**2. Report of the Portfolio Committee on Social Development on the Budget Vote 17, The Strategic Plans (2015-2019) and the Annual Performance Plans of the Department of Social Development and its Entities for 2017/18, Dated 23 May 2017.**

The Portfolio Committee on Social Development having considered and deliberated on the Budget Vote, the Annual Performance Plans and the Strategic Plans of the Department of Social Development, South African Social Security Agency (SASSA) and the National Development Agency (NDA) on 03, 17 and 19 May 2017, wishes to report as follows:

1. **Introduction**

The mandate of the Portfolio Committee is to perform the following functions:

* Consider legislation referred to it and facilitate public participation,
* Conduct oversight of any organ of state and constitutional institutions falling within its portfolio,
* Facilitate the appointment of candidates to entities,
* Consider international agreements, and
* Consider the budget of the department and entities falling within its portfolio.

The following institutions briefed the Committee: the Department of Social Development (DSD), the South African Social Security Agency (SASSA) and the National Development Agency (NDA). The report will highlight some of the key high level outputs and targets reported on in the Strategic Plan and Annual Performance Plans of the aforementioned.

1. **The Department of Social Development Strategic Plan and the Annual Performance Plan**

The Committee was briefed on the Strategic Plan and the Annual Performance Plan (APP) of the department and the following was presented:

The strategic plan 2015-2020 and the APP 2017/18 were a product of extensive consultations and review of the department’s work in the last government cycle. Furthermore, the strategic plan 2015 -2019 was aligned with the government programme of action and the Medium Term Strategic Framework (MTSF) towards the achievement of the National Development Plan (NDP).

**2.1 The mandate, vision and the mission of the department**

The constitutional mandate of the department is to provide sector-wide national leadership in social development by developing and implementing programmes for the eradication of poverty and social protection and the development amongst the poorest of the poor and most vulnerable and marginalized.

The department therefore derives its mandate from several pieces of legislation and policies that are aligned to the Constitution. These include the White Paper for Social Welfare (1997) and the Population Policy (1998), which set out the principles, guidelines, policies and programmes for developmental social welfare in South Africa. The White Paper for Social Welfare has provided the foundation for social welfare in the post-1994 era.

The vision of the department is to create a caring and self-reliant society.

The department’s mission is “transform our society by building conscious and capable citizens through the provision of comprehensive, integrated and sustainable social development services”.

1. **Key Strategic goals**

The department will focus on the following sector priorities over the 2015- 2020 Medium Term Expenditure Framework (MTEF):

* Reforming the social welfare sector and services to deliver better results;
* Improve the provision of Early Childhood Development. All children should enjoy services and benefits aimed at facilitating access to nutrition, health care, education, social care and safety;
* Deepening social assistance and extending the scope for social security;
* Strengthening integrated community development interventions and improving household food and nutrition;
* Establish social protection systems to strengthen coordination, integration, planning, monitoring and evaluation of services.

**3.1 Reforming the social welfare and services to deliver better results**

**3.1.1 Welfare Services: Professional Social Services and Older Persons**

Under this strategic priority, the department has set strategic objectives “to *strengthen social welfare service delivery through legislative and policy reforms by 2019”.*

Amongst the list of high level outputs on the above strategic objective, the department plans to review the Social Welfare Paper, and to develop the Demand and Supply Model for Social Service Practitioners. It will further develop the Recruitment and Retention Strategy for the Social Service Practitioners. It will also strengthen older person’s services and propose amendments to the Older Persons Act 2006. The amendment bill will be submitted to Parliament in 2017/18 financial year.

**3.1.2 Welfare Services: Social Crime Prevention and Victim Empowerment**

Under this strategic priority, the department has set a strategic objective “*to reduce the incidences of social crime, substance abuse and facilitate the provision of support services to target groups by 2019”*

Over the medium term period, the department plans to implement the South African Integrated Programme of Action addressing the Gender Based Violence and also draft a legislation on Victim Empowerment support services. It will also approve the Inter-departmental coordination within the victim empowerment sector. It will further implement the Integrated Social Crime Prevention Strategy Action Plan and the National Anti-Substance Abuse Programme of Action (POA). The National Drug Master Plan will also be implemented.

**3.1.3 Rights of persons with disability**

Under this strategic priority the department has set a strategic objective *“to promote the empowerment and rights of persons with disabilities through the development and implementation of legislation, policies and programmes”.*

In terms of the high level outputs, the department intends to develop a legislative and policy framework to protect and promote the rights of persons with disabilities. Furthermore, it will also implement the White Paper on the Rights of Persons with Disabilities. The Disability Inequality Index will be developed and tracked under the set timeframe.

**3.1.4 Welfare Services: Children services, Orphans and Vulnerable Children**

The strategic objective of this key sector priority is “to *strengthen child protection services and improve the quality of Early Childhood Development (ECD) services by 2019*”.

Some of the high level outputs of this strategic objective include the increased access to child care protection through adoption services, ensure that ECD services are improved and strengthen the child rights, governance and compliance systems.

**3.1.5 Social Assistance and social security policy administration**

*The strategic objective of this priority is to have “an effective and efficient social security system that protects poor and vulnerable people against income poverty by 2019”.*

The department has set high level outputs to develop policy proposals on the universalisation of the Older Persons and Child Support Grants and also to increase the value of CSG to orphans and vulnerable children. It will develop a policy on mandatory cover for retirement, disability and survivor benefits.

*A strategic objective has been set to “provide an effective, efficient and accessible appeals service for beneficiaries of social assistance by 2019”*

The department has set a target of adjudicating 100% of appeals within 90 days during 2018/19 financial year.

In relation to the strategic objective to improve and increase access to social security by 2019, the department will ensure that during the Medium Term Expenditure Framework the Inspectorate for Social Assistance is established.

**3.1.6 Community Development**

The strategic objective of this priority is “*to facilitate and coordinate community development efforts to build vibrant and sustainable communities by 2019”.*

Amongst the high level outputs identified by the department, it set to develop guidelines on community mobilisation and empowerment. The department will further develop guidelines on community mobilisation and empowerment. It will also facilitate youth development.

