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Department:  
Government Pensions Administration Agency  
REPUBLIC OF SOUTH AFRICA

**STANDING COMMITTEE ON  
FINANCE**

**ANNUAL PERFORMANCE  
2015/16**

**CEO: Krishen Sukdev**

# AGENDA

Organisational Overview

Organisational Performance

Core Programme Performance

Financial Wellbeing

Human Resource Management

Modernisation

Governance & Current Initiatives



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# ORGANISATIONAL OVERVIEW



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# LEGISLATIVE MANDATE

- GPAA is a government component, established in terms of the Public Service Act (1994) with effect from 1 April 2010.
- Mandate to render pensions administration and other relevant services to the Government Employees Pension Fund (GEPF) and the National Treasury (NT).
  - in accordance with the administration and service level agreements concluded by GPAA with the GEPF and the NT.



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## Vision

- The leading, people-centric benefits administrator in government



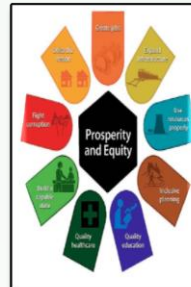
## Mission

- To serve clients by paying benefits accurately and timeously



## Values

- Transparency
- Respect
- Integrity
- Courtesy
- Service Excellence



## NDP

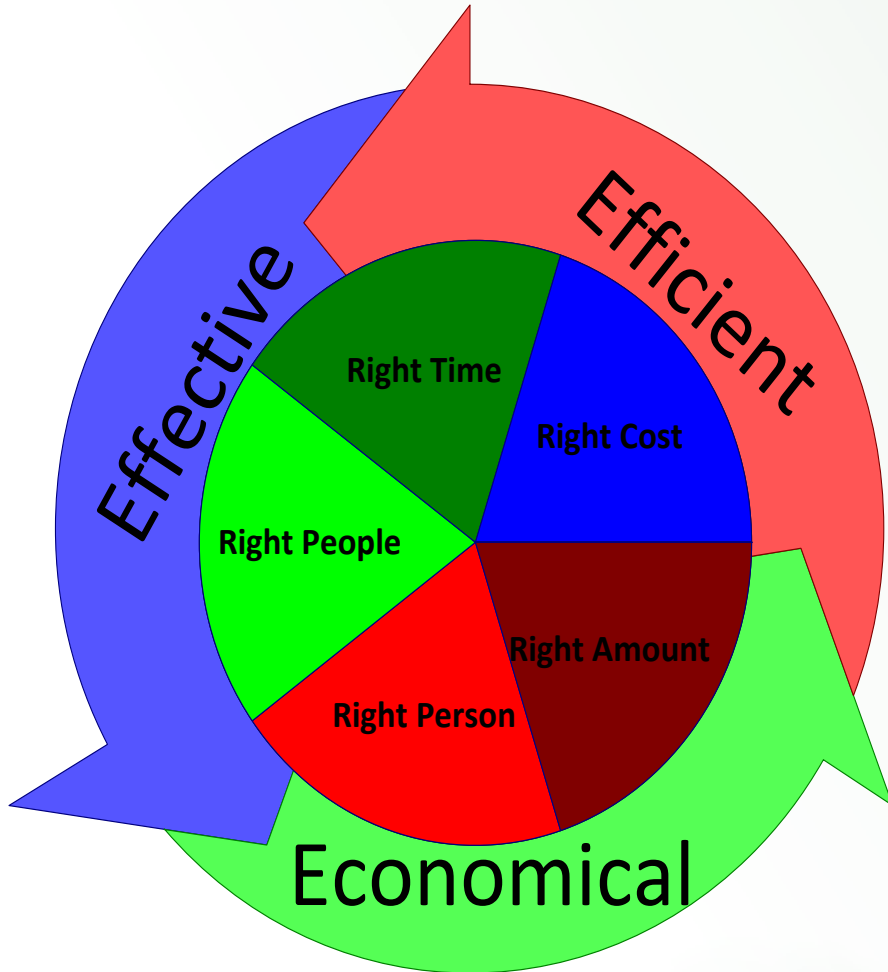
- Capable State
- Fighting Corruption



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# GOALS AND OBJECTIVES



1) To pay the **Right Amount** as per legal entitlement as prescribed by legislation and rules.

2) To pay the **Right Person** who is the lawful member or beneficiary.

3) To pay benefits at the **Right Time** as per legislation.

4) To employ the **Right People** that are competent, performance driven and caring.

5) To administer funds at the **Right Cost** - an economically acceptable cost of administration per member.



