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SOUTH AFRICAN SOCIAL SECURITY AGENCY

Annual Report 2022/23

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at the right time and place. NJALO!]*

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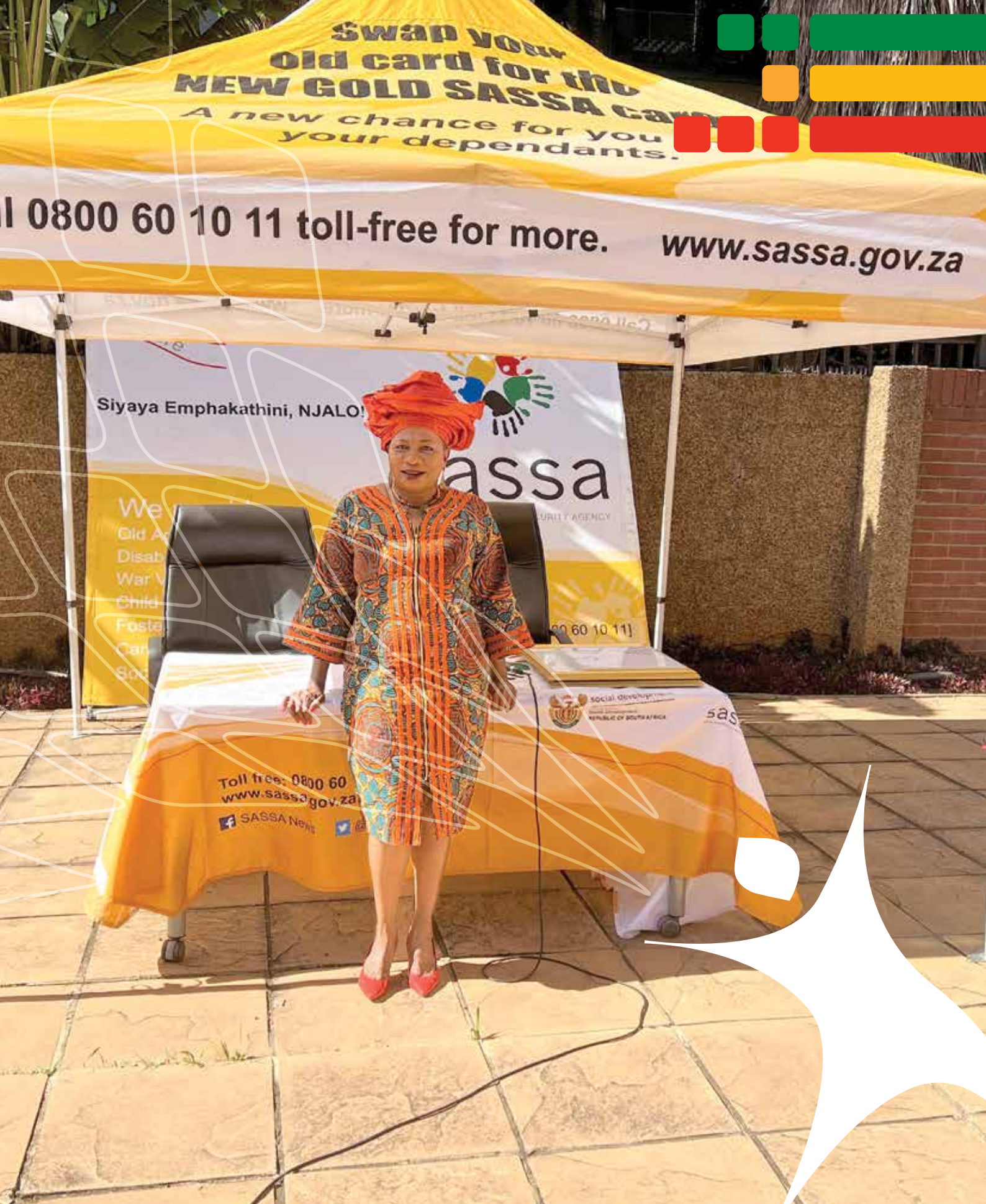
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PART A: GENERAL INFORMATION



1. SASSA'S GENERAL INFORMATION

THE SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA)

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EXTERNAL AUDITORS

Auditor-General of South Africa (AGSA)

BANKERS' INFORMATION AND ADDRESSES

Bank	Physical Address	Postal Address
South African Reserve Bank (SARB)	370 Helen Joseph Street Pretoria 0002	PO Box 427 Pretoria 0001
First National Bank (FNB)	4 First Place 6th Floor Bank City Johannesburg 2001	Commercial Account Services Customers P O Box 1153 Johannesburg 2000



