Minister's Technical Committee for Grants Payments and SASSA Governance

Close-Out Report

31 October 2018

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Executive Summary

The purpose of this project close-out report is to formally close the project and provides an overview of the findings based on the state of readiness of SASSA and SAPO to deliver cash payments. The project close-out provides the project successes and failures, gathers lessons learned and serves as a reference to relevant information for future use.

The Terms of Reference and Memorandum of Agreement of the Technical Committee (TC) is measures against the successes and challenged experienced during the project. Furthermore, the TC identified multiple challenges and made specific recommendations based on the observations and assessment of SASSA and SAPO to deliver quality service to beneficiaries. The following serves as an overview of shortcomings of SASSA and SAPO as identified by the TC:

- **Inability to provide appropriate guidelines and documentation on the standard operating procedures** required for a complex cash transfer project;
- **Limited management and administration capacity** to address challenges, facilitate a successful transition to SAPO, thus ensuring a long-term sustainable and effective payment systems;
- **Gaps in the process design**, especially for the beneficiaries located outside of the 10km radius of the National Payment System;
- **Limited** capacity and adaptability of the **management information system**;
- Total lack of effective **grievance and redress** system;
- **Insufficient monitoring and evaluation** to collect relevant information for adaption, change or serve as report-back mechanism as needed;
- **Financial inclusion** is not incorporated or considered in the short term planning and there is no indication of how financial inclusion will constitute a permanent feature of social protection.

Having identified multiple challenges in the short-term payment plan and the execution of the cash payment system between SASSA and SAPO, the TC provided recommendations to address the shortcomings of the current payment system.

Abbreviation

IGPS	Integrated Grants Payments System
ACEO	Acting Chief Executive Officer
CPS	Cash Paymaster Services
NPS	National Payment System
Socpen	Social Pensions System
SAPO	South African Post Office
TC	Technical Committee
SASSA	South African Social Security Agency
CFO	Chief Financial Officer
IT	Information Technology
DPSA	Department of Public Service and Administration
MIS	Management Information System

1. Introduction

In March 2017, The Constitutional Court granted an extension to allow Cash Paymaster Services (CPS) to continue distributing social grants in spite of the invalidity of the payments contract. Following SASSA's failure to implement the court order, the Constitutional court granted a further six months extension in March 2018, with the implication that CPS should not be the payment contractor to SASSA from October 2018. The Minister of Social Development, Ms. S Shabangu, established a Technical Committee (TC) to support and report to the Minister on matters relating to the transition to a new social grants payment system under the management of South African Post Office (SAPO).

The TC was expected to work together with SASSA Management to develop and monitor the implementation of a 6-months roadmap geared towards ensuring the smooth transition of payments of social grants in compliance with the Constitutional Court Order(s). The TC presented five reports to the Minister during the establishment of the committee. The First Report presents the TC's findings during the course of the first month of its appointment. The outline of the first report is based on the critical milestones identified in the SASSA and SAPO implementation plan.

The Second Report provided a review of the TC scope of work, the development of a Service Level Agreement (SLA) SASSA and SAPO, SAPO's progress on payment as well as the update on electronic payments made through SAPO ISDP system.

The Third Report provided an updated on the progress of SASSA and SAPO with regards to the state of readiness to deliver effective cash payments. Furthermore, the report provided the initial ideas of the need for a long-term payment plan and the importance of a contingency plan.

The Fourth Report provided the overview of SASSA and SAPO performance during September 2018. The report presented the progress of both SASSA and SAPO to address challenges identified by the TC in the previous months as well as expand on the long-term payment plan for cash grants in the country.

The Fifth Report which has been enmeshed into the Close-Out Report captures key initiatives pursued by the TC in the effort to institutionalise the policy and governance framework that should underpin the evolvement of a long-term payment plan for the country. Amongst others, these have included meetings with the National Treasury, South African Reserve Bank, the Department of Social Development (which have resulted in the commencement of pilot projects which are aimed at informing and refining the structure and financial model of the future Social Grant payment system).