Another strategic objective of this key sector priority is to “*contribute to poverty eradication and elimination of hunger through support to community driven programmes and the provision of food and nutrition security services by 2019”.*

The high level outputs of this strategic objectives include the department’s goal to facilitate the establishment and support to community income generating initiatives. It will link households to socio-economic activities and increase the number of vulnerable household and individuals accessing food through food security programmes.

**3.1.7 Monitoring and evaluation**

The strategic objective of this *priority* is to “*improve social development sector performance through monitoring and evaluation by 2019”.*

To achieve this strategic objective the department will improve the Social Development Sector performance through monitoring and evaluation by 2019. It will implement monitoring and evaluation tools for the sector.

1. **Programme performance (2017/18 APP)[[1]](#footnote-1)**

**4.1 Programme 1: Administration**

The purpose of this Programme is to provide strategic leadership, management and support services to the department and the sector. The total allocation for this Programme for 2017/18 is **R350.7 million**, which increased from **R338.5** million in the previous year. This indicates a nominal increase of 3.6 per cent (a real decrease of 2.54 per cent).

The following are some of the high level outputs and targets set by the department for the year under review:

A high level outputs of this programme is to ensure effective and efficient decision making and stakeholder relations by 2019. To deliver on this output, the department has set a target to achieve 100 percent monitoring and reporting of SPCHD cluster decisions. It also plans to facilitate the department’s participation in eight (8) international events.

Another high-level output under this programme is to develop Information and Knowledge Management Policy. A target has been set to develop Information and Knowledge Management Policy in the next two years.

With regard to the high level output of developing gender mainstreamed into DSD laws, policies, strategies and programmes, the department plans to facilitate integration of gender into four (4) policies during the MTSF.

The department has set a high level output to have effective Monitoring and Evaluation systems for the Social Development Sector (SDS). To achieve this high level output the department will develop Monitoring and Evaluation tools to measure outcomes for Social protection in 2017/18 financial year. For 2018/19 financial year the department is planning to pilot the implementation of the Outcomes-Based Framework which will be implemented in 2019/20 financial year.

Another DSD’s high level output is to develop a five year Social Sector Human Resource Plan (2017 – 2022). To achieve this objective, the department has set a target to ensure that the Social Sector Human Resource Plan (SSHRP) is approved by MinMec during the 2017/18 financial year and the implementation of key element of the SSHRP will be implemented in 2028/19 financial year.

In terms of the high level output to integrate information system, for the period under review, the department intends to integrate existing welfare services into the Single Information Case Management system.

**4.2 Programme 2: Social Assistance**

The purpose of this programme is to provide social assistance to eligible beneficiaries in terms of the Social Assistance Act (no. 13 of 2004) and its regulations.Thebelow table indicates the targeted number of beneficiaries per grant type:

**Table 1: Targeted number of beneficiaries per grant type**

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of Grant** | **Medium-term targets** | | |
| **2017/18** | **2018/19** | **2019/20** |
| Old age grant | 3 390 947 | 3 536 947 | 3 663 610 |
| Child support grant | 12 313 407 | 12 600 000 | 12 800 000 |
| War veterans grant | 124 | 87 | 61 |
| Disability grant | 1 060 874 | 1 100 000 | 1 037 993 |
| Care dependency grant | 150 296 | 155 923 | 161 987 |
| Foster care grant | 420 248 | 416 349 | 412 645 |
| Grant-in-aid | 187 841 | 213 503 | 239 165 |
| Social Relief of Distress | 300 000 | 400 000 | 400 000 |

**Expenditure trends**

As per the norm, this programme accounts for the largest departmental expenditure. For 2017/18 it was allocated a budget of R151.580 billion, constituting 94 percent of the overall departmental budget of R160.7 billion. The main focus of this programme is to provide income support to the elderly, persons with disabilities, and to caregivers of children. Its expenditure increases from R140.5 billion in 2016/17 to R151.6 billion in 2017/18, representing an increase of 7.84 percent.

Expenditure under Programme 2 is dominated by the *Old Age* and *Child Support* sub-programmes, which are allocated R64.5 billion and R56.3 billion respectively. Both sub-programmes also record above-inflation increases, i.e. 2.9 per cent and 3.12 per cent real growth respectively. The Cabinet approved a budget reduction of R626.5 million for the 2017/18 financial year from the social assistance transfers.

It is imperative to note that the department during 2017/18 is planning to pay a higher amount of CSG for orphans that are in the care of extended family members. The Social Assistance Amendment Bill was submitted to Cabinet for approval in 2016/17 financial year, and the Bill will go to Parliament during the current financial year (2017/18).

Over the MTEF period, expenditure on grants is expected to increase at an average annual rate of 8.7 per cent reaching R175.6 billion by 2019/20 financial year due to inflationary adjustments to the value of the grants and growth in the number of beneficiaries.

The strongest growth in expenditure is recorded for the *Grant-in-Aid* sub-programme, i.e. 58.76 per cent nominal and 49.35 per cent real growth. Expenditure for this sub-programme reaches R793.5 million in 2017/18. *Grant-in-Aid* is an additional grant to recipients of the old age, disability or war veterans grants who require regular care from another person due to their physical or mental condition.

**4.3 Programme 3: Social Security and Administration**

The purpose of this programme is to provide for social security policy development administrative justice and the administration of social grant reduction of incorrect benefits payments.

The department set high level outputs and targets to achieve in this financial year. The following are amongst the targets set by the department:

It set a high level output to provide an effective and accessible social assistance appeals service. In order to achieve this, the department has set targets to adjudicate 70 percent of appeals within 90 days and adjudicate 100 per cent of appeals received from SASSA with complete records within 90 days of receipt.

Another high level output is to universalise the Older Person and Child Support Grants. The targets set to achieve this output are to submit a policy on universalisation of benefits to older persons and a discussion paper on the universalisation of the Child Support Grant.

With regard to the high level output of expansion of the Child Support Grant to orphans and vulnerable children, the department will introduce the Bill to Parliament in 2017/18 financial**.**

To achieve the high level output of developing retirement, disability and survivor benefits, the department will during the year under review develop a technical report on mandatory cover for retirement, disability and survivor benefits.