2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
API	Application Programming Interface
APP	Annual Performance Plan
BAC	Bid Adjudication Committee
BIS	Business Intelligence System
BPR	Business Process Re-engineering
CDG	Care Dependency Grant
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer
COVID-19	Coronavirus Disease 2019
CPS	Cash Paymaster Services
CSG	Child Support Grant
DG	Disability Grant
DPSA	Department of Public Service and Administration
DSD	Department of Social Development
EC	Eastern Cape
EE	Employment Equity
EM	Executive Manager
EME	Exempt Micro Enterprise
ENE	Estimates of National Expenditure
EXCO	Executive Committee
FCG	Foster Child Grant
FS	Free State
GIA	Grant-in-Aid
GP	Gauteng Province
GRAP	Generally Recognised Accounting Practice
HCM	Human Capital Management
HO	Head Office
ICROP	Integrated Community Outreach Programme

ICT	Information and Communications Technology
IGPS	Integrated Grants Payments System
KZN	KwaZulu-Natal
LP	Limpopo Province
MoU	Memorandum of Understanding
MP	Mpumalanga Province
MTSF	Medium-Term Strategic Framework
NC	Northern Cape
NDSD	National Department of Social Development
NEHAWU	National, Education, Health and Allied Workers Union
NPS	National Payment System
NFSAS	National Student Financial Aid Scheme
NW	North West
OAG	Old-Age Grant
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act
PPE	Personal Protective Equipment
REM	Regional Executive Manager
RFQ	Request for Quotations
SAPO	South African Post Office
SASSA	South African Social Security Agency
SCM	Supply Chain Management
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprise
SNBF	SASSA National Bargaining Forum
SOCPEN	Social Pensions System
SRD	Social Relief of Distress
TDG	Temporary Disability Grant
WC	Western Cape
WVG	War Veterans' Grant



3. FOREWORD BY THE MINISTER



**MS. LINDIWE ZULU, MP
MINISTER OF SOCIAL
DEVELOPMENT**

As we enter into the final year of the Sixth Administration of our democratic government, we take this opportunity to reflect on the operational achievements of the South African Social Security Agency (SASSA) amidst a period of unprecedented series of covariate shocks and disasters. Established as an entity of the Department of Social Development in terms of the SASSA Act 9 of 2004 to ensure the effective and efficient administration, management and payment of social assistance, and as enabled by the Social Assistance Act 13 of 2004, SASSA performs a prominent role in poverty alleviation through the provision of social assistance. This is experienced in most communities throughout South Africa.

Coinciding with the Sixth Administration are the covariate shocks and disasters that weighed heavily on all of society as well as SASSA's operations: slow economic growth and growing unemployment; the national electricity supply crisis; the July 2021 social unrest; the COVID-19 pandemic; and the recurrent effects of climate change on different communities throughout the country. Notwithstanding the concurrence of these challenges during the Sixth Administration, SASSA continued to strengthen its capabilities and capacity with the quest to improve the lives of people who are unable to support themselves and those who are dependent on them. Ultimately, SASSA has satisfied its constitutional mandate.

During the year under review, SASSA's overarching work remained in alignment with the Medium Term Strategic Framework 2019—2024 priority that is particularly relevant to the Department of Social Development, namely: consolidating the social wage through reliable and quality basic services. Practically, this meant that SASSA designed its services in a manner that resulted in their reliability, affordability, and universality while ensuring that no one was excluded. Through more than 380 local offices, with more than 1 100 service points and by means of online grant applications SASSA increased access to its services. This resulted in the number of social assistance beneficiaries increasing from 17 811 745 (at the end of March 2019) to 18 829 716 (at the end of March 2023). In the final analysis, SASSA met its primary outcome of reducing poverty levels through increasing access to social assistance.

Particularly in response to the COVID-19 pandemic, SASSA continued to implement the innovative COVID-19 SRD grant which was introduced in May 2020 on behalf of our government. The COVID-19 SRD grant is a



digitally-administered intervention that was designed to provide South Africans, asylum-seekers, and special permit-holders with financial support that cushioned them against the worst impact of the COVID-19 pandemic. SASSA achieved this by establishing ongoing information validation interfaces with the retail banking industry and a wide range of state institutions (for instance, the South African Revenue Service, Unemployment Insurance Fund, etc.). By the end of March 2023, the COVID-19 SRD grant had benefitted more than 8.5 million people.

During the year under review, the government's total combined transfers towards SASSA's fight against poverty was in excess of R230 billion. SASSA's commitment to contributing towards local economic development was evident in the awarding of R270 million worth of goods and services to small, medium and micro enterprises.