1.1. Purpose of project

The Technical Committee was appointed to provide advice to the Minister of Social Development and work with SASSA Executives and the Minister's office to:

- Facilitate the state of readiness of SASSA and SAPO to ensure payments within the Constitutional Court prescribed period and beyond the six months extension;
- Identify but not limited to the administrative, legislative, governance, financial modelling and business case, human resource gaps and risks in the current plan(s) or roadmap and develop a risk mitigation plan;
- Develop an integrated 6-month roadmap and align it to the future payment of grants plan.

Furthermore, the TC was established to ensure that the roadmap/plan is implementable - through proper costing and ensuring availability of funds, infrastructure and staff in both SASSA and SAPO. This should include assessing the most efficient and cost-effective method of ensuring the payment of social assistance benefits in terms of the Social Assistance Act, 2004 (Act No. 13 of 2004) and the South African Social Security Agency Act, 2004 (Act No. 9 of 2004);

In addition, the TC was to advise on any required legislative and regulatory frameworks and amendments to existing legislation which may be necessary to ensure effective payments of social grants. Ensure that the payment method determined contains adequate safeguards to guarantee that the personal data of beneficiaries obtained in the payment process remains private and may not be used for any purpose other than payment of the grants or any purpose sanctioned by the Minister in terms of section 20(30) and (4) of the Social Assistance Act, and

preclude a contracting party from inviting beneficiaries to "opt in" to the sharing of confidential information for the marketing of goods and services. Determine associated governance and oversight requirements for SASSA and provide recommendations in reviewing the current legislative framework. Lastly, the TC was to provide a framework within which the State will be able to take full control of the social grants payment value chain with SAPO as the preferred government service provider.

1.2. Terms of Reference

The Minister of Social Development appointed the TC for Grants Payments and SASSA Governance in terms of the Treasury Regulations 20.2.2 to provide the Minister with advice and work with SASSA management. To this extent, the Terms of Reference requires the TC to:

i. Facilitate the state of readiness of SASSA and SAPO to ensure payments within the Constitutional Court prescribed period and beyond the six months extension;

ii. Identify the administrative, legislative, governance, financial modelling, business case and human resource gaps and risks in the current plan(s) or roadmap and develop a risk mitigation plan;

iii. Develop a properly costed, funded and implementable integrated 6-month roadmap, aligned to the future payment of grants plan with the identification of the requisite infrastructure and staff in both SASSA and SAPO;

iv. Assessing in the plan in terms of its efficiency and cost-effectiveness, ensuring the payment of social grants in terms of the relevant legislation;

v. Advise on legislative and regulatory frameworks and amendments to existing legislation which may be necessary to ensure effective payments of social grants, while ensuring confidentiality of personal data of beneficiaries that can only be used for payment of the grants or purposes sanctioned by the Minister;

vi. Determine associated governance and oversight requirements for SASSA and provide recommendations in reviewing the current legislative framework;

vii. Provide a framework within which the State will be able to take full control of the social grants payment value chain with SAPO as the preferred government service provider.

2. Project Scope

Following the appointment of the TC, the TC members were presented with Memoranda of Agreements that require of the Committee to:

- Develop the five-month payment plan;
- Ensure the plan cover all three groups: ACB payments, SAPO electronic payments and Cash pay point – alternative pay points, for SASSA TO set up a treasury function from existing human resources;
- Managing successful transfers to the cost-effective payment channel for grant recipients;
- Provide monthly reports on progress to the CEO and the Minister;
- Develop a risk register with mitigation measures;
- Implementing any other directives within the scope of the work.

3. Project Successes & Challenges

3.1. Project Successes

During the six month period, members of the TC met regularly to assess progress with regards to the implementation of the short-term payment plan. The following represents the TC actions and findings:

- During the period under review, members of the committee had several interactions with the Minister to present its reports, share perspectives and address the challenges, as well as and advise on what needs to happen to provide the implementation plan; and reviewed the communication strategy (minutes of interactions with the Minister attached for ease of reference);
- In addition to the afore-mentioned meetings, there was general consensus amongst TC members that further engagements are necessary to understand the perspective of the Postbank, SAPO and SASSA team to resolve a myriad of problems that constituted blockages in the optimum Social Grant to beneficiaries.

- Engagements were held with a representative from FinMark Trust to secure expertise in global payment systems;
- The TC members visited pay-points to witness first-hand progress on social grant payment at the grassroots level;
- The TC held meetings with several stakeholders;
- The TC explored the concept of alternative pay points;
- The TC undertook a range of activities to advice and support the Minister and SASSA executive management. In this regard, a series of practical recommendations were also made available to the Minister and SASSA leadership. In addition, the TC will also highlight the extent to which its support, advice and recommendations have contributed or not contributed to the state of readiness.