In relation to the high level output of establishing the Inspectorate for Social Assistance, the department will conduct four (4) Compliance Audit activities at SASSA office and in 2018/19 it will conduct four (4) financial audits and four (4) Compliance Audits at SASSA offices.

For the current year (2017/18) the department is planning to submit to Branch Forum (1st quarter), Policy Forum (2nd quarter), MANCO (3rd quarter) a policy for the universalisation of benefits to older persons for approval , and to the Minister on the (4th quarter).

**Expenditure trends**

For 2017/18 financial year, allocation for Programme 3 increases from R7.015 billion in 2016/17 to R7.3 billion at an average increase of 5.47 percent, of which R7.1 billion is dedicated to the Social Grants Administration sub-programme. Funding in this subprogramme is transferred to the South African Social Security Agency (SASSA) for its own operational costs, as well as for administrating social grant. Expenditure under the *Social Grants Administration* sub-programme increases nominally with 4.7 per cent, but declines in real terms with 1.5 per cent.

**4.4 Programme 4: Welfare Services Policy Development and Implementation support**

The purpose of this Programme is to create an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards, and best practices. It also provides support to the implementation agencies.

For this programme a number of high level outputs and set targets to achieve the outputs had been identified. Below is a summary of some of the outputs and targets set by the department for the year under review.

This programme set a total of 33 performance targets for the 2017/18 financial year. To achieve the high level output of reviewing the White Paper on Social Welfare, the department has planned to consult with stakeholders within the sector of the White Paper and in 2018/19 submit the White Paper on Social Welfare to Cabinet for approval.

Another high level output under this programme is to develop the demand and supply model for Social Service Professionals. The department has committed itself to consult with stakeholders within the sector on this model.

The department will also monitor implementation of the Recruitment and Retention Strategy for Social Service Practitioners. In order to develop a legislation on the professionalization of Social Service Practitioners, the department intends to submit the Bill to Cabinet to obtain approval to gazette for public comments. It also intends to introduce the Older Persons Act 2006 to Parliament for amendments. It also intends to strengthen older person’s services by conducting the Older Persons Parliament.

The department has set a high level output to improve services of Early Childhood Development (ECD). It will approve the National Integrated Implementation Plan ECD policy, provide subsidies to 59 111 children through ECD conditional grant and ensure approval of the infrastructure plan. It will ensure that a number of 593 ECD centres benefit from the ECD maintenance grant.

Another high level set by the department under this programme is to increase access to child care and protection through adoption services. It plans to register 80 percent of adoptions received from Children’s Court with complete records. To strengthen child rights, governance and compliance systems, the department will in 2017/18 ensure that the National Plan of Action for Children in South Africa is approved in 2018-2022. To ensure the implementation of the Child Justice Act, the department will to submit the Policy Framework on Accreditation of Diversion Services to Cabinet for approval.

The department will achieve a high level to initiate a legislation of Victim Empowerment Support services by submitting the Bill to Cabinet to obtain approval to gazette for public comments and in 2018/19 it will be submitted to Cabinet for the approval of Bill.

To achieve the implementation of the South Africa Integrated Programme of Action addressing Gender-Based Violence (GBV) (2013-2018), the department plans to increase the number of people accessing GBV command centre services by 10% (14 830).

It will also strengthen care and support services to families providing training to nine (9) provinces on Teenage Parenting Programme in the current financial year. In 2018/19 the department will build capacity on Teenage Parenting Programme to nine (9) provinces.

With regard to the department’s high level output of implementing the anti-substance abuse plan of action, for the year under review, the department will conduct three (3) awareness campaigns on National Anti-substance Abuse Plan.

In ensuring that the National Drug Master Plan (NDMP) is implemented, the department intends to submit the draft NDMP to Cabinet for approval

Pertaining to promoting the rights of people with disabilities, the department will strengthen the legislative and policy framework and will submit Policy on Social Development Services to Persons with Disabilities for approval by Cabinet to gazette for public comments. The department will also update the Disability Inequality Index.

**Expenditure trends**

The budget for Programme 4 increases from R721.4 million to R1.1 billion in 2017/18 – which denotes a nominal increase of 46.3 per cent and a real increase of 37.62 per cent. A total of 8 out of the 11 sub-programmes show a decline in real terms. Only 3 sub-programmes receive increased allocations in real terms.

A total budget of R305.3 million has been allocated for the *Social Worker Scholarships* subprogramme in 2017/18, as compared to R290.8 million previously (2016/17). Furthermore, a total amount of R21.2 million was allocated for older persons in 2017/18 financial year which constitute a 3.41 per cent increase in nominal terms and a decline of 2.71 per cent in real terms.

Programme 4 comprise a total of 11 sub-programmes, of which the biggest allocations are to:

* Children – R398.5 million
* Social Worker Scholarships – R305.3 million
* HIV & AIDS – R102.8 million
* Substance Abuse – R72.5 million
* Social Crime Prevention & Victim Empowerment Programme (VEP) – R64.9 million

**4.5 Programme 5: Social Policy and Integrated Service Delivery**

This programme provides support to community development and promotes evidence-based policy-making in the department and the social development sector.

The department has set outputs and targets to achieve during the medium term period as well as annual performance targets. The following will highlight some of the targets set by the department for the year under review.

To achieve the high level output of developing an effective and efficient Non-Profit Organisation (NPO) registration and information management system, the department will conduct NPO roadshows in 90 local municipalities and also ensure that 98 percent of the applications are processed within 2 months of receipt. It will also process 95% of NPO reports within two (2) months.

To implement capacity building and support framework to Non-profit Organisation, the department will train 3 000 emerging NPOs on governance and compliance with the NPO Act. It will submit the partnership model for state, NPOs and relevant stakeholders for approval. It will also introduce the Draft Amendment Bill on NPO Act to Parliament.

In achieving the set high level output of developing a DSD Sector Financial Policy, the department will submit the Sector Financing Policy for approval.

The department has plans to reach 450 wards through community outreach programmes. In terms of youth development, the department will ensure that 1 000 youth are attending the national camp in the year under review and will submit the Social Development Youth Strategy for approval.