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# FUNDS AND SCHEMES ADMINISTERED

- Government Employees Pension Fund (GEPF)
- On Behalf of National Treasury
  - Temporary Employees Pension Fund (TEPF)
  - Associated Institutions Pension Fund (AIPF)
  - Post-Retirement Medical Subsidies as provided for and regulated by Public Service Co-ordinating Bargaining Council (PSCBC)
  - Military Pensions Injury on Duty payments
  - Special Pensions Other Funds



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# ORGANISATIONAL PERFORMANCE



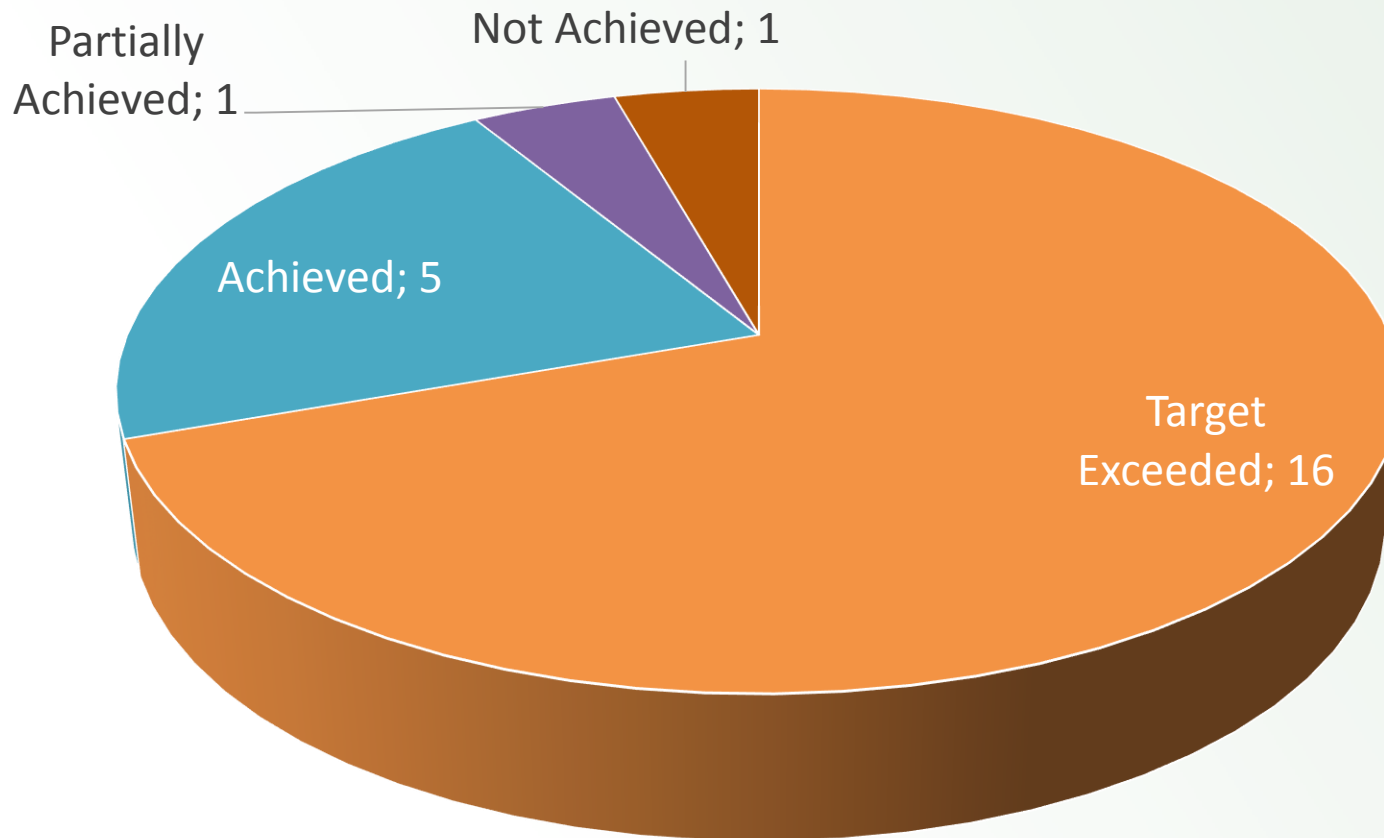
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# PERFORMANCE AGAINST APP TARGETS



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# CORE PROGRAMME PERFORMANCE



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# CORE PROGRAMME PERFORMANCE

Government  
Employees  
Pension Fund  
(GEPF)

Customer  
Relations  
Management  
(CRM)

National  
Treasury  
(NT)



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# GEPF – ANNUAL PERFORMANCE

Client Satisfaction - 97% versus a target of 80%

Accurate payment of benefits – 100% , versus a target of 80%

Compliance to Customer SLA – 89% versus a target of 90%

Benefits paid within 45 days – 77% versus a target of 80%



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# GEPF – EXIT PENSION CLAIMS

YEAR	Claims Received	% Age Increase (Decrease)	Paid	% Age Increase / (Decrease)
2016	81 090	(2.55%)	79 783	5.91%
2015	83 209	23.94%	75 329	20%
2014	67 137	10.2%	62 771	14.95%
2013	60 896	(4.8%)	54 607	(10.73%)
2012	63 970	20.67%	61 174	11.57%
2011	53 009	-	54 830	-



