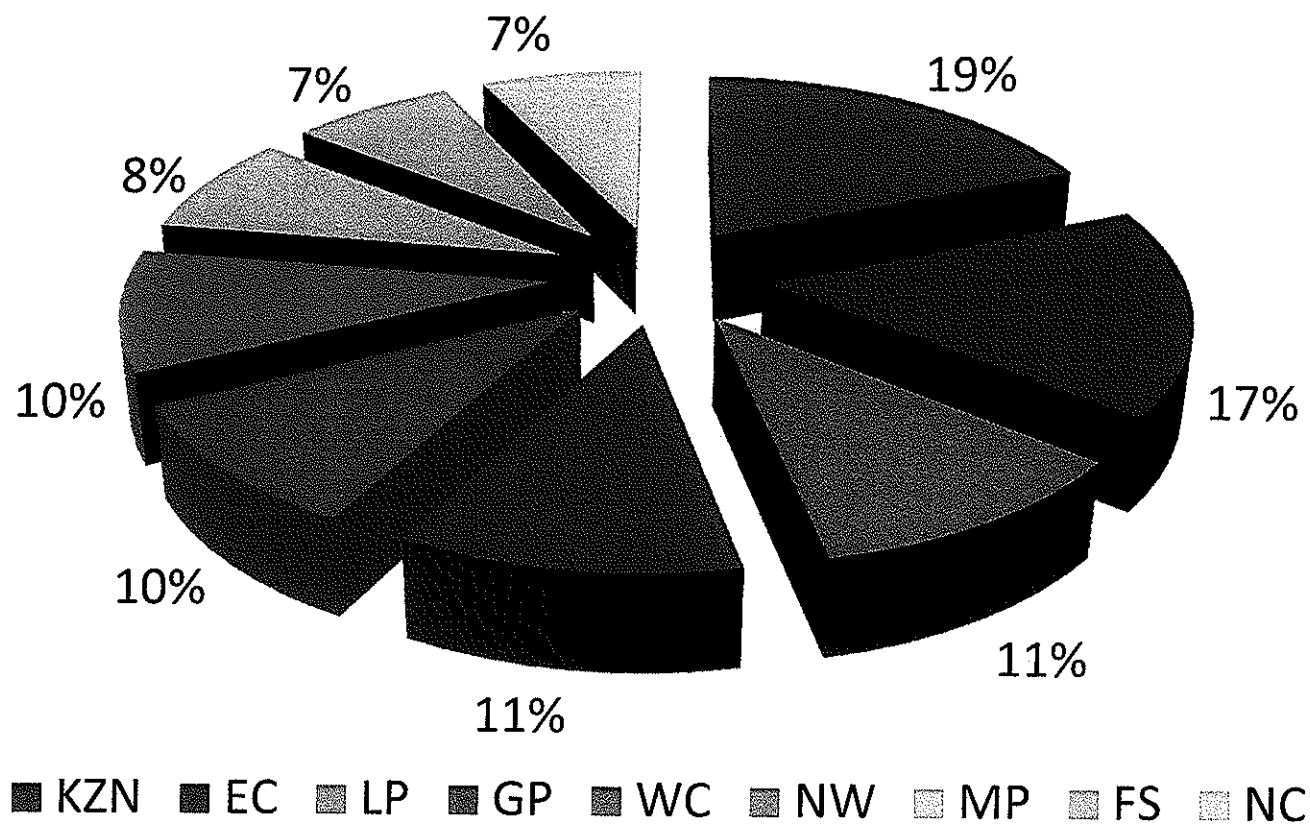


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# Overview of the budget cont.

## Each Region's share of total Budget





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# **Key Strategic Challenges**

# Opportunities



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- Preparations for Universalisation of Old Age Pension and CSG
- Other Social Security institutions are starting to engage with SASSA to assess the possibilities for SASSA to administer their payment



# Recommendations



- It is recommended that Portfolio Committee note and support SASSA's key strategic programme and budget for 2014/15 – 2018/19





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# Thank you