To achieve the high level output of implementing the Integrated Food and Nutrition Security Plan, the department will facilitate its implementation of Integrated Food and Nutrition Security Plan in nine (9) provinces. It will provide food to 80 000 vulnerable individuals through the Community Nutrition and Development Centres (CNDCs) and assess the Social Development Sector Food Nutrition Security Programmes.

**Expenditure trends**

Expenditure for Programme 5 increases from R377.7 million in 2016/17 to R388.9 million currently, denoting a nominal increase of 2.9 per cent and decline of 3.2 per cent in real terms. In real terms, average expenditure under Programme 5 was below inflation, i.e. 1.52 per cent in the previous year and it is currently -3.19 per cent. The *National Development Agency* (NDA) is, located within this programme and its budget increases from R194.2 million in 2016/17 to R200.9 million (which is 3.45 per cent in nominal terms and -2.68 in real terms).

1. **Financial implications**

Below is the table that illustrates the budget allocation for the Medium Term Expenditure Framework:

**Table 2: Social Development Operational Programme Budget: 2017/2018**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **2017/18** | **2018/19** | | **2019/20** | |
| **R’000** | **R’000** | **% increase** | **R’000** | **% increase** |
| P1: Administration | 350 788 | 365 246 | 4.12% | 388 374 | 6.33% |
| P2: Social Assistance | 151 580 232 | 163 223 211 | 7.68% | 175 579 366 | 7.57% |
| P3: Social Security Policy and Administration | 7 332 637 | 7 893 717 | 7.65% | 8 337 939 | 5.63% |
| P4: Welfare Services Policy Development and implement Support | 1 055 255 | 1 294 560 | 22.68% | 1 369 569 | 5.79% |
| P5: Social Policy and Integrated Service Delivery | 388 856 | 409 960 | 5.43% | 434 470 | 5.98% |
| **TOTAL** | **160 707 768** | **173 186 694** | **7.76%** | **186 109 718** | **7.46%** |

1. **Committee deliberations**

* The Committee raised a concern that the department’s presentation did not have timeframes for the stipulated targets. It was of the view that the presentation makes it difficult for the Committee to exercising its oversight function as the plans were not clearly measured. It requested that future presentations should reflect clear time-frames to achieve these targets. Operational plans should also be forwarded to the Committee.

It also raised serious concerns with regard to an increasing number of social worker graduates who were funded by the department’s scholarship programme but remain unemployed. . It however notes the implementation of the new Social Worker Employment Grant as a positive step towards increasing the employment of social work graduates. It cautions that this grant should be effectively and equally implemented across provinces.

* The Committee also expressed its concern over the decline in the number of beneficiaries projected to receive the Foster Care Grants in the Medium Term Strategic Framework. It reiterated its concern over the continuing challenges encountered by applicants when they want to access these services, and the delays in the finalisation and issuing of foster care court orders. These delays deprive children from receiving the Foster Care Grant they are eligible for. With regard to Gender Based Violence (GBV), the Committee noted with concern that the targets set by the department to decrease cases of GBV have not been achieved since 2013. Also, the targets of the department only focus on response instead of the three pillar the South African Integrated Programme of Action Addressing Gender Based Violence (2013-2018). These are Prevention and Protection, Response, Care and Support. Also, the targets do not address the root causes of GBV and how they can be eliminated. They also do not specifically address interdepartmental coordination as required by the aforementioned Programme of Action. The target of increasing the number of people accessing the Gender Based Command Centre does not specify how this will be done, how referral system will be strengthened and follow ups on intervention required.
* The Committee notes with concern that the department increased the budget allocation for Substance Abuse to only R72 million. This is a concern as the country is faced with a high prevalence of substance abuse with devastating consequences.

1. **The South African Social Security Agency (SASSA)**

**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.

SASSA sets its performance plans in line with Government Outcome 13 of the Medium Term Strategic Framework (MTSF). This outcome includes actions to strengthen social welfare service delivery through legislative reforms, expand and accelerate social welfare service delivery to poor, vulnerable and special focus groups, develop a comprehensive social protection infrastructure plan and deepen social assistance; and expand access to social security.[[2]](#footnote-2)

SASSA is instrumental in government achieving its goal of providing comprehensive social security through the reforms in the Old Age Pension and Child Support Grant. This entails universalization of these grants to ensure that old people and children who are currently excluded in the system are included. This comes at a period when SASSA is preparing to implement its core mandate that of paying out social grants, which had been outsourced to private companies.

The work of the South African Social Security Agency, which administers social assistance grants, is integral to the NDP’s aims of advancing social protection. The Agency set a strategic objective to increase the coverage of the Child Support Grant (CSG) and the Old Age Pension (OAP). It will also implement systems that will improve the overall administration of the social assistance programme. The performance of SASSA in the medium term is also strongly influenced by the process of insourcing the social grant payment system, which had been outsourced to service providers since its inception. This is a critical transitional period for SASSA not only because it is about SASSA fulfilling its core mandate but also because SASSA has to implement the Constitutional Court’s orders in a case between Black Sash versus the Minister of Social Development and CEO of SASSA[[3]](#footnote-3). These orders set strict timeframes that SASSA has to adhere to in phasing out the current service provider (Cash Paymaster Services or CPS) and phase in a new payment system. The court orders have to be implemented within 12 months when the judgment was passed (17 March 2017). It was because of these orders that SASSA’s 2017/18 annual performance plan had to be revised to align it with the court’s judgment. This will be shown later in the report.

The Committee was briefed on the Annual Performance Plan of SASSA and the following was presented:

**7.1. Key priorities for 2014/15 - 2018/19**

The key priorities of the Agency for the Medium Term Strategic Framework (MTSF) 2015/16 – 2018/19 are as follows:

* Reducing income poverty by providing social assistance to eligible individuals;
* improving the service delivery;
* Improving the organisational efficiency;
* Automation of business systems;
* Institutionalising social grants payment system within SASSA

**2.2 SASSA has highlighted the strategic objectives for 2017/18 as follows[[4]](#footnote-4):**

* To improve the effectiveness and efficiency of the administration of the social assistance programme;
* To promote Customer Centric services;
* To improve human capital management, facilities and auxiliary services;
* Effective information and communicati9on technology;
* Effective financial management; and
* To uphold good governance.