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# GEPF – OTHER PENSION BENEFITS

Other Pension Benefit Paid	2015/16	2014/15
Funeral Benefits	25 217	22 700
Spouses Pensions	9 758	12 448
Orphans Pensions	1 548	1 777
Pensions for Past Discriminatory Practices	1 791	1 979
Divorce Payments	4 914	5 044
Guaranteed Period Payments – 5 years balance	2 397	2 038
Additional Benefits paid on IOD discharges	52	144



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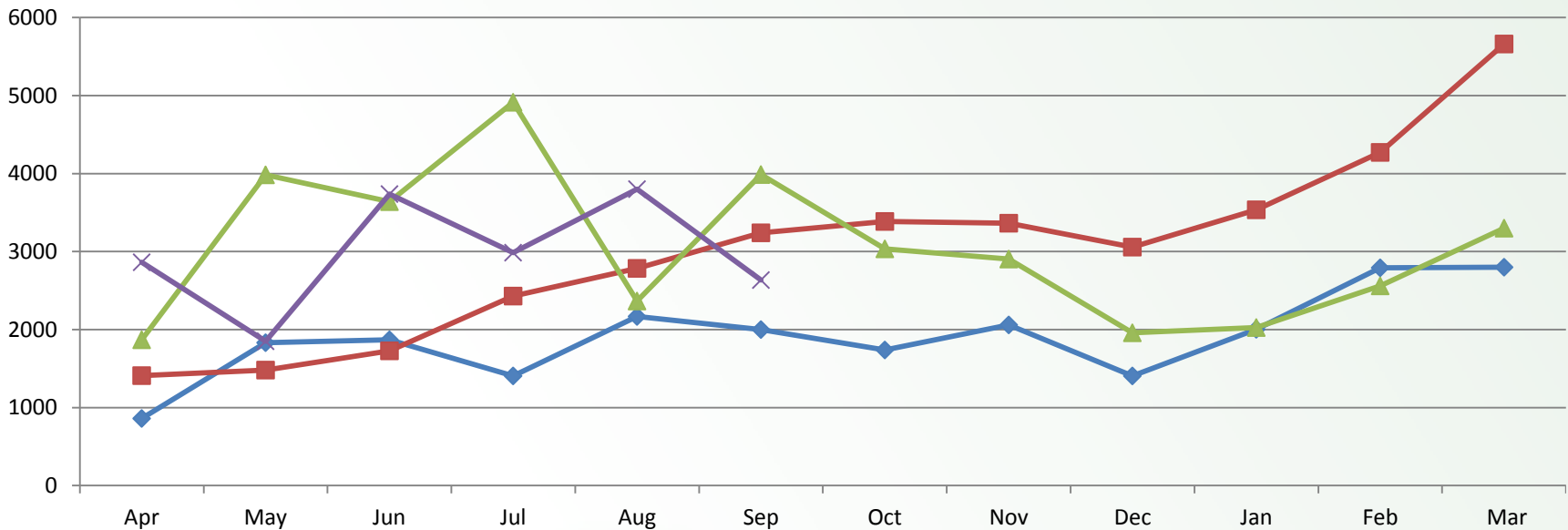
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# GEPF - PAID RESIGNATIONS CLAIMS TREND

Number of Resignation cases paid per month from financial year 2013/2014 to 2016/2017

FY	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Ave /a	Total	% Change
2013/14	861	1 833	1 869	1 405	2 170	2 001	1 737	2 060	1 405	2 003	2 792	2 798	1 911	22 934	
2014/15	1 410	1 480	1 729	2 430	2 784	3 240	3 388	3 365	3 056	3 536	4 272	5 663	3 029	36 353	59%
2015/16	1 871	3 983	3 642	4 915	2 365	3 987	3 036	2 903	1 958	2 028	2 562	3 302	3 046	36 552	1%
2016/17	2 865	1 851	3 739	2 987	3 803	2 637							2 980	17 882	
Ave /m	1 752	2 287	2 745	2 934	2 781	2 966	2 720	2 776	2 140	2 522	3 209	3 921	2 742	28 430	

Number of resignation cases paid per month from March 2013 to September 2016



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# GEPF RESIGNATIONS – ACTIONS TAKEN BY GPAA & GEPF

The GPAA and GEPF have embarked on numerous activities to inform state employees on the National Treasury reform process. These activities included amongst others;

- Sending frequently asked questions to GEPF membership
- Articles in print media as well as posters.
- Informing members and pensioners via our outreach programmes such as Road Shows, Pre Retirement Workshops and Human Resources Forums with employer departments.
- Use of community radio stations.
- Working together with National Treasury when required and requested.