In addition, the TC also reports on the extent to which its support, advice and recommendations have contributed or not contributed to the state of readiness;

- The TC provided an assessment of the administrative, legislative, governance, financial modelling, business case and human resource gaps and risks;
- The TC strongly argued for the rapid development of the cash payment plan as well as advocated specific recommendations to be included in the plan. Notwithstanding, the development of the plan was delayed and upon review of the plan, the TC identified the limitations regarding what is essential for a successful transition process of a social grant payment system. These included a robust project management and contract management tools.

3.2.   Project Challenges/Difficulties

The TC faced some obstacles which hindered a smooth, robust and dynamic working relationship with SASSA and SAPO. This was largely because despite the fact that the Minister had made it clear that there is a dotted line of reporting to the Acting CEO of SASSA, TC was conveniently viewed as an external structure with no executive authority over SASSA management and therefore the recommendations flowing from the work and observations of thet TC could be easily dismissed, as often were, with no consideration for the negative impact this could bring to

bear on the entire transition process. The consequence of which explains the limitation of the TC to fulfil its objective to develop a cost-funded, implementable integrated 6-month roadmap. Also to be included in this regard are the following:

- The TC was appointed almost two months into the period of the 6th-month roadmap plan;
- The mandate of the TC was overreaching and the roles and function of the TC seen as irregular in terms of the relevant public service regulations;
- There was limited project management support provided to the TC;
- As a result of the TC's limited authority and powers the development of Cash Transfer Plan was delayed and eventually developed by SASSA and SAPO. The TC held the view that this Cash Payment Plan reflected lack of appreciation for the core essentials of a Social Grant payment system including project management expertise;
- Lack of provision of resources to allow the TC to execute the scope of work. These commitments include among others: project management support, tools of trade (office equipment, laptops, etc.), delayed issuing of access cards to the SASSA building, fair compensation for work undertaken and general requirements;
- Lack of sufficient information and accessibility of key project managers in SAPO.

Challenges with regards to the Memoranda of Agreement presented to the TC includes:

- TC was expected to report to the acting CEO and not the Minister, as directed by normal standards and would be normally expected of a Technical committee appointed by the Minister;
- Limitations to explore alternative payment options imposed through the wording formulation in the TOT (banking, SAPO electronic and cash payments at pay-points);
- The requirement of the TC to manage transfers was not in line with the legislative provisions under which such a committee was appointed. Furthermore the TC does not have the executive, delegation and implementation powers or authority to manage the transfers;

- Challenges with regards to remuneration based on the contradiction in terms of requirements for Statements of Account, invoices and Time-Sheets, whilst on the other hand being not treated as consultants, equally neither treated as civil servants of which they were not. In practical terms, there has been no definite regulatory regime under which the TC could be properly categorised in terms of the manner in which the Minister's decision to appoint the TC was administratively translated by SASSA management.

4. Project Team

The following member formed part of the technical committee assigned by the Minister

- Ms Dipuo Peters
- LT General Ms Monako Nchwe
- Mr Sipho Shezi
- Mr Vusi Madonsela
- Ms Totsie Busisiwe J Memela Khambula
- Ms Zodwa Manase
- Mr Selwyn Jehoma

5. Project Results

There is extensive evidence that suggests cash transfers as the most direct effective approach to address extreme property in the short term. The direct access to cash grants improves the living standards of the poor and vulnerable, reduces the effect of social alienation and the severity of poverty. The role of cash transfers is to protect the poor and vulnerable. Cash transfers mitigate the deleterious effects of poverty which undermines the productive capacity and human development of the vulnerable. In addition, cash transfers promote the opportunities of the poor and vulnerable as well as transform society by including the poor in economic opportunities and access to public services. However, if the payment process is not effectively implemented and managed it leads to confusion and chaos.