SASSA’s budget structure for the 2017/18 financial year comprises of two programmes, namely Programme 1: Administration and Programme 2: Benefits Administration and Support**.**

**8. Programme 1: Administration**

The programme provides leadership, as well as management and support services, which include the following sub-programmes: Executive Management, Corporate Services (including Office Administration); Financial Management; Information and Communication Technology and Strategy and Business Development. The strategic objective of this programme is to uphold good governance. This programme has been allocated a budget of R2.936 million for the year under review.

**8.1 Executive Management**

The objective of this sub-programme is to uphold good governance in the management of SASSA. To achieve improved organizational efficiency, SASSA has sets itself a target to review 30 internal audit on high risks areas. It will conduct 72 fraud, theft and corruption awareness programmes across the nine (9) provinces. It will also conduct investigations on the backlog in fraud, theft and corruption cases. It sets itself a target to finalise 100% on the existing backlog and 70% of newly reported fraud cases. To mitigate the risk in the system, the Agency will ensure that an updated Strategic Risk Register and operational registers are maintained.

**8.2 Corporate Services**

The objective of this sub-programme is to provide human capital management, facilities and auxiliary services. To improve its organizational efficiency, SASSA has set itself a target during the year under review to review the Human Resource Plan and Capacity Model focusing on the revised grant value chain. It will also fill 95% of funded posts. In terms of facilities management, the Agency will implement the new model for Records Management Centre focusing on three (3) regions, namely, Limpopo, Northern Cape and Mpumalanga.

**8.3 Information and Communication Technology (ICT)**

The objective of this sub-programme is to carry out automation of systems and ensure effective ICT operations. To achieve this objective, the Agency has set targets to acquire and implement Biometric Solution, upgrade SASSA network connectivity infrastructure in the head office, regional offices, record centres, district offices and in 50 local offices. It also intends to procure and implement the Government Risk and Compliance Solutions and Data Service Integration Solution.

For effective ICT operation, SASSA has set a target for automation of registries and back scanning solutions which will be implemented to six (6) regional record centres. There is also an on-going scanning to be implemented in 50 local offices. SASSA will also implement an Enterprise Business Intelligence Solution for grants data in all branches (Finance, Corporate Services, ICT, Strategy and Business Development). The Agency will also procure and configure web-interface solution during 2017/18 financial year.

**8.4 Financial Management**

The strategic objective of this sub-programme is to achieve effective financial management of the Agency. To achieve this, SASSA has set targets to recover and write off 5% of social assistance debts for this year, achieve unqualified audit outcome and pay 100% eligible suppliers within 30 days.

**8.5 Expenditure Trends and estimates**

Programme 1 has a total of 21 targets set for the current financial year. Its budget increased to R2.936 million in 2017/18 from R2.916 million in 2016/17.[[5]](#footnote-5) The bulk (R653. 396 million) of the budget is allocated to sub-programme *Financial management*, followed byR585. 772 millionfor *Information and Communication Technology* sub-programme. This is indicative of SASSA’s priority procurement requirements to take over the social grant payment system.

**9. Programme 2: Benefits administration and support**

The Benefits Administration and Support Programme provides an efficient and effective grant administration service to implement social protection floors. It manages the full function of grant administration from application to approval. The programme has the following sub-programmes: *benefit administration* and *payment administration*. The programme received a budget allocation of R4. 8 million for 2017/18 financial year.

**9.1 Benefit Administration**

The objective of this sub-programme is to provide social assistance to qualifying/eligible beneficiaries. For 2017/18, the Agency has set a target to reach at least 1.5 million new applicants and process 95% of the new social grant applications within 10 days. It intends to reduce the grants application process from 4 to 2 steps. It will increase the number of grants in payment from 17.1 million to 17.5 million by the end of 2017/18 financial year. SASSA will also process 560 010 new applications for children aged 0-1 and process 232 757 Foster Child Grant reviews in collaboration with the Department of Social Development. A total of 500 000 Social Relief of Distress applications will be awarded to families under distress with a budget estimation of R600 million.

To fulfil the strategic objective to raise awareness of beneficiaries on their rights and obligation relating to social assistances, SASSA has planned to conduct 1000 public awareness programme and 600 beneficiary education awareness programmes to promote public participation. The Agency also plans to identify 600 wards to ensure that they have access to social assistance through ICROP and conduct 40 Mikondzo service delivery interventions.

**9.2 Payment Administration**

The purpose of the programme is to provide a grant administration service to ensure that operations within SASSA are integrated. SASSA set an objective to improve customer centric services. It has set itself to resolve 80% of enquiries within five (5) days as per SASSA’s customer care charter. It will also monitor 100% of large cash pay point - those that pay more than 300 beneficiaries a day. It also set a target of paying R44 per beneficiary for administering social assistance (which is the total administrative budget, which is R7.7 billion, divided by the total number of beneficiaries, which is just around 17.5 million.

**9.3. Prioritization of the implementation of Constitutional Court Order**

**Background**

On 17 March 2017, the Constitutional Court handed a ruling in relation to the payment of social grants. The Court order requires the Agency to comply in a number of orders as stipulated in the court judgement. These orders have to be implemented within 12 months of the court ruling, that is from 31 March 2017 to 31 March 2018. However, SASSA APP was tabled to Parliament prior (14 March 2017) to the Court’s order therefore it did not contain them. On 10 May 2017, the Committee agreed to seek a legal opinion pertaining to the status of the APP in the light of the aforementioned. On 17 May 2017 a legal opinion was presented to the Committee which highlighted that the SASSA and the Department are required to rework their APPs so that they will be aligned to the Court’s judgment.

The revised SASSA APP therefore reported on the following targets in line with court orders:

**Insourcing of Regulation 26 A**

With regard to the insourcing of Regulation 26A, the Agency has set an annual target to develop and implement a model for management of Regulation 26A, which covers both existing and new mandates.