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# GEPF RESIGNATIONS – SURVEY ANALYSIS

Independent survey conducted - Key findings amongst others

Age Group	% Response	Reason for Resignation
35-49	51.6%	Financial Problems
19-34	50%	Bad Working Conditions
19-34	48%	No Promotions
55-60	41.2%	Tired of working
55-60	37.9%	Medical Reasons
19-60	15%	New Retirement Reform Scare
19-60	84%	No Regret Cashing Pension



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# GEPF - UNCLAIMED BENEFITS

Description	2016	2015
	R'000	R'000
<b>Balance at year end *</b>	<b>653 063</b>	<b>546 236</b>
Transferred from benefits paid	1 677 988	1 138 304
<b>Paid during this year</b>	<b>(1 726 763)</b>	<b>(1 270 735)</b>
Interest charged	155 602	104 397

Participating on the presidency track & trace, under the leadership of DM energy, DPM, FSB

Engaging all government departments in all province, especially health, education and SAPS

Working on database from SARS, SASSA, and other government institutions

\*R 653 063 – R155 602 = R497 461



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# PUBLIC SERVICE COMMISSION REPORT

- Identified areas of concern

Agreed with the PSC Commissioners to deal with findings

- Have designed various initiatives

Met with DG of DPSA to deal with employer department related findings

- Regular collaboration in support of initiatives



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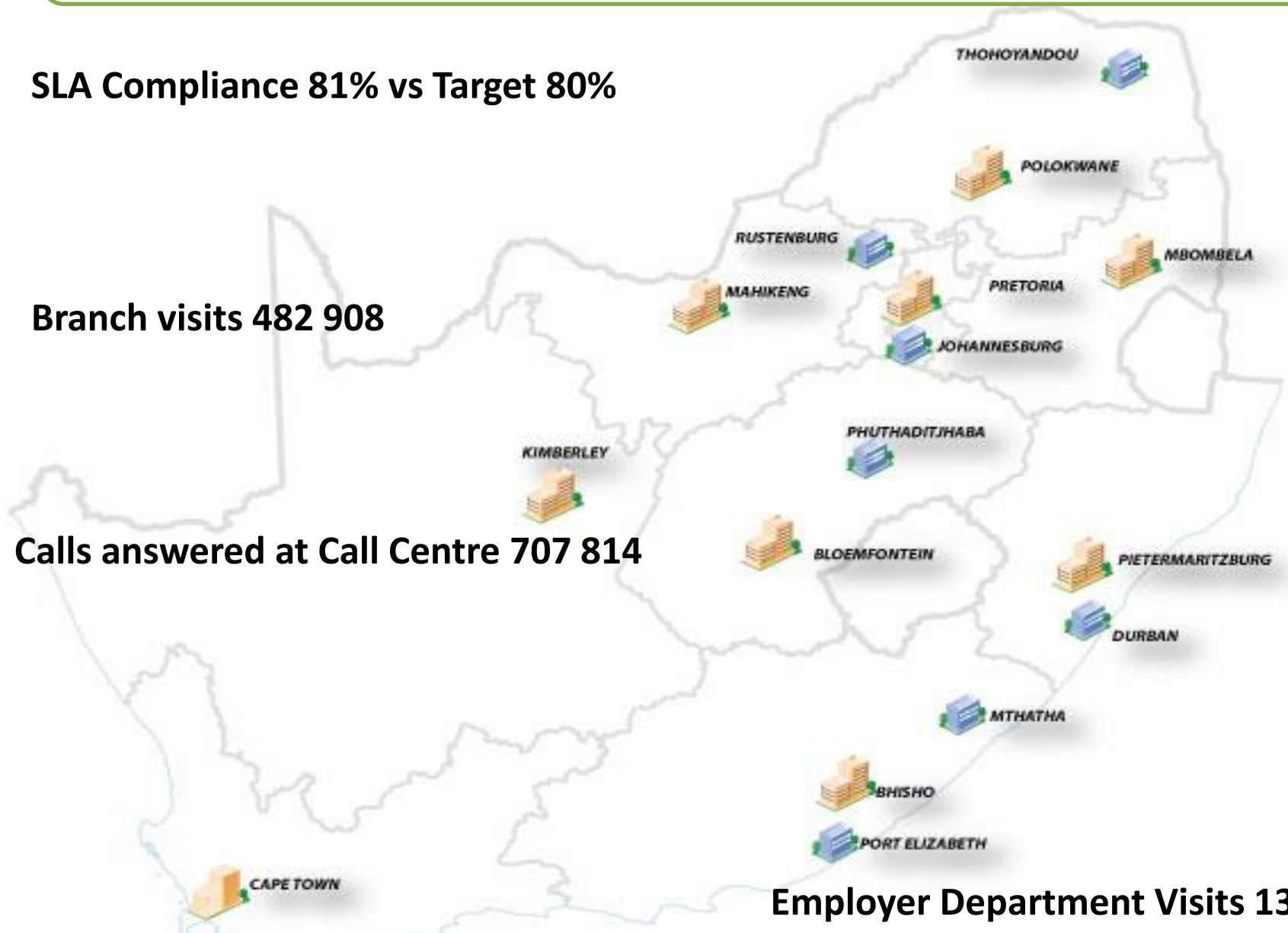
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# CRM – CLIENT & EMPLOYER MANAGEMENT