SASSA and DSD's role is to provide essential basic provision to the poor and vulnerable. The lack of sufficient structure and operations capacity leads to widespread uncertainty and challenges for beneficiaries to receive their cash payment on a monthly basis, as seen in the transition period of 2018. By commissioning SAPO to administer the monthly cash payments in 2018, shows lack of SASSA understanding of the system and human resources requirements. The importance of capacity in terms of planning, coordination and delivery and selection of appropriate institution was overlooked by SASSA. The outcomes are unacceptable, for the needs of the poor cannot wait for gradual change but requires immediate attention from SASSA to deliver quality services. The evidence clearly states how cash transfers decrease poverty and vulnerability. However, without effective design and implementation of the maximum potential impact of cash transfers cannot be achieved. The following lists the challenges as observed by the TC.

The specific challenges as a result induce:

5.1. Documenting standard operating procedures

i. Communication:

   a. The lack of a synergistic communication strategy within SASSA, SAPO and between each other;

   b. The communications are far from effective and require alignment with work to improve access to appropriate information for beneficiaries;

   c. SAPO and SASSA not taken the required steps to provide beneficiaries with sufficient information on payment dates at the cash pay-points;

   d. SASSA did not provide beneficiaries in all locations with access to terms and conditions applying for new SASSA and SAPO card;

   e. Communication has improved, but intensification is necessary to ensure messages filter down and through communities to prevent beneficiaries from being disappointed when changes are made, for example on pay point closures.

ii. Monitoring procedures

   a. The lack of an oversight and monitoring mechanism;

b. The short-term payment plan showed a lack of an oversight, monitoring and evaluation mechanism;

c. No indication was made in the short term payment plan regarding monitoring and reporting of monthly payments of the cash payments outside the 10km or of SAPO.

iii.   Data management plan:

a. SAPO IT staff has twice failed to translate Socpen beneficiary data into information that ensures that the right grant amount is deposited into the accounts of beneficiaries;

b. With regards to Socpen integration to the system is restrictive and with a non-relational database structure, it is not suited to storing critical grant payment data.

iv.   Payment distribution process (optimal pay-points)

a. SASSA yet to provide the High Court on the progress to obtain written mandates from EasyPay Everywhere account holders despite undertaking the process in September 2018;

b. Lack of optimal cash distribution plan and process for updating the system as needed.

v.   Contingency plan

a. Lack of a detailed contingency plan.

5.2.   Management and administration

In SAPO, there is currently no synchronised system of accountability identified in the short term plan and thus needs to be implemented in the long-term plan. Without clear lines of accountability and reporting, an institution has a high probability of being dysfunctional, as seen in the case of SASSA and SAPO. Management and accountability systems are thus fragmented. Limited identification of many of the potential risks and proposals to mitigate the risks.

i.   Logistical system:

a. Logistical and operational problems persist due to SASSA not providing sufficient information on the number of beneficiaries per pay-point leading to lack of sufficient cash at the SAPO branches;

b. The late arrival of cash payments on payment days.

ii.   Human Capital Management:

The existing human resource structure of SASSA and SAPO yielded multiple challenges in the six months short term payment time period. The following section explores the variety of problems related to the lack of sufficient human capital management:

a. Technical expertise:
  - Lack of required technical skills to apply SASSA Act to SASSA/SAPO Master Service Agreement;
  - The lack of management support for staff on the ground;
  - Lack of trained staff and testing of the Biometric payment solution created operational challenges and SASSA implementing the system without training SASSA staff and lead to the discarding of the system.

  SASSA

  - The lack of decisive leadership in SASSA;
  - The lack of professional project management capability within SASSA;
  - In addition, the protest of SASSA in October 2018 with regards to the biometrical system supports the premises that human capital management is creating operational challenges.

  SAPO

    - The inadequate human resources capacity and capability in SAPO combined with human resource plan not presenting the necessary details to address key challenges;
    - Lack of project management capabilities and capacity in SAPO, no indication of project management principals nor project management essentials;
    - SAPO do not understand the enormity of the task to provide quality services;
    - Lack of organisational innovation.

b. Accountability:
    - Delays in the procurement of technical equipment, services and recruitment of personnel have resulted in the non-achievement of critical milestones;

- Lack of accountability and required action to address challenges.

c. Rule of Law:

- SASSA still to deliver the Standard Operating Procedures to Ministry and NT.

iii. Communication:

a. SASSA used WhatsApp groups during the payment transition phase, showing a lack of appropriate communication networks and staff to implement and manage;

b. Communications has improved, still, need for ensuring communities are updated on the changes at the grassroots level.