The key activity for this order is to contract with Qlink. An amount of R500 000 has been allocated for this and it will be covered under the current SITA contract

**Setting up of SASSA holding account**

SASSA intends to set up a SASSA holding account. It will set up a SASSA corporate account for the management of social grants set up and operational by the end of 2017/18 financial year.

**Phase in of the new service provider**

In relation to the appointment of new service provider/solution integrator, the Agency has set a target to phase in a new service provider and intends to finalise procurement processes in the second (2nd) quarter of the current financial year (July-September). It will pilot the new solution in identified areas in accordance with the phasing in and phasing out plan which will take place in the third quarter (October – December) of the financial year.

The key activities for the implementation of the above mentioned includes the phasing in of the new card and transaction costs for piloting areas. Cost for this will be factored in the new payment provider payment model.

To promote Local Economic Development, the entity has set a target to develop and approve an alternative pay-point model by the end of the current financial year (2017/18). Between April and June 2017, the alternative pay-point model will be developed and approved thereafter a stakeholder engagement will be facilitated in the second quarter (July-September 2017). Sites in KwaZulu Natal have been identified and confirmed for this purpose.

**Phasing out of Cash Paymaster Service (CPS)**

With regard to the phasing out of CPS, the entity has set an annual target to phase it out by December 2017. In doing so, it has set a target to get approval of the phase out plan in the first (1st) quarter of the year under review (April-June 2017), and proceed with negotiations with CPS on phase out plan and information transfer in the second (2nd) quarter and implement the phase out plan in pre-agreed phases during the third (3rd) quarter (October – December) and complete the phasing out in the fourth (4th) quarter (January-March 2018).

It also set a target to migrate data form CPS to SASSA. In the first quarter, the entity will develop a data migration plan and there will be ongoing migration of Biometric data thereafter. In the second quarter (July-September 2017), SASSA will phase in a migration of payment data. By the end of the fourth quarter (January – March 2018) SASSA aims to have transferred all information related to beneficiaries. It will ensure that there is storage capacity and data verification capacity. An estimated cost for this process is R16.44 per transaction for 12 months for 12 million beneficiaries.

**Submission of quarterly reports to the Constitutional Court**

To comply with the Constitutional Court order for the submission of quarterly reports or affidavits to the Constitutional Court, the department and SASSA will submit the detailed SASSA plan and framework on 17 March 2017. The first progress report on the implementation plan will be submitted on 17 September 2017 and thereafter progress reports will be submitted on 17 December 2017 and 17 March 2018.

**Establishment of monitors**

A total of 23 names were submitted directly to Court and an estimated amount of R624 00 has been allocated for independent monitors, R672 000 for independent monitors (technical) and R840 000 for Senior Counsels.

**9.4 Expenditure Trends and estimates**

This programme has a total budget allocation of R4.776.263 million for 2017/18, as opposed to R4.656.043 million in the previous year. A total amount of R2.589.807 goes to goods and services whilst R2.170.217 goes to compensation of employees

**9.5. Commentary on the Medium-term estimates**

Commentary on the Medium-term estimates reflected that there has been a total reduction of R569 149 million of the Agency’s baseline over the 2017/18 Medium Term Expenditure Framework (MTEF). This is made up of R267 881 million for 2017/18, R146 751 million for 2018/19 and R154 517 million for 2019/20. These reductions were effected during the Medium Term Framework processes to fund other government pressures. These reductions are resulting in spending pressures on the Agency particularly considering that it is going through a transition phase.

**The implications of the budget reduction**

The Agency has had to reduce its 2017/18 baseline allocation by an amount of R209 657 in line with the budget cut implemented by National Treasury. It is has taken a decision to prioritise certain projects or activities and only implement essential items including contractual obligation. SASSA also had to scale down on the filling of critical vacancies.

**10. Committee’s observations**

* The Committee noted with concern that the medium term high level output of strengthening child protection services only focuses on increasing access to adoption services and ECD services. This is a concern because children are violated in many forms – sexually, physically and psychologically.

* The Committee appreciated the urgency at which SASSA acted upon to respond to its resolution to have SASSA align its APP with the Constitutional Court’s orders The Committee noted that the presentation was detailed with clear timeframes and the implementation of the court orders was costed.
* The Committee however noted that the presentation was silent on the issue of phasing out of green cards issued by Grindrod Bank. It continues to be concerned about the ongoing targeting and misleading of social grant beneficiaries to believe that these green cards are SASSA cards. Beneficiaries are then tricked to take out loans through these cards. This is a perpetuation of the practice of exposing beneficiaries to a vicious circle of money lending.

SASSA explained that the issue of a green card is handled together with efforts to stop deductions from social grants, which unfortunately was allowed to continue by the North Gauteng Court[[6]](#footnote-6) ruling in a matter brought by Net 1 against SASSA. SASSA and DSD were discussing with their legal team to draw up documents to appeal this court’s order. In the meantime, SASSA had started a process of ring-fencing all beneficiaries using green cards that are linked to their commercial bank accounts through which their grants are paid. The aim is to request beneficiaries to grant SASSA permission to use their information so as to change their payment method.

* The Committee also noted with concern that some of the targets set by SASSA are in percentages. This makes it difficult for it to conduct effective oversight in terms of the actual performance achieved. SASSA acknowledged and made an undertaking to correct this.
* The Committee gave SASSA a stern warning that the situation it found itself where the Constitutional Court had to compel it to deliver on its commitments should never happen again.
* The Committee further noted the challenge SASSA was faced with pertaining to its budget baseline reduced by a total of R569, 149 million over the MTEF period. This resulted in SASSA having to reprioritise its projects. Particularly, the Committee notes the serious impact this will have on SASSA as it going through a transition phase that requires a new set of skills or expertise, reskilling existing employees and deployment of new systems.

SASSA explained that it had not yet conducted a formal skills audit, but it could report that about 70 percent of its employees are in local offices dealing with applications and processing them. These employees are also rotated between local offices and big pay points. Priority thus far had been only on employing staff at local offices where the bulk of service delivery is done. It had started with re-skilling staff starting from level 2 to obtain grade 12 certificate. The long term goal is to implement a phase in re-skilling programme for all its employees so as to enhance their capacity. This is to prepare them for when SASSA insource the grant payment system.