SLA Compliance 81% vs Target 80%

Branch visits 482 908

Calls answered at Call Centre 707 814



Employer Department Visits 13 271

# CRM – CLIENT OUTREACH

Client Satisfaction 97% vs target 80%

Pre-Retirement Workshops – 513

Member awareness sessions - 2769

Mobile Office Visits – 127 135

Mobile Site Visits – 706

# NT – FUNDS PERFORMANCE

Client Satisfaction - 91% versus a target of 80%

Accurate payment of benefits – 100% , versus a target of 80%

Compliance to Customer SLA – 97% versus a target of 90%

Benefits paid within 45 days – 91% versus a target of 80%



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# NT – FUNDS MEMBERSHIP

<b>Number of Pensioners</b>	<b>2014/2015</b>	<b>2015/2016</b>
Post retirement subsidies	91 586	97 002
Special Pensions	7 704	7 443
Military Pensions	5 308	5 261
Injury on Duty	9 309	8 175
Other Benefits	1 053	1 021
<b>PENSIONERS TOTAL</b>	<b>114 960</b>	<b>118 900</b>
<b>TOTAL PAYMENTS (R) (000)</b>	<b>R3 700 000</b>	<b>R3 900 000</b>



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# NT – STAKEHOLDER ENGAGEMENT

Military Veterans:

- Cape Town, Durban, and Kimberley

GEMS, Medical Aid Schemes

Department of Military Veterans

Pensions and Medical Conferences

Attended to 'Frequently Asked Questions'



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# FINANCIAL WELLBEING



Expenditure

Audit  
Reports



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# EXPENDITURE

Description	2016 Rm	2015 Rm
Compensation of Employees	434	383
Goods and Services	394	400
Capital Expenditure	120	136
<b>Total expenditure</b>	<b>948</b>	<b>919</b>

**Compensation of Employees:** Annual salary increments of 7% from 01/04/2015 and performance based salary notches adjustment.

**Goods and Services:** The costs have remained fairly constant.

**Capital Expenditure:** Mainly due to delays in implementation of ICT capital projects (i.e. DQIM, ECM and Replacement modules). The delays were caused by longer than expected pilot evaluation period and completion of functional requirements of projects.



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# AUDIT RESULTS

Description	2016	2015
<b>Audit Opinion</b>	<b>Unqualified Report</b>	<b>Unqualified Report</b>
Audit Findings	24	28
Matters of non-compliance	3	3
Irregular Expenditure	R9, 48 m	R46, 87 m
Wasteful expenditure	R365k	R68k
Audit Findings Resolved	15	28



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# COMPLIANCE WITH LEGISLATION

Description	2016 R 000	2015 R 000
Opening Balance	48 350	1 901
Irregular Expenditure Current Year	<b>7 637</b>	<b>27 002</b>
Irregular Expenditure Prior Year	<b>1 842</b>	<b>19 872</b>
Condonement	(24 261)	(11 292)
Prior Year Error Correction – Condoned Amount	-	10 867
Irregular Expenditure Awaiting Condonement	33 568	48 350