iv. Information technology:

a. The implementation of information technology support improved but require further enhancements,

b. System issues due to lack sufficient technological, equipment and staff to manage and update systems accordingly.

v. Security:

a. The lack of sufficient security leads to multiple incidents of robbery exhibiting the lack of capacity by SAPO and SASSA to identify potential risks and address issues as needed.

vi. Infrastructure:

a. SAPO usage of outdated technology which does not synchronise with SASSA database, lack of skilled staff to identify the risks which occurred during the June payment cycle;

b. The lack of a more customer-centric approach and considerations for the dignity of beneficiaries through the provision of basic facilities at points of card swapping and payments;

c. Lack of equipment provided to be able to complete tasks varies per province;

d. Socpen system limited capacity of 1000 pay points if SAPO connectivity fails

The following challenges related to management and administration on a **higher planning and development level:**

   i.   SASSA executive managers are divided on what has to be done and this poses a threat to the need for a shared vision;

  ii.   Minister, National Treasury, Department of Planning, Monitoring and Evaluation need to urgently look to the efficacy of the SASSA Act.

5.3. Process design

Cash transfer processes in South Africa exhibit a range of limitations in terms of process functionality, including weak controls and poor documentation capacity. The current payment delivery process is ineffective and inefficient with regards to process design in the following ways:

   i.   Lack of multiple payment channels:

      a.   Lack of accessibility and robustness;

      b.   Procuring a single service provider creates a monopoly with adverse consequences.

  ii.   Sward Swop process challenges:

      a.   SASSA is stalling incentivising or compensating beneficiaries who have bank accounts, which constitutes unfair treatment of those beneficiaries;

      b.   The potential risk of off-line card swopping took place in July;

      c.   In October card swap still outstanding for 100 000 beneficiaries who were forced to open SAPO PostBank bank account at the beginning of 2018 when the SASSA and SAPO branded cards were not made available.

 iii.   New Payment System:

      a.   Poor cellular network coverage leading to multiple overrides in rural areas creating concern of accountability and accuracy. In September the issue occurred at 82% of the rural payment locations;

      b.   Poor design for optimal pay-points for beneficiaries located outside of the 10km radius;

      c.   Change of payment date for mobile cash transfers to the 8th of the month forcing beneficiaries to travel as far as 20 to 30 km to access money at the beginning of the month.

iv. Accountability structures and processes:

    a. The cash payment plan does not incorporate the parameters of accessibility and robustness;

    b. Procedures and processes are weakened by lack of implementation in a timely manner, employment of skilled staff, and implementation of accountability structures.

v. Audit and anti-fraud processes

    a. The flow of cash payment documentation lacks a detailed audit trail (what is delivered and the amount returned after payment), delivers branch payment reports to, and no acknowledgement of receipt, which causes leakages, administration error and potential for fraud.

5.4. Management information system

i. Problems with the Socpen system and the need to replace Socpen to ensure best practice functionalities;

ii. The need to review the capability and capacity of the IT platform, including Socpen capability, the network capacity between SASSA offices and between Socpen and pay points:

    o Socpen no biometric and card enrolment function;

    o No functionality to manage queues;

    o No multifactor authentication capabilities making it insecure and vulnerable to cyber-attacks;

iii. System failures at SAPO experienced during the past six months;

iv. Deployment of the information technology architecture and network capabilities does not meet the business requirements of the project.

5.5. Grievance and Redress

The following highlights the TC observations of the lack of a grievance and redress system in place:

i.   Lack of a dedicated grants payments service desk helpline for SAPO Managers or staff to assist;

ii. No grievance and redress space allocated at the pay-points;

iii. No assistance provided to external providers such as Checkers;

iv. No information available or support visible at the SAPO locations.

5.6.   Monitoring and evaluation system

i.   The lack of an oversight and monitoring mechanism;

ii. The project agreement makes SASSA and SAPO jointly responsible and hence there is no objective oversight and arms-length monitoring of the progress.

5.7.   Financial Inclusion

i.   No educational or knowledge resources available to increase financial inclusion.