Approximately R155 million of this are contracts that were awarded to women and young people.

In conclusion, I take this opportunity to appreciate the work done by SASSA under Ms. Busisiwe J Memela-Khambula, the Chief Executive Officer.

Ms Lindiwe Zulu, MP
Minister of Social Development



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



**MS. B J MEMELA-
KHAMBULA
CHIEF EXECUTIVE
OFFICER**

It is my greatest pleasure to present the South African Social Security Agency's (SASSA) 2022/23 Annual Report. SASSA is an Agency of the National Department of Social Development, established in terms of the South African Social Security Agency Act (Act No. 9 of 2004) to ensure effective and efficient administration, management, and payment of social assistance to people living in South Africa who are unable to support themselves and their dependents.

SASSA's core business contributes directly to poverty alleviation programmes through the provision of income support for older persons, people with disabilities and children. In addition, the Agency provides temporary reprieve to individuals and families experiencing temporary distress in order to meet their basic needs whilst addressing their temporary challenges. The temporary reprieve is implemented through the Social Relief of Distress programme that covers both normal SRD and the COVID-19 SRD grant, popularly known as the R350 grant.

The services offered by SASSA are mostly influenced by a variety of external aspects, these include unemployment, poverty and disasters. Although there was a consistent decrease in the unemployment rate during the four quarters of 2022, from 34.5% in the first quarter to 32.7% in the fourth quarter, the number of unemployed people remained high at 7.8 million. Unemployment has a direct impact on social assistance, particularly on Child Support Grant (CSG) and SRD. South Africa experienced a number of natural disasters during the period under review that affected various provinces such as Kwa-Zulu Natal, Free State, North West, Eastern Cape and Western Cape; SASSA services were deployed through the SRD programme to support disaster victims in the affected provinces. Similarly, the severe economic impact of the pandemic was mitigated by the administration of the COVID-19 grant by the Agency.

The evidence for SASSA services needs was seen on the number of normal social grant applications (grants for older persons, people with disabilities and children) processed during the reporting period which exceeded more than 1,8 million across the nine provinces. The highest number of applications came from KZN at 405 337, GP at 288 646, EC at 231 028 and LP at 230 575 and WC processing 203 390 applications. There are, however, a huge number of grants that lapse every year for various reasons including death, a child turning 18 years old, and temporary grants reaching their predetermined periods. Despite the high approval rate



on applications taken, the lapses result in a slow growth in the number of grants in payment. During the 2022/23 financial year, about 0.81% growth was recorded when the grants in payment, including grant-in-aid, increased from 18 677 339 at the end of March 2022 to 18 829 716 at the end of March 2023. The grants in payment represent approximately 31% of the South African population in line with the 2022 mid-year estimates of 60,6 million.

Additionally, SASSA received approximately 14 million applications (both new and existing applications, as at 31 March 2023) with about a 61% approval rate (8,5 million). The normal grants and COVID-19 SRD grant combined increased the number of people dependent on social transfers to 45%.

As part of processing these applications, SASSA regularly (monthly) runs a verification process with various databases (GEPI, UIF, NSFAS, Commercial Banks, Correctional services, etc.) to ensure that deserving applicants benefit from the grant.

The processing of the COVID-19 SRD grant applications did not come without challenges. The biggest challenge for SASSA remains the accuracy and timing of the databases used for assessment. Databases from other organisations are not always received timeously and are often found by the auditors to have discrepancies. Other challenges existed in the payment environment include:

- No payment method details were provided by the client at the time of application, which delays the payment process as SASSA first needs to request the details from the client, then verify the account where after payment can be made.
- Incorrect details are often provided by clients, which causes the account verification process to fail. The client might also have provided the bank details of a spouse or friend, which will also fail the account verification process.

- A small number of clients are on a “referred status”. These are approved applications that cannot be paid because the client’s identity number is confirmed to have been used in fraudulent matters such as identity theft. In these cases, the clients are advised and they can follow the SASSA electronic Know-Your-Client (eKYC) process to confirm their identity through a biometric verification process.
- There are many clients who have not yet complied with FICA requirements on their bank accounts. Clients are required to finalise FICA processes with their banks or to upload alternative banking details, to enable payments.
- Challenges existed with the payment of Asylum Seekers and Special Permit holders as their identity numbers are not standard. These challenges have been resolved through the implementation of a technical process and the eKYC process where required.

For the 2022/23 financial year, SASSA received an unqualified audit opinion from the Auditor-General of South Africa. There was, however, a material finding on the Audit of Predetermined Objectives (AoPO) affecting the resolution of enquiries indicator. This has since been included in the Audit Action Plan.