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# HUMAN RESOURCE MANAGEMENT



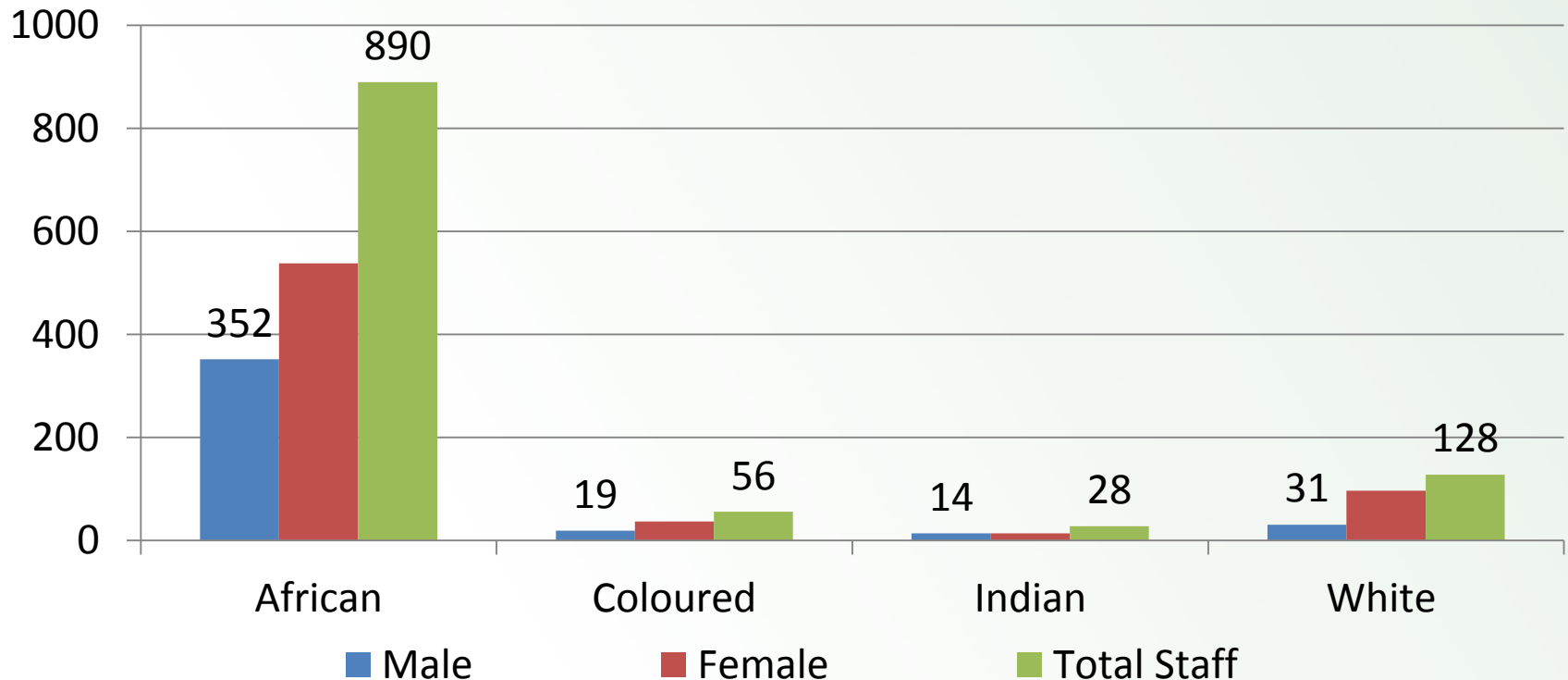
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# HUMAN RESOURCE MANAGEMENT