6. Suggestions for Improvement

6.1.   Documenting standard operating procedures

SASSA need to document standard operating procedures of the new system as well as incorporating the biometric system. The SOPs must cover the entire cash transfer programme. The procedures must be adopted from existing procedures instead of re-inventing the system. In addition, the procedure needs to be collaborative to integrate both SASSA and SAPO to ensure all levels of implementation is included.

The following is the basics which should be included in the system:

i.   Communication:
   a. Document and implement a communication strategy between SASSA and SAPO internally as well as a communication strategy that interacts with SASSA and SAPO;
   b. Provide effective communication channels and plan to ensure beneficiaries are updated.

ii. Monitoring procedures:
   a. SASSA provide Court with a copy of signed SASSA/SAPO Master Service Agreement and SLA's for operational and security purposes;

b. Implement a SMART method in the project plan in order to determine the relevant objectives.

iii. Data management plan:

a. Implement effective data management plan.

iv. Payment distribution process (optimal pay-points)

a. Compliance of all SAPO staff to set regulations and internal rules.

v. Other related to internal roles and responsibilities:

a. Provide clear performance measurements of all levels of service delivery;

b. That there be a clearer delineation between the responsibilities of SASSA and SAPO is established through a revised SLA to improve accountability.

vi. Contingency plan

a. Develop a detailed contingency plan, which will mitigate against the total failure of the plans.

6.2. Management and administration

A formal process of accountability and responsibility is required in which the system and institution operates. SASSA and SAPO need to collaborate to determine and implement a synchronised accountability system.

i. Logistical system:

a. Determine cash amount required at allocated payment points, ensure delivery of cash, accounting of cash payments made, reports on the amount allocated at each payment locations;

b. Identify which SASSA department and staff are responsible for the planning and logistics of cash requirements at each branch as well as the accounting of it.

ii. Human Capital Management:

a. Technical expertise

- Identify staff currently not fulfilling their job description and finding it difficulties to fulfil the daily execution of tasks;

- Ensure the appointment of staff with the necessary technical knowledge and skills in SASSA and SAPO to carry the required functions for effective cash payment system;

- Ensure skilled staff provide quality services at payments locations and sufficient support is provided to beneficiaries where need be;
- Develop a strategy for human resource capital building to ensure competency and specifically train staff for the implementation of the biometric system.

b. Operational effectively:

- Increase organisational capacity;
- The TC understands that SAPO has more than 500 agents. The TC recommends that SASSA and SAPO begin to thoroughly conceptualize and pilot the possibility of bringing SAPO agents to pay beneficiaries in rural areas as a form of replacing cash pay point mechanisms;
- Enhance project management capacity and capability within the project management team;
- SAPO need to allocate resources to hotspots and big pay points.

c. Accountability:

- Hold people accountable for their responsibilities and performance as well as decision making;
- Implement horizontal, vertical, political and legal accountability;
- Roles and responsibility should be allocated to specific persons responsible at branch and management levels of SAPO.

d. Rule of law:

- Ensure the content of the regulations, the institutional process by which rules are made amended interpreted and enforced.

e. Transparency:

- Open and public information for SASSA established to serve the people.

iii. Communications:

a. SASSA urgently provide NT with a full copy of signed Master Service Agreement and SLA's;

b. Sufficient communication channels to report challenges and receive timely response and support;

c. Determine which staff member (position) at each branch or payment location are responsible for communication, what needs to be communicated and through which channels;

d. Improve communications in respect of all facets such as media, call centre, face to face, knock and drive etc.

iv. Information Technology:

a. Ensure the SAPO and SASSA information system is sufficient to deliver payments at each branch, a system able to produce automated reports (payments delivered, time logs of payments for efficiency ext.);

b. Task team for MIS update needs to be established with clear deadlines. Each SAPO branch to be updated;

c. MIS system needs to be linked to biometrics to address fraud and corruption;

d. Establish and implement e-governance database transition with a set time-period of delivery and implementation.

v. Security:

a. Ensure sufficient security at each payment location to protect beneficiaries and staff;

b. SASSA to oversee and roll out security needs as required;

c. Allocate specific staff member at SASSA to manage and oversee the logistics of security. Allocate staff at pay-points to report on security;

d. Address security issues as soon as they arise.

vi. Infrastructure:

a. Ensure sufficient staff to update GIS system on beneficiaries at 10 km radius to ensure review of mobile payment locations on a regular basis;

b. Implement optimization plan of pay-points. This needs to be implemented either annually or biannually;

c. Assign SASSA job specifics to review payment locations. Ensure the required skills to determine and roll out the optimal pay-point system.

The following is recommended for the management and administration of the **higher planning and development level:**

i.   It is recommended that the Minister of Social Development supports the importance of mutual integration of various key government systems and to allow SASSA to leverage on existing resources and expertise and not reinvent the wheel,

ii.   Financial management:

    a.   Need for a treasury function within SASSA and assigning a dedicated, focused project financial manager capacity;

    b.   National Treasury (NT) to assist SASSA during the transition phase with regards to Asset Management Chief Procurement Office, Public Finance, Public Entity Governance and the Reserve Bank,

    c.   Look to the treasury to assist with contact management capacity, cost efficiency;

    d.   Employ people in SASSA with necessary skills, develop a description for financial management;

    e.   Develop optimal payment distribution network.

6.3.   Process redesign

The following recommendations are proposed as part of the long-term payment plan for process design

i.   Identify multiple payment channels:

    a.   Different methods of payment available to beneficiaries;

    b.   The investment of SAPO and SASSA staff at the SAPO offices needs to be informed by the beneficiaries' choice of accessing money. There has been a decrease in the amounts accessed at SAPO branches from September. The motivation behind making use of other access points such as ATM;'s ext. needs to be evaluated before increasing the capacity of SAPO;

    c.   Review blueprints developed prior to and during the establishment of SASSA.

ii.   Card Swop:

    a.   Address outstanding 100 000 beneficiaries transition of the card swop.

iii. New Payment System

    a. Do not charge beneficiaries with the cost to reset pin until the biometrics system is in place;

    b. The TC recommends that SASSA should commence with the piloting of using South African store owners with the point of sale devices as pay-points;

    c. The TC further recommends that SASSA and SAPO should activate engagements with SAPO agents and come up with a solution that will see agents paying grants on behalf of SAPO especially in areas where NPS infrastructures are beyond 10km from the pay points.

iv. Accountability structures and processes:

    a. Implement accountability structures and processes;

    b. Establish and roll out delivery branch reports.

v. Audit and anti-fraud processes:

    a. Structure and processes to pre-determine leakages or fraud;

    b. Commission audit and MIS audit to test and identify areas of leakage or potential fraud;

    c. Audit database on a regular basis to match payments to beneficiaries;

    d. Implement multiple layers of approval for payments which match beneficiary which was approved.

6.4. Management information system

Management and Information systems (MIS) are of crucial importance to ensure cash transfer programmes are effectively implemented. MIS facilitates good programme management, decision making, accountability, reporting and overall management and review. The use of an MIS system allows for an evidence-based decision-making process contributes to programme results.

Control and accountability are crucial to ensure effective implementation for a cash transfer programme. An effective MIS system allows for the key moments of action within the cash transfer process to be executed. Key moments for control include the following:

The long-term payment plan will include:

i. Ensure the policy and programme objectives define the scope of the MIS and provide the framework for the level of complexity and degree of the programmes integration;

ii. Link the department of home affairs to the DSD system, look to birth certificates links of a biometric system, link to school attendance, how to monitor that and to the medical cards;

iii. Need to assess the variability of connectivity between SASSA office and Socpen, between Socpen and pay point for the cash payment plan,

iv. Assess potential disaster, introduce mitigation measures when system overload of Socpen;

v. SASSA and SAPO to allow a system of SAPO to capture fingerprints and grant application for processing by SASSA system;

vi. Immediately improve information technology and network capabilities;

vii. SASSA is in need of a multi-layered architecture (Omni-channel Management layer; Identity and Access Management Layer; Micro-services layer; Process & amp; Orchestration Layer; Integration Layer; Database Layer; Infrastructure and Platform as a Service Layer).

6.5. Grievance and redress

i. Implement a grievance system at the different SAPO station and ensure it corresponds to SASSA office grievance and redress;

ii. Establish Community Accountability and Reporting Mechanisms (CARMSs) through an electronic system to allow participants to address issues remotely. CARMS allows community members to provide feedback and raise concerns about the payment system;

iii. SAPO to implement a grants payment dedicated service/ call centre number and not use general call centre lines;

iv. SAPO to set up a call centre dedicated to the payment system.

