**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 251**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 17 FEBRUARY 2023**

**INTERNAL QUESTION PAPER NUMBER: 2 - 2023**

**251. Ms B S Masango (DA) to ask the Minister of Social Development:**

(a) Which SA Social Security Agency grant types had payment problems in each month since January 2020 up to the latest specified date for which information is available, (b) what caused the payment problems in each case and (c) on what dates did the affected beneficiaries receive their outstanding payments? NW255E

**REPLY:**

1. The SA Social Security Agency provides social assistance in the form of social grants (namely: Grant in Aid, Older Persons; War Veterans, Disability, Child Support, Foster Child and Care Dependency Grant) as well as Social Relief of Distress for disasters and the COVID-19 SRD.
2. **Social Grants**

No payment issues were encountered since January 2020, except for an incident of duplicate payments that occurred in May 2020 in the Free State and KwaZulu-Natal region. It’s important to note that social grants are deemed to be paid once SASSA transfers the money into beneficiary’s accounts.

**Status quo**: The above-mentioned error was rectified, and beneficiaries were paid later during the expected payment date and any overpayments were fully recovered.

1. **Covid -19 SRD R350**

Following announcement by the President on 21 April 2020, the directions to administer the provision were issued on 09 May 2020 for immediate implementation.

SASSA had to develop and implement a new system to accommodate online digital application platforms to administer the new provision.

SASSA was able to leverage off existing technology investment to provide the solution in time. The online system was launched by Minister on 11 May 2020, with the first payments effected on 15 May 2020.

Although the above mechanisms were in place there were external enablers to make the solution work from end-to-end as discussed below:

1. **Databases from external entities for verification processes**:

Across all iterations of the administration of the grant, SASSA has been experiencing challenges in sourcing data, as well as sourcing updated data, which has led to late payments, inclusion and exclusion errors as well as audit findings.

**Status quo:** SASSA still continues to engage with stakeholders on this matter. However, to eliminate late payments, an internal control process was implemented, which uses the latest available data to enable timeous payments.

1. **Accounts Verification Services (AVS)**

During the first iteration of the provision, there were delays in receiving bank account bank accounts verification which ultimately delayed payment to beneficiaries.

**Status quo:** Improvements were made during subsequent iteration of the grant, and it can be reported that the function has now stabilised.

1. **Payments and Disbursement Processes**

* **Beneficiary payment detail challenges such as:** 
  + Omission of payment method details by the client at time of application. This requires the client to upload payment details.
  + Payment method failed the account verification process.  This could be due to incorrect account details or because the account does not belong directly to the client. This requires the client to either correct their details or supply a new payment method.
  + SASSA assists by sending new account details daily to Banks through National Treasury. The standard time for this process is 3 - 5 days. However, some banks may take longer due to internal verification controls.
* **Referred cases** 
  + These are approved applications that cannot be paid due to a challenge with identity verification i.e., ID number has been confirmed to have been used in fraudulent matters such as Identity theft.
  + The clients were notified to confirm their identity through a biometric verification process.
* **Payments returned by the bank due to challenges with a bank account (EF70)**
  + The most common reasons are, for instance, closed accounts, account does not accept credits, and account pending FICA verification.
  + Affected clients are sent a SMS message to resolve the issue with their banks.
  + Once the client resolved the matter with the bank, the account must be re-uploaded, or a new account should be provided to SASSA by the client.
* **Cash send clients** 
  + Verification of the client cellphone number takes longer than with EFT accounts being provided. Several clients have, for instance not RICA’d their cellphone numbers and when the number cannot be tied irrefutably to the client, the cash payment cannot be made.
  + Clients who registered for this payment method have an option to change to other payment methods and communication was sent to them to exercise this option.
  + SASSA is currently paying all clients for whom successful cellphone verification was completed in the past and who were reconciled by banks as successfully paid.
* **PostBank account holders**
  + There are about half a million clients who have not yet complied with FICA requirements on their Postbank accounts.
* Clients are required to finalise this FICA process or to upload alternative banking details, to enable payments.

(b). **Social Grants**

* This was shortly after the introduction of COVID-19 Regulations and the instatement of various COVID-related benefits for clients such as the Top-up grants and the staggering of payments. The incident involved duplicate files being extracted for payment for KZN and FS regions.
* The root cause of the error was determined to be from the implementation of multiple projects in a short space of time i.e., Top-up grants and staggering of payments.
* The former was linked with the use of the legacy system for which the coding and implementation periods generally is much longer than with new technology solutions. There was, however, pressure to expedite the implementation of solutions given the COVID-19 challenges.

**COVID-19 SRD**

**Payment challenges were caused by:**

* Stabilisation of the environment following tight timelines to implement the grant, as well as changes in governing rules across all iterations;
* Sourcing of databases timeously and sourcing of current databases;
* Prolonged Government procurement processes, especially as it relates to banks and cell phone verification companies who are critical enablers of the verification and payment processes.
* The remainder of the challenges are mainly due to the clients not having bank accounts, which payment method (EFT) is more successful than the cash send option (which is still a developing channel in SA, laden with strict PFMA regulations to verify identity to cell phone numbers) as well as the Postbank retail payment challenges.

(c) **Social Grant**

* The delayed payments were made later on the same day affected clients were supposed to receive the monies.

**COVID-19 SRD R350**

* Payments where the verification databases and the required payments details are available and verified are made in the month of payment i.e., a week after the payment of social grants.
* Clients whose payments details were not available and have been verified at the time of the scheduled payment period, are revisited after the normal payments are processed.
* Any outstanding historic payments requires action on the part of the client. It is not possible to provide a date when all clients will be paid. Once the client’s payment method is corrected by the client, and verified by the agency, it is then that SASSA is able to effect payment to the client.