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SOUTH AFRICAN SOCIAL SECURITY AGENCY

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# SASSA PROGRESS REPORT TO PORTFOLIO COMMITTEE ON SOCIAL DEVELOPMENT

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17 MAY 2017

**SOCIAL ASSISTANCE PAYMENT**  
**PROGRESS TOWARDS IMPLEMENTATION OF THE CONSTITUTIONAL**  
**COURT ORDER**

<b>Purpose</b>	The purpose of the report is to provide the Portfolio Committee with progress with regards to SASSA's state of readiness to pay social grants in compliance with Constitutional Court judgement/order of 17 March 2017.
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<b>Tasks/Actions</b>	<b>Progress Achieved</b>	<b>Date</b>
Constitutional Court Judgment ( <i>17 March 2017</i> )		
1. Portfolio Committee on Social Development	<p>The Portfolio Committee Meeting of the 10 May 2017 recommended amongst others that:</p> <ul style="list-style-type: none"> <li>• SASSA present it with a detailed costed plan</li> <li>• SASSA ensures that the APP takes into consideration the Constitutional Court judgement and financial implications</li> </ul>	10 May 2017
2. Inter-Ministerial Committee Meeting	An Inter-Ministerial Committee Meeting chaired by the President was held on the 12 May 2017. The meeting noted progress made by SASSA and agreed that the detailed framework should be presented to the committee prior to tabling of the Constitutional Court report.	12 May 2017
3. Engagements with Key Stakeholders: SCOPA	SASSA presented its progress report to SCOPA.	16 May 2017
4. Engagements with Key Stakeholders: SAPO	At the meeting on the 10 May 2017, SASSA indicated that it will be engaging further with SAPO to finalise areas of possible collaboration with SASSA and the estimated costs.	17 May 2017

Tasks/Actions	Progress Achieved	Date
	This is a follow up on issues that were identified during the RFI process.	
Possible Amendments of the APP	<p>Areas where payment insourcing is mentioned in the APP:</p> <p><b>Minister's foreword – Paragraph no. 1</b></p> <p>“The presentation of this annual performance plan comes at a crucial time when SASSA is making necessary preparations for the institutionalization of the payment system for social grants in South Africa. Work around this area began as early as 2013 with the establishment of the Ministerial Advisory Committee on the future payment system for social grants in South Africa and subsequently the establishment of the work streams to implement the recommendations of the Committee”.</p> <p><i>CEO's Overview – paragraph 1</i></p> <p>It gives me great pleasure to present the Annual Performance Plan for 2017/18. This plan continues to build on some of the initiatives introduced during 2016/17 in order to ensure that SASSA reaches its stated objective of bringing the payment responsibility in-house. This will not be done in isolation, but together with the modernisation and review of our core grants administration responsibilities.</p> <p><i>CEO's Overview – paragraph 2</i></p> <p>The current social grant payment contract comes to an end on 31 March 2017. Critical for business continuity and to ensure that the approximately 30% of the population which is dependent on social assistance continue to receive their social grants on a monthly basis, is to ensure that payments continue. It is envisaged that the year will be characterised by the phasing out of the current payment service provider,</p>	

Tasks/Actions	Progress Achieved	Date
	<p>and the phasing in of various new service providers, who will be implementing different aspects of the payment value chain. In addition, SASSA will continue to work towards taking over responsibility for the payment function.</p> <p><i>CEO's Overview – paragraph 4</i></p> <p>The changes envisaged will require capacity. SASSA will endeavour to fill 95% of the vacant posts and will complete the review of the capacity model in the 2017/18 financial year. The focus on fraud prevention will be strengthened with the introduction of biometric access to critical systems for users. This will both protect staff, but also ensure non-repudiation of transactions performed. The introduction of multi-factor authentication methods for system access will make the system less vulnerable to external threats.</p> <p><i>Page 17 of the APP – Relating expenditure trends to strategic outcome-oriented goal – paragraph 5</i></p> <p>“Preliminary work is underway to take on the payment function in the medium term, with the comprehensive review of an integrated administrative and payment function being the goal over the longer term. It is therefore important for SASSA to develop its own capacity over the medium term, focusing primarily on building a computerized payment system, creating an integrated payment database, and acquiring payment hardware and software. This work will be supported by several key projects, all of which underpin the modernisation of social grant administration and payments. These include: the development of a data warehouse; the development of a biometric payment standard in partnership with the Department of Home Affairs and the South African</p>	

Tasks/Actions	Progress Achieved	Date
	<p>Reserve Bank which has been completed; and the acquisition of biometric payment equipment. In the 2017/18 MTEF period, SASSA will start taking over the function of the biometric enrolment of beneficiaries, which was previously undertaken by the payment contractor”.</p> <p><b>SOME PROJECTS IN THE APP SUPPORTING TRANSITION</b></p> <ul style="list-style-type: none"> <li>• <i>Biometric solution – users only in 2017/18 and beneficiaries in 2018/19</i></li> <li>• <i>Fraud , Risk &amp; Cyber assurance solution &amp; Network connectivity infrastructure upgrade</i></li> <li>• <i>Data service integration</i></li> <li>• <i>Web-interface solution</i></li> <li>• HR plan reviewed</li> <li>• ..) also has to be included in the list.</li> <li>• Bullet 3 &amp; bullet 4 imply one and the same thing therefore I suggest the inclusion of</li> <li>• .</li> <li>•</li> </ul> <p><b>NEW CONSIDERATIONS IN THE CURRENT FINANCIAL YEAR</b></p> <ul style="list-style-type: none"> <li>• <i>Insourcing of Regulation 26A - The consideration of Q-link for implementation of Reg. 26A (Piloting will commence in this financial year)</i></li> <li>• Opening of SASSA Holding Account</li> <li>• Phasing in New Service Provider and Phasing out CPS</li> </ul>	

Tasks/Actions	Progress Achieved	Date
	<ul style="list-style-type: none"> <li>• Submission of quarterly reports to Constitutional Court in the form of affidavits (thus costs associated with independent experts and SASSA's lawyers).</li> <li>• Appointment of a System Integrator</li> <li>• Piloting of Alternative Pay Points</li> <li>• Identification of services to be rendered by SASSA and develop business case(s) for additional funding to National Treasury;</li> </ul> <p><i>Budget for some of these projects was not confirmed when APP was adopted,</i></p>	
Costed Plan	<p>Full plan and costing is being unpacked.</p> <p>The Agency requests a week to refine and confirm the timelines and costs.</p>	