



sassa

SOUTH AFRICAN SOCIAL SECURITY AGENCY

*[ paying the right social grant, to the right person,  
at the right time and place. N.J.M.O ]*

## Portfolio Committee on Social Development

Progress towards implementing the Constitutional  
Court Order

## Constitutional Court Order



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Constitutional Court judgement of 17 March 2017:

- Court has reinstated its supervisory role
- Directed that SASSA and CPS are under a constitutional obligation to ensure payment of social grants from 1 April 2017
- The current contract with CPS was extended for a period of 12 months, and the declaration of invalidity of this contract was suspended for a further 12 months
- **Order 7 – 9** Filing of quarterly Reports: First report due in **June 2017**
- Specific details on how SASSA will comply with the judgement follows:

TO  
J  
A  
Mo  
Hope  
Moser  
Melgas  
Jooste



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## ACTIONS TAKEN BY SASSA TO ENSURE PAYMENTS ARE EFFECTED ON THE 01 APRIL 2017

(ORDER 4 – 6)

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## Readiness for payments 1 April 2017



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Tasks	Actions
Procurement	SASSA submitted amended request for deviation to National Treasury : <b>17 March 2017.</b>
	National Treasury supported the deviation process in line with the Constitutional Court ruling: <b>17 March 2017.</b>
	Letter of contract extension sent to CPS to formally notify them that SASSA will be continuing with the existing contract : <b>18 March 2017</b>
Contracting	Current contract and Service Level Agreement in place. SASSA drafted proposal of the Addendum to the current contract and this was negotiated with CPS from the 20 March and signed <b>31 March 2017</b> by CEOs of both parties

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## Readiness for payments 1 April 2017



Tasks	Actions
Payment process plan	DSD / SASSA submitted cash request to National Treasury : <b>6 March 2017</b>
	National Treasury confirmed that SASSA will receive R11 175 538 000 on 29 March : <b>16 March 2017</b> .
	CPS submitted cash requirements to SASSA in terms of clause 9.1.3 of current SLA : <b>16 March 2017</b>
	Cash was transferred to CPS on <b>29 March 2017</b> in line with current agreement (money to be available 2 working days before payment)
	<ul style="list-style-type: none"> <li>✓ Payments at ATM's and merchants - available from 1 April;</li> <li>✓ cash pay points will be opened as from Monday 3 April.</li> <li>✓ Beneficiaries informed of payment dates on payment receipts in March 2017</li> </ul>

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## Readiness for payments 1 April 2017



Tasks	Actions
Communication	DSD and SASSA worked with GCIS to develop government wide communication plan
	Communication has been intensified in days leading to 1 April
	Request all who engage with communities to provide message – payments according to set schedule; beneficiaries to stick to dates and venues indicated on their payment receipts; payment only at merchants and banks on 1 and 2 April
	SASSA call centre to be operational on 1 April. All enquiries can be directed to 0800 60 10 11

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## Actual payments (31 March – End of April Payment Cycle)



- For the April payment cycle, a total of ten million five hundred and ninety six thousand, one hundred and four (10 596 104) beneficiaries were scheduled to be paid
- The payment file was opened at 13h00 on Friday 31 March.
- By midnight on 31 March, a total of four hundred and seventy seven thousand one hundred and sixty two (477 162) beneficiaries had withdrawn their social grants.
- For the period from 31 March to 18h00 on Sunday 2 April, a total of 4 149 029 beneficiaries had been paid (39%).
- An amount of four billion six hundred and ninety one million three hundred and eighty two thousand seven hundred and thirty eight rand (R4 691 382 738) has been paid out.

## Number of Grants paid since 01 April 2017



Number of grants paid per transaction channel from Friday, 31 March 2017 until midnight on Wednesday, 5 April 2017	
Number of grants paid via ATM infrastructure	4 559 970
Number of grants paid in stores via biometric	301 052
Number of grants paid at pay points	2 515 033
Number of grants paid in stores via PIN	1 874 865
	9 250 920
Total number of beneficiaries paid until midnight	8 714 511
<b>Total value paid out until midnight</b>	<b>10 108 074 199</b>

## Actual payments (31 March – 02 April 2017)



- Cash pay points started to operate as from Monday 3 April, in accordance with pre-approved schedules. The cash payment cycle continues until 21 April.

### Challenges

- Payments went smoothly, despite the increased numbers of beneficiaries seen on 1 April.
- The only challenges experienced related to security issues (a number of robberies at merchants and ATM's were targeted). However these are criminal acts and are being dealt with by the relevant law enforcement agencies.

## CO 7 - 9: Filing of Reports



- **Court Order 7:** The Minister and SASSA must file reports on affidavit with this Court every three months, commencing on the date of the order:
- The First Report is due on the 17 of June 2017. The affidavit will be compiled by SASSA with concurrence /confirmation of the Minister.
- The report will cover the following:
  - Detailed plan to ensure the payment of social grants after the expiry of the 12 month contract
  - Steps that would have been taken until the date, what will be outstanding and the
  - Future steps in order to ensure that the payment of all social grants is made when they fall due after the expiry of the 12 – month period

## CO 10 : Additional Safeguards for beneficiaries personal data



- The court ordered that Beneficiaries personal data obtained in the payment process remains private and may not be used for any purpose other than payment
- SASSA has enforced this order through the Contract Addendum.
- SASSA will monitor compliance thereof and report to constitutional court on quarterly basis.