## GPAA Staff Establishment

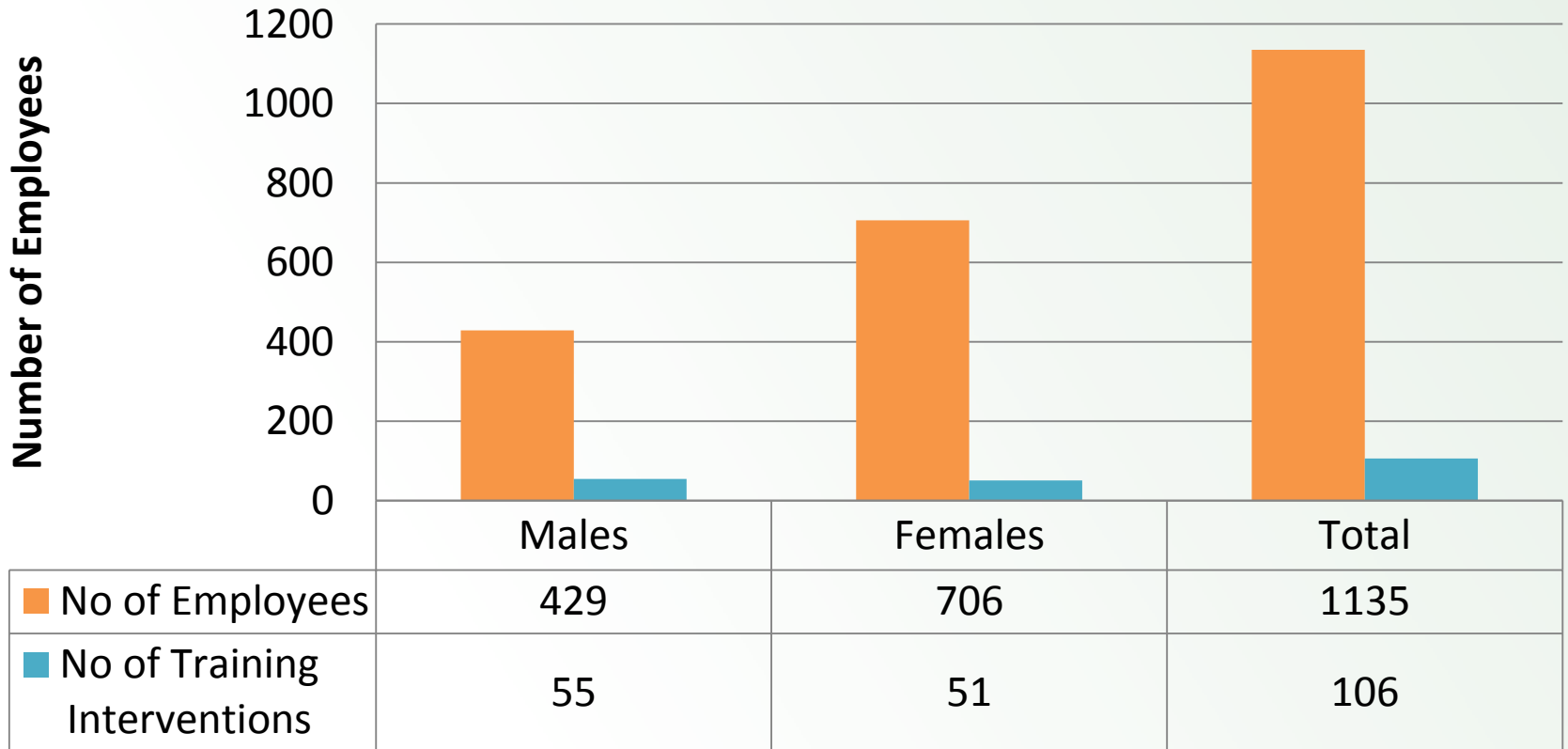


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# HUMAN RESOURCE DEVELOPMENT

## Training Interventions



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# MODERNISATION



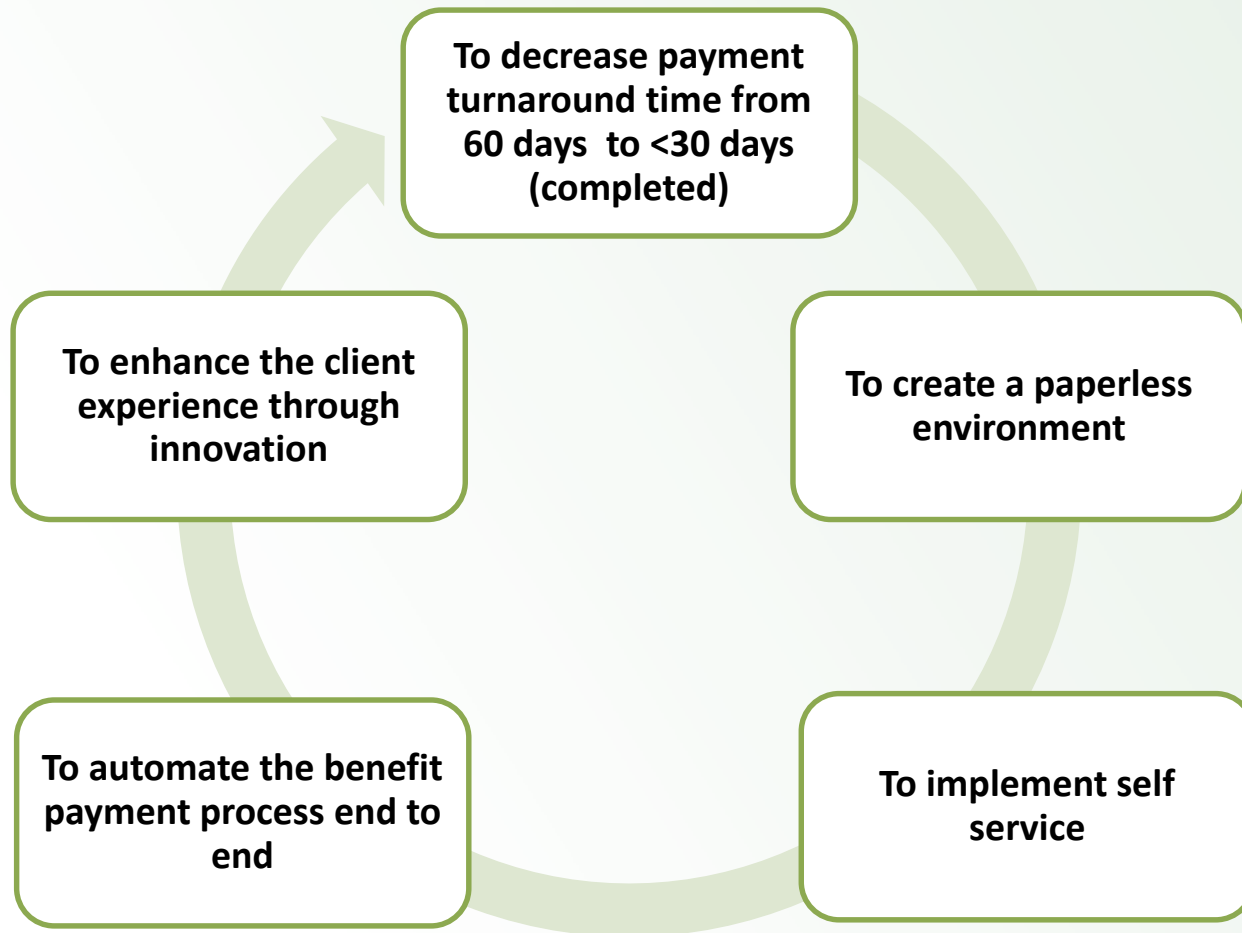
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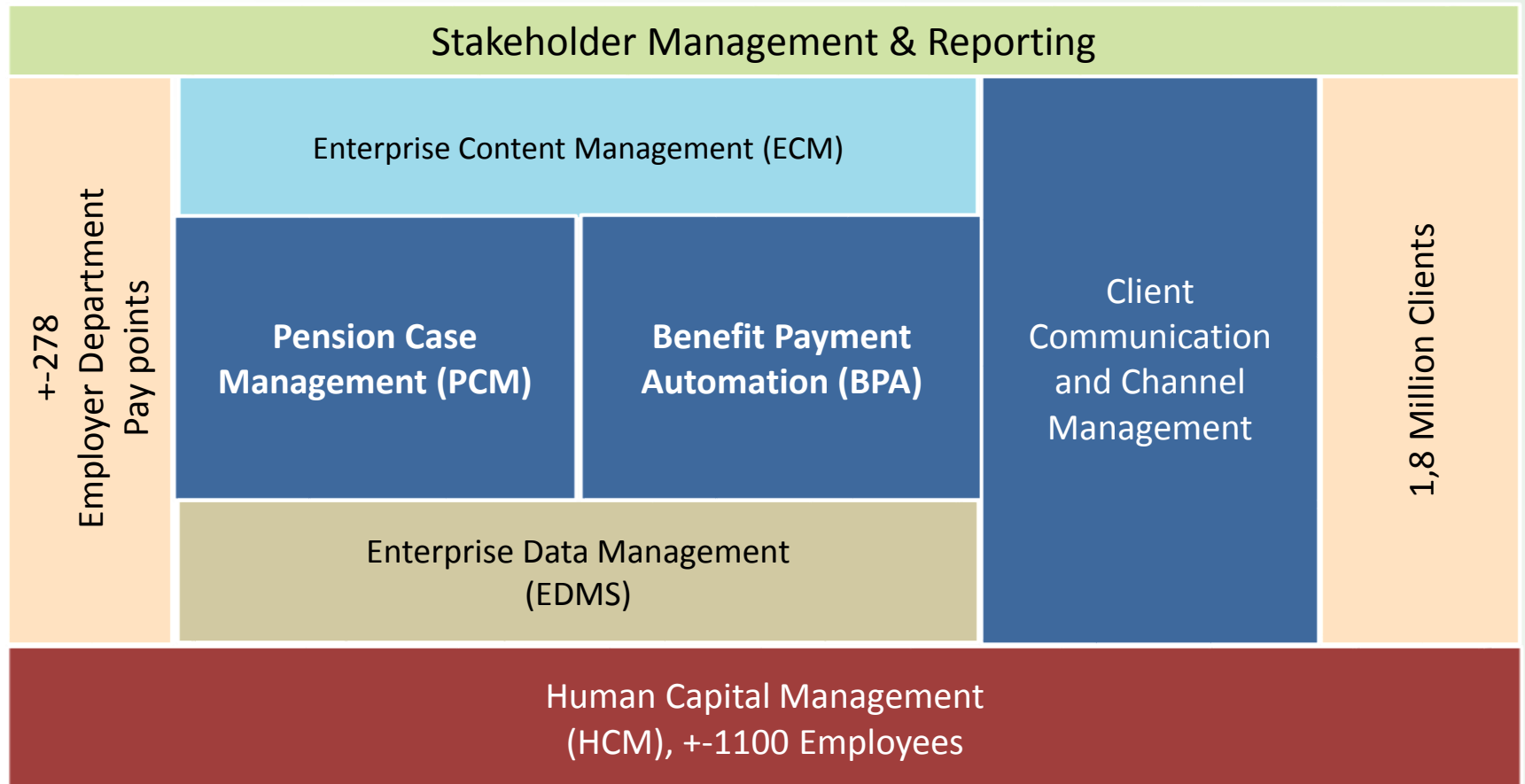
# MODERNISATION OBJECTIVES 2015 -2018



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# MODERNISATION PRODUCTS 2015 - 2018



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# GOVERNANCE & CURRENT INITIATIVES



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# MECHANISMS TO STRENGTHEN CONTROL



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# IMPACT OF INTERVENTION

Description	2016 R 000	2015 R 000
Opening Balance	48 350	1 901
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# COMPLIANCE WITH LEGISLATION

- Strong improvement on controls over the last financial year
- Internal Audit and Enterprise Risk Department reporting improved
- Investigations of all prior transgressions
- Remedial action in all cases underway
- Increase training on Supply Chain Matters



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# COMPLIANCE WITH LEGISLATION

- Culture of compliance supported
- Advisory Board appointed to support management
- Progress on audit findings submitted to AG and Minister's office
- Majority of irregular expenditures are historical
- Monthly reporting of audit findings and irregular expenditure to EXCO



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# KEY INITIATIVES - 2016/2017

- Client focused communication to members via email



Self Service Functionality



Improved turn around time of claims payment via automation



Simplified claims submission by employer department



Improved client experience via the call centre



Generation Y Z Initiatives, disability and women empowerment



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*THANK YOU*



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