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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 828**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 15 MAY 2020**

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

(1) What are the full relevant details of the causes of the glitches that resulted in the (a) nonpayment and (b) double payment of the social grants of some beneficiaries on 4 May 2020;

(2) whether any person(s) has or have been identified as being responsible for causing the specified glitch(es); if so,

(3) whether any disciplinary action has been or will be taken against the specified persons; if not, in each case, why not; if so, what are the relevant details in each case;

(4) whether the affected beneficiaries will be required to repay the double payment of social grants; if not, (a) what is the position in this regard and (b) how will the overpayments be recovered; if so, what are the relevant details? NW1035E

**National Assembly written Reply: 828 of 2020**

**REPLY:**

1. The challenges experienced with the May payment file were as a result of multiple factors. Firstly, technical development was required to implement the decision to split the payment files to ease congestion at access points. This required the separation of grants for older persons and persons with disabilities together with the child grants that are received by these beneficiaries, from the stand alone children’s grants.

The second technical adjustment which was required was the addition of the top up amounts announced by the President in his relief package designed to provide the most vulnerable members of our society with the ability to withstand the effects of the pandemic and in particular the lockdown. The addition of the top up amounts required programmatic changes, as the system is programmed to read the means test requirements when any increase is affected. For the top up amounts, the means test requirements had to be by-passed.

Both the above changes were implemented within a relatively short space of time, and there was not sufficient time to complete the full automation of the extraction process prior to the extraction of payments.

Furthermore, the naming convention of files had to change to accommodate the split of the grant types, as well as an extraction of less than 500 000 records per file to meet the Bank transfer requirements. This resulted in some manual intervention being required with the extraction of files.

During the manual extraction, some of the files between Western Cape and KwaZulu-Natal as well as Free State and Northern Cape were mixed, resulting in 457 044 transactions for KwaZulu-Natal not being extracted; 435 004 for Western Cape being extracted in duplicate; and 165 412 transactions for Northern Cape being extracted in duplicate.

The challenge between Free State and Northern Cape records were picked up on Thursday, 30 April 2020 and the double payments were recalled through the approved banking process.

The challenge with the KwaZulu-Natal and Western Cape files was only picked up late on Sunday, 3 May 2020. While the recall files were sent to the banks through the South African Reserve Bank, not all the double payments could be reversed in time, before beneficiaries starting accessing their money.

1. The non-payments for KwaZulu-Natal were addressed through the extraction of a second file in the evening of 3 May and sent to the banks on 4 May. By 5 May all beneficiaries had access to their funds.
2. While a number of the double payments were reversed in time by the banks, some were not done in time, and the beneficiaries were able to access the double payment. The final numbers will only be confirmed after the reconciliations are complete.
3. A full investigation is underway. Given the changes in standard procedures and the manual interventions required in a usually automated environment; shortcomings of additional controls, both within the SITA and the SASSA environment, were identified. The implementation of these controls will be addressed to ensure that a similar situation does not occur in the future.
4. Since the matter is still under investigation, no disciplinary action has been taken yet. A decision as to consequences to be implemented will be made on conclusion of the investigation.
5. The affected beneficiaries will be expected to repay the amounts received in error, in terms of Section 17 of the Social Assistance Act, 2004. Immediately the error was picked up, SASSA communicated broadly, appealing to beneficiaries to return the money they should not have received, or to leave the second payment in their account. Some heeded the call and repaid the amount to SASSA, while banks were able to reverse a significant number of the double payments.
6. For those who withdrew and utilised the funds that they were not entitled to, there will be no payment of the grant in June, as they effectively received the June money in advance. Those who, on personal submission, indicate that they are unable to repay the amount in a single amount, will be allowed to sign an acknowledgement of debt and repay the amount over a 3 month period. The refund will be deducted directly from their social grant payments for the next 3 months, with their consent.