## CO 11 & 12: Appointment of Independent Experts



Tasks	Actions
Independent Experts	<b>Court Order 11 &amp; 12:</b> Within 14 days of court order to submit names of independent legal practitioners and technical experts to the court (Confirmed that days are court days – equate to business days)
	<b>TOR</b> for expression of interest for team of experts who have an understanding of the Social Assistance environment; payment methods and options as well as legislative compliance framework for government were drafted by 24 March and presented to BAC on 27 March 2017.
	<b>PROGRESS:</b> The names of the Independent legal practitioners and technical experts were procured through internal process and submitted to Court by 6 April 2017
	<b>In addition other parties also nominated and submitted professional independent experts.</b>
<b>Court Outcome</b>	<b>Still outstanding</b>

## Analysis of order (cont)



Order	Action to implement
<p><b>Court Order 12:</b> The Auditor General together with the individuals and/or institutions appointed by the court shall:</p> <ul style="list-style-type: none"> <li>• Evaluate the implementation of payment of social assistance over the 12 month period</li> <li>• Evaluate steps taken or planned by SASSA for any competitive bidding process for a new contractor / s</li> <li>• Evaluate steps taken by SASSA to bring payment function in house</li> <li>• File reports to court every 3 months (or shorter period) setting out steps taken to evaluate, results of evaluations and any recommendations</li> </ul>	<p>Responsibility of Auditor General and individuals and/or institutions appointed by the court.</p> <p><i>SASSA has written a letter to Auditor General and National Treasury to formally communicate the order</i></p>

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**ACTIONS TAKEN BY SASSA TO ENSURE PAYMENTS ARE EFFECTED ON THE 01 APRIL 2018**

**COURT ORDER 7 (UNPACKED)**

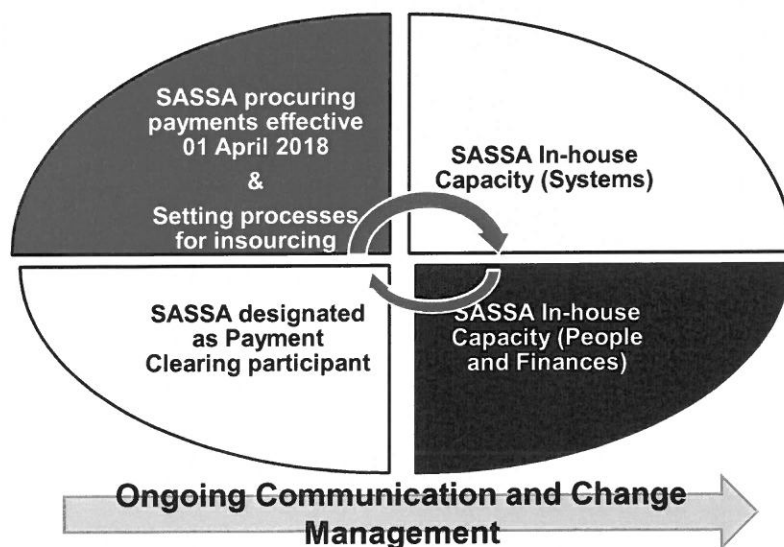
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# SASSA Payment Framework



- Overall Objectives - SASSA to take over payments
- SASSA's plan to deliver an improved "One stop" Grant Administration and Payment Service
- Requirements for takeover
  - SASSA readiness – systems
  - SASSA readiness – payment clearing participant requirements
  - SASSA staff : change management
  - Organised labour engagement
  - Budget availability

# Payment Framework





## Matters to Resolve – Towards 2018



- Constitutional Court directed SASSA to set out a plan to ensure the payment of social grants beyond 31 March 2018
- The focus in 2017 is on:
  - What does April 2018 look like (2018 payment framework)
  - Activities to be undertaken for the period of transition feeding into future vision for SASSA
  - Ensuring that biometrics remain a key feature for verification and authentication process?
  - Preparing the business case to bid for additional funding (new money) from National Treasury
  - Confirmation of what can be achieved with current funding
  - Engagement with DSD on issues which need policy / regulatory changes

## Elements of the 2018 Plan



- The Revised SASSA 2018 plan will include:
  - Insourcing of Certain Services
    - Implementation of regulation 26A
    - SASSA Social Grants Holding Account (s)
    - Elements of registration and enrolment (phased approach)
  - Government to Government Collaboration
    - SAPO (SASSA engaged SAPO on those services that SAPO can provide - distribution of cash through SAPO outlets)
    - Other departments - DHA; SITA and SARB
- Full plan and costing will be unpacked in the next week

*biometric*

*information*

## Elements of the 2018 Plan (cont...)



- Other Services: those services that SASSA cannot on its own or through government to government collaboration will be procured through an open tender process
  - SASSA's change programme will be implemented progressively to take responsibility starting with:
    - Enrolment
    - Card issuance and management
    - Customer management
- Local Economic Development
  - Using economies of scale of SASSA grants to stimulate economic growth in poor areas
  - Cooperatives
  - Alternative pay-points

## Conclusion



- In conclusion, SASSA embarked on the following activities since the court judgement
  - 17 – 31 March 2017: Preparations for payment from the 01 April 2017
  - 01 April – 05 April 2017: Monitoring of actual payments
  - 2<sup>nd</sup> Week April – End of April 2017:
    - Review of the original 2 year plan to one year
    - Procurement of independent experts
    - Engagement with stakeholders in particular SAPO
    - Development of a t costed 1 year framework - April 2018 is still in progress

***Thank you***