* The Committee sought clarity from SASSA on how the interest accumulated from the monthly transfer of funds for social grants payment to Grindrod Bank is handled.

SASSA explained that it receives the interest every month. In 2016/17 financial year it received just over R10 million.

* The Committee also sought clarity on the nature of the new SASSA card and whether they will have expiry dates.

SASSA reported that it was exploring two options, using the model used by banks where cards have to be renewed between 3 – 5 years because the material used wears out or use the model by the Department of Home Affairs ID smartcards. The material used does not require the smartcards to be renewed. However, this option comes at a cost. SASSA undertook to present this in detail to the Committee at a later stage.

**11. The National Development Agency (NDA)**

**11.1 Introduction**

The National Development Agency (NDA or Agency) is a Schedule 3 (A) Public Entity established in terms of *Section 2 of the* *National Development Agency Act (108 of 1998)* and reports to the Parliament of the Republic of South Africa through the Minister of Social Development.

The Act requires the NDA to have a board that operates on a 3 year term basis. In February 2016, the Minister of Social Development, as mandated by section 5 of the Act, appointed the new board members for the next 3 years.

**11.2 Legislative mandate of the NDA**

The NDA’s two-fold legislative mandate, consisting of a primary and a secondary mandate, is in the main to contribute towards the eradication of poverty and its causes. This is achieved through the granting of funds to civil society organisations (CSOs) to enable them to implement development projects in poor communities. The NDA is also charged with strengthening the institutional capacity of other civil society organisations which provide services to poor communities.

**Primary mandate**

The NDA’s primary mandate is to contribute towards the eradication of poverty and its causes by granting funds to civil society organisations for the purpose of carrying out projects or programmes aimed at meeting development needs of poor communities and strengthening the institutional capacity of civil society organisation involved in direct service provision to poor communities.

**Secondary mandate**

The NDA secondary mandate of the NDA is to promote consultation, dialogue and sharing of development experience between civil society organisations and relevant organs of state; debate on development policy; and undertake research and publications aimed at providing the basis for development.

**11.3 NDA 2017/2018 Annual Performance Plan[[7]](#footnote-7)**

The Committee was briefed on the APP of the NDA as well as on its new Business Case Model and the following was presented.

**12 Programme Performance (2017/18 APP)**

**12. 1: Governance and Administration**

The strategic objective of this programme is to develop and strengthen internal systems, processes and human capability to deliver efficiently and effectively on the NDA mandate. The programme focuses on promoting and maintaining organisational excellence and sustainability through effective and efficient administration that includes performance, employee well-being, cost containment and brand recognition. These will be achieved within a sound governance and administration environment**.**

This programme has a total number five (5) targets planned for 2017/18 financial year. NDA planned to implement 60 percent of the rollout plan for establishing decentralised programme delivery centres at districts. Furthermore, the Agency plans to achieve 90 percent of the targets it sets itself for 2017/18 financial year.

The entity has also set a target to achieve 100 percent of legislative/regulatory compliance including the Public Financial Management Act (PFMA), Treasury Regulations in the Medium Term Framework. It has also set itself a target to continue getting an unqualified audit opinion. It intends to submit timeously the Strategic Plan and the Annual Performance Plan to the Executive Authority within the prescribed timeframes. It also aims to audit 100 percent of staff for skills development. It targeted to 60 percent of employees to attend identified skills development programmes. It also envisages to established nine (9) district offices and ensure that they are functional.

**12.2 Programme 2: Civil Society Organisations Development**

The strategic objective of this programme is to increase the number of CSOs that have access to development interventions aimed at developing their capabilities to efficiently manage, mobilise resources and sustain themselves for purposes of improving the quality of services provided by the organisations in poor communities.

The programme provides a comprehensive package that aims at developing CSOs to their full potential so as to ensure that CSOs, especially those operating in poor communities, have capabilities to provide quality services to the communities they are serving. This programme has four (4) sub-programmes to ensure that the full comprehensive package of services are efficiently delivered and accounted for.

This programme has a total number of 18 targets for 2017/18.

**Sub-programmes**

**CSOs mobilization and formalization**

This sub-programme focuses on civil society organization engagements, assessments and needs analysis for CSOs, prioritizations of interventions required by CSOs that needs support to register with appropriate registration authorities (NPO and Cooperatives).

The entity will have a number of 3 050 Civil Society Organisations participating in CSO mobilization engagements and engagements processes. It will formalize 630 CSOs structures in priority wards. It will assess 2 030 CSOs to identify institutional needs and determine appropriate CSOs development support to be provided per year. A number of 406 CSOs will be referred to other agencies for technical and/or financial support per yearin priority wards to determine appropriate capacity building interventions per year.

**Civil Society Organisation’s institutional capacity building**

This sub-programme focuses on strengthening institutional capacities of CSO’s across all districts and local municipalities in nine (9) provinces. The capacity building interventions will be provided through training, mentoring and incubation of all CSOs assessed and requiring institutional capacity building development.

A total of 3 750 CSO’s will be trained per year and mentored to comply with registration legislation. NDA will also train 750 community development practice in 2017/18. The Agency will assess 6 250 CSOs to determine institutional capacity with the aim of providing appropriate capacity building support.

**Civil Society Organisation’s resource mobilization**

The programme focuses on all resources (government, foreign governments, international agencies and private sector) mobilized for purposes of strengthening the CSOs capabilities, funding levels, increasing CSOs coverage and services.

For the year under review the Agency has set a target to conduct a needs assessments for resource mobilization to 2 062 CSOs. The rand value of resources (financial and non-financial) will be raised to funding CSO with an allocation of R80 million per year. A total of 2 700 individuals will benefit directly from programmes that have received grants from third parties through the NDA. The Agency also envisages to conclude and sign agreements to 21 CSOs this current financial year.

**CSO grant funding and sustainability**

The programme focuses on ensuring that all CSOs assessed for development needs are linked to appropriate available resources, are supported to establish or strengthen networks that can provide a range of development opportunities and are provided with grants that can ensure their sustainability and growth.