SASSA's FINANCIAL OVERVIEW

Economic Viability

Over the past years, SASSA's budget has experienced significant cuts. Therefore, when apportioning the budget, the process entailed reprioritising certain items so that the allocation is within the approved appropriation. The table below gives an overview of SASSA's 2022/23 medium-term estimates and the budget cuts.

	2020/21 (R)	2021/22 (R)	2022/23 (R)	2023/24 (R)	2024/25 (R)
2018 MTEF Allocation	8 646 794	9 122 051	-	-	-
Reduction	(522 173)	(500 000)	-	-	-
2019 MTEF Allocation	8 124 621	8 622 051	-	-	-
Reduction	(406 200)	(517 300)	-	-	-
2020 MTEF Allocation	7 718 421	8 104 751	8 316 822	-	-
Reduction	(229 639)	(140 850)	(817 535)	-	-
2021 MTEF Allocation	7 488 782	7 963 901	7 499 287	7 570 261	7 910 237
% Change on 2020 MTEF baseline	-3%	-2%	-10%	0%	-
% y/y growth	-2%	6%	-6%	1%	4%



As can be seen in the table, there was a decrease of 6% between 2021/22 and 2022/23. This was mainly because of the additional R500 million, which was allocated for the administration costs related to the implementation of the COVID-19 SRD grant in 2021/22. There was no similar allocation in 2022/23 although SASSA continued to administer the grant. This was funded through reprioritisation of funds within the approved appropriation.

There are several contracts which the Agency entered into with third parties for services that are vital for the operations of the Agency, such as the payment of grants money to beneficiaries, information and communication technology services, security services, cleaning and sanitary services, office accommodation, medical assessments, beneficiary records management. The budget for these contracts, including compensation of employees accounts for about 90% of the total budget. This leaves a balance of about 10% to fund other essential operational requirements such as communication, travel and subsistence, and capital assets.

In apportioning the budget to various expenditure items, alignment of allocations to the Annual Performance Plan (APP) is ensured, and contractual obligations are the first charge to the budget. The apportionment process endeavours to achieve the allocative efficiency, value for money, and economical use of resources, and therefore striving for prioritisation and reprioritisation.

In addition to the approved budget, SASSA obtained approval to retain a cash surplus from the 2021/22 financial year amounting to R756 million.

Revenue

During the period under review, SASSA received the bulk of its revenue from the National Revenue Fund through transfers from the National Department of Social Development (NDSD) on a monthly basis. SASSA forms part of the NDSD Budget Vote. Another portion of the revenue was derived from the fines and penalties, sale of capital assets, interest received, sale of wastepaper, parking fees etc. Total revenue received was R7,5 billion of which R7,4 billion was from the National Revenue Fund and the balance was other own revenue.

Expenditure

Overall expenditure for the period ended March 2023 reached 96%. While compensation of employees reached 100%, there was 4% underspending on goods and services. SASSA obtained approval to retain a cash

surplus from the 2021/22 financial year amounting of R756 million. This means that expenditure should have been the total allocated budget (R7,4 billion) plus the retained cash surplus amount. However, due to the underspending on goods and services the retained cash surplus was not utilised. A portion of the spending can be attributed to the surplus in particular on bank charges and payment for capital assets as these items overspent.

The bulk of the underspending on goods and services was mainly on the budget allocated towards services in relation to the disbursement of social grants (handling fees). Social grant recipients have a choice as to which payment channel to use when receiving their social benefits i.e., National Payment System (ATMs, POS), over the counter at the outlets or at the cash pay points. The expenditure on handling fees is, therefore, influenced by the payment channel grant recipients choose to receive their social benefits. During the reporting period, majority of the beneficiaries opted to use the National Payment System comprising of banks' auto teller machines (ATMs) and merchants' point of sale (POS). The ATMs and POS is the least costly payment channel compared to cash pay points and over-the-counter payment channels. Thus, the underspending on handling fees.

SASSA had planned to procure services of debt collectors to deal with its debt book. However, the procurement process could not be concluded as planned and this contributed to the underspending. Since the insourcing of fraud investigations, cost efficiencies were realised, as the earmarked allocation for fraud investigations was not fully utilised. The other items that contributed to the underspending include medical assessments, fleet, and travel and subsistence.

Programme Expenditure

SASSA's budget is split between two programmes: Programme 1: Administration and Programme 2: Benefits Administration. Benefits Administration represents the core business of the Agency and accounts for 60% of the expenditure. Spending under this programme includes the cash-handling fee, which is allocated for disbursement of social grant benefits. The Administration programme's expenditure accounts for 40% of the spending and it incorporates all the support functions.



IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Irregular Expenditure

In the previous financial year, SASSA disclosed the irregular expenditure amounting to R994 million. In the year under review, National Treasury condoned R565 million of this amount and cleared R19,4 million which was found not to be irregular upon finalisation of investigation in the form of determination test required in terms of National Treasury Framework on Irregular Expenditure. R19 million of the amount cleared related to an extension of the Information and Communication Technology (ICT) contract for support and maintenance of the ICT infrastructure, and was cleared after National Treasury provided clarity on the National Treasury Instruction Note 3 of 2016/17, which was incorrectly applied when this transaction was declared irregular by AGSA. In addition, the R4 million was finalised and removed by the Accounting Authority in line with paragraphs 5.7 and 5.8 of the National Treasury Framework on irregular expenditure of 2022/23.

Of the remaining irregular expenditure of R426 million, there are two major cases amounting to R293 million, which SASSA envisages finalising during the 2023/24 financial year when concluding on this balance.

- R281 million relates to the Integrated Community Outreach Programme (ICROP) contract. Upon investigation of irregularity, the contract was suspended. However, the service provider (Azande) initiated a court action against SASSA claiming R170 million in damages, but its attorneys withdrew their representation in the matter, which left Azande representing itself. SASSA filed a counter claim for an order declaring this contract invalid and set aside, and demanded the reimbursement of payments made to Azande in the sum of R281 million. The matter is yet to be set down for hearing. Furthermore, the Public Protector investigated this matter and external legal service provider has been appointed to provide SASSA with advice on the implementation of some specific remedial actions.
- R12 million relates to a payment for communication and marketing services rendered without the approval of the delegated authority. An external legal services provider was appointed to conduct disciplinary processes on behalf of SASSA.

Fruitless and Wasteful Expenditure

The Agency reported the fruitless and wasteful expenditure closing balance of R86 million in the financial year ended 31 March 2023. The above amount consists mainly of the four (4) material cases (R84 million) from the previous years which are pursued through legal process.

- R74,8 million relates to payment of the social grants fee, which occurred in the financial year ended 31 March 2018, wherein CPS invoiced SASSA R74,8 million for the number of grants recipients directly paid by SASSA through BankservAfrica. This transaction was made in error in that CPS did not render the services. CPS has since been placed in liquidation, and a claim for recovering the said amount has been lodged with the liquidators, and the process is yet to be completed.
- R3,5 million relates to VIP protection services provided to the children of the former Minister of Social Development and the Chief Director for Communication in the DSD and her children. SASSA sourced and paid for this service when it should not have been its responsibility. SASSA instituted a recovery process against the trio through the court process. On 8 June 2023, the Gauteng High Court ordered the trio to pay SASSA the whole amount with interest. However, the defendants lodged an appeal. The Agency is waiting for the appeal outcome, after which the matter will be concluded.
- R1,7 million relates to payments made in 2017/18 for the lease of office accommodation for SASSA Free State Regional Office which was not occupied at the time. This office was to relocate to a new leased building but could not move in because of delays in finalising tenant installations, but three months' rental payments had to be made due to contractual obligations. The internal investigation has been completed, and the report was deliberated by the Loss Control Committee but referred for a legal opinion. The matter will be finalised during 2023/24.
- R4 million was recorded in 2019/20 as fruitless and wasteful expenditure and emanates from the irregular expenditure wherein the second highest scoring bidder was awarded the bid at R76 million, whilst the highest scoring bidder, who was overlooked, offered R72 million. The recovery of this amount is pursued through court processes, and the date of the hearing is yet to be set.



Supply Chain Management

Supply Chain Management (SCM) processes and systems are in place. SCM policy, SCM delegations as well as SCM Standard Operating Procedures are in place and are reviewed in alignment with applicable Treasury Instructions as and when issued. The control environment is fairly sound as measures are in place to prevent, detect, record and report irregular expenditure resulting from non-compliance with the legislative framework. Compliance checklists that are fully aligned with all compliance requirements are in place for pre-audits as a prevention strategy for irregular expenditure. Post audits are also done on a half-yearly basis as a detection strategy to ensure that all irregular expenditure is accounted for in the register for completeness of disclosure in the AFS. The irregular expenditure in the Agency has been drastically reduced in the recent years, including the year of reporting. This depicts the level of awareness coupled with controls in place that are yielding intended results. There is room for improvement towards the clean audit. Therefore, continuous communication and improvement of controls are on-going measures.

SASSA did not conclude any contract in the year of reporting through procurement strategy of unsolicited bids.