6.6. Monitoring and evaluation system

Robust monitoring and evaluation are crucial both for programme performance and political sustainability and ensure quality control and assurance. Monitoring implementation and outcomes help to generate timely lessons for improved impact and communication to the public a policy-maker. Evaluation calls for methods that can identify and quantify the full range of outcomes (positive and negative) attributable to transfers. Current priorities are for data and analysis as follow:

i. Identifies the challenges and opportunities associated with different contexts and intended beneficiary groups;

ii. Support cost-benefit analysis that enables policy-makers to make more informed comparisons between cash transfer design options (and with investments in other sectors);

iii. Deepens understanding of the political economy of cash transfers;

iv. Tracks whether and under what circumstances transfer delivery support access to and use of financial services;

v. Goes beyond specific transfer programmes to support the evolution of integrated social protection systems, linking cash trans policies for service delivery, accountability and labour-intensive growth;

vi. Integrates cash transfers and other instruments (e.g. insurance) within multisectoral strategies to enhance resilience to climate variability;

vii. DSD need to develop a framework to monitor SASSA as an institution;

viii. Implement a systematic risk management process: SASSA to evaluate risk management to a strategic management tool for managing risks and looking for opportunities to achieve its objectives;

ix. Tracking of daily statistics of non-boarding of beneficiaries beyond the 10km radius.

To monitor the programme quality and accountability:

i. Consideration must be given to setting up a separate monitoring structure to oversee both SASSA and SAPO,

ii. Does the programme meet participants needs;

iii. Level of beneficiaries satisfaction with the transfer mechanisms and process;

iv. Waiting time, travel time, expenses associated with transfers;

v. Protection and security concerns by the distribution points;

vi. Monitor the SAPO service level against the service level agreement to ensure enough cash is provided at the right time with the necessary security to protect the beneficiaries and staff;

vii. Service provider experience.

6.7. Financial Inclusion

The current payment plan excludes financial integration for beneficiaries. Increasing financial access to the poor and allowing transfers into an account for beneficiaries allows households to save for future needs (education, seed, fertilizer), invest in productive assets (buying a cow), help manage daily expenses, reduce vulnerability to shocks (health etc), graduate from grant dependence, creates digital footprint and access to financial services and may affect an entire community to bring access to financial services.

i. The proposed initial phase to integrate financial inclusion requires a detailed country analysis based on clear savings mechanisms available and the level of access of beneficiaries;

ii. As part of the initial phases, a country mapping will identify the existing local and planned policies and strategies as well as potential partners to structure the programme accordingly. Based on the best practice the programme will be designed and rolled out to increase savings education and knowledge;

iii. Country analysis and mapping of financial savings mechanisms available in the country;

iv. Evaluate the level of access current beneficiaries have to financial instruments;

v. SASSA will be required to consult and collaborate with different stakeholder;

vi. Follow up on the Social Assistance Amendment Bill aims to establish a government vehicle that will provide additional benefits and promote saving among grant recipients;

vii. Ensure trained and vetted staff at SASSA and SAPO to educate and assist beneficiaries.

7. Project Archives

The following serves as a reference list to documents produced and used by the TC:

Reports presented to the Minister

1- Technical Committee for Payments of Grants and SASSA Governance, 1st Report to Minister of Social Development, 26 June 2018.

2- Technical Committee for Payments of Grants and SASSA Governance, 2nd Report to Minister of Social Development, 31 July 2018.

3- Technical Committee for Payments of Grants and SASSA Governance, 3rd Report to Minister of Social Development, 31 August 2018.

4- Technical Committee for Payments of Grants and SASSA Governance, 4th Report to Minister of Social Development, 30 September 2018.

5- Technical Committee for Payments of Grants and SASSA Governance, 5th Report to Minister of Social Development, 31 October 2018.

Meeting Notes

Ministerial Technical Committee - Standing Meetings

Ministerial Technical Committee - Meetings with the ACEO

Ministerial Technical Committee – Meetings with other Role Players and/Key Stakeholders (SASSA Executive Management, SAPO, Black Sash, National Treasury, DSD, DSBD, SARB, CSIR, Former DG of NT, Dr Iraj Abedian, IT Companies - EDAPT and MASMAP)