For the year under review, the NDA has planned to asses CSO grant funding and sustainability needs to 2 062 CSOs. It also intends to give grant funding to CSOs and assist a total number of 400 CSOs to join CSOs networks. A total number of 400 CSOs will be linked to sustainable resources.

**12.3 Programme 3: Research**

The strategic objective of this programme is to conduct, collate and disseminate research and evaluations that inform the national development agenda.

The focus of this programme is on action research and impact evaluative studies that will be used to inform programme planning, implementation and management of NDA CSOs development programmes.

The Agency has planned to produce a total of 18 research and policy reports for 2017/18 financial year. Additionally, the NDA will evaluate five (5) studies conducted on its programme and results will be shared out with various stakeholders during this year (2017/18). It will also ensure that during 2017/18 financial year a total of 240 participants attend research and evaluation reports, policy briefs and best practice dissemination sessions.

**12.4 Budget allocation**

For 2017/18 financial year the NDA is allocated a budget allocation of R200.9 million. The agency’s total budget budget has increased from R194.2 million in 2016/17. A total allocation of R83. 7 million has been allocated for Programme 1: Administration and Governance, R103.9 million for Programme 2: CSOs development and R13.2 million for Programme 3: Research and Development.

**12.5 Committee deliberations and observations**

* The Committee commended the NDA for receiving unqualified audits reports. It noted with appreciation the increased allocation on projects and decrease in administration. This was a positive response to the recommendations of the previous term committee.
* It also commended the NDA for increased allocation to project costs and reduction in administration costs. This change would enable the Agency to reach more projects that are aimed at assisting poor communities.

**13. Recommendations**

**Department of Social Development**

The Committee recommends that:

* The Minister should ensure that the department within the current financial year develop a strategy to address challenges pertaining to access to Foster Care Grants. The department should engage with the Department of Justice and Constitutional Development to address administrative and policy bottlenecks that cause delays in the system.
* The Minister should ensure that the department put mechanisms in place to address challenges relating to the food security programme and develop ways to make this programme more effective.
* The Minister should ensure that the department makes sure that the APP presentation for 2018/2019 financial year reflects timeframes (quarterly targets) aimed at achieving set targets. The department should provide the Committee with an operational plan of the annual performance plan.
* The Minister should ensure that the department put more focus on programmes designed to ensure that teenage parents receive proper training and support in parental skills as provided for in the White Paper on Families.
* The Minister should ensure that the department reviews its high level output of strengthening child protection services by expanding it to include other areas where children need protection, such murder, sexual abuse and psychological abuse. This is critical as it is the policy direction of government to universalize services to children.
* The Minister should ensure that the department puts in place develops a mechanism to ensure that the existing number of unemployed social workers are absorbed by the department. The department should also facilitate the absorption of social workers by non-profit organisations (NPOs). It should expedite the implementation of its policy goal of having one (1) social worker per ward.
* The Minister in partnership with other relevant departments should ensure that the integrated plan that seeks to integrate their food security programmes address the long term impact of drought, particularly in provinces that had been adversely affected by drought.
* The Minister should ensure that the department put more focus on other initiatives to decrease cases of GBV. There should be specific interventions that address the three (3) main pillars of the South African Integrated Programme of Action Addressing Gender Based Violence (2013 – 2018), which are Prevention and Protection, Response, and Care and Support. Most importantly these interventions should focus on addressing and eliminating the root causes of GBV as well as decreasing its alarming escalation. That is focusing on prevention and early intervention.
* The Minister should ensure that the department prioritises all the bills that are set to be submitted to Parliament during 2017/2018 financial year.

**South African Social Security Agency**

* The Minister should ensure that the department prioritises the amendment of the South African Social Security Agency Act to strengthen role clarification with regard to accountability and authority of SASSA. This should include the establishment of a board.
* The Minister should ensure that the department properly monitors the phasing out of CPS and phasing in of a new payment system.
* The Minister should ensure that SASSA phases out completely the distribution of green cards to social grant beneficiaries by 31 March 2018.
* The Minister should ensure that SASSA fully complies with the orders of the Constitutional Court as per the prescribed timeframes.
* The Minister should ensure that SASSA establishes a monitoring and evaluation unit to ensure that all its programmes meet their targets and function effectively.

**National Development Agency**

* The Minister should ensure that the National Development Agency implements the new business model it presented to the Committee.

Report to be considered.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Reference list**

Constitutional Court Judgement in a matter between Black Sash Trust, Freedom Under Law and Minister of Social Development, Chief Executive Officer of the South African Social Security Agency, et al. case CCT 48/17, dated 17 March 2017

National Development Agency (2017). Annual Performance Plan 2017/2018

Department of Social Development (2017). Annual Performance Plan 2017-2018.

National Treasury (2016) Estimate of National Expenditure Budget Vote 17: Social Development. Pretoria.

National Planning Commission (2011) National Development Plan: Vision for 2013.The Presidency. Pretoria.

[Net1 Applied Technologies South Africa and Others v Chief Executive Officer of the South African Social Security Agency and Others; Finbond Mutual Bank v Chief Executive Officer of the South African Social Security Agency and Others; Smart Life Insurance Company Limited v Chief Executive Officer of the South African Social Security Agency and Others (43557/16; 46024/16; 46278/16; 47447/16) [2017] ZAGPPHC 150 (9 May 2017)](http://www.saflii.org/za/cases/ZAGPPHC/2017/150.html)

South African Social Security Agency (2017). Annual Performance Plan 2017/2018

1. The Department of Social Development 2017/2018 Annual Performance Plan [↑](#footnote-ref-1)
2. National Planning Commission (2011) [↑](#footnote-ref-2)
3. Constitutional Court Judgement, 17 March 2017 [↑](#footnote-ref-3)
4. The South African Social Security Agency 2017/2018 Annual Performance Plan [↑](#footnote-ref-4)
5. Estimates of National Expenditure. 2017 [↑](#footnote-ref-5)
6. North Gauteng High Court, 9 May 2017 [↑](#footnote-ref-6)
7. National Development Agency 2017/2018 Annual Performance Plan [↑](#footnote-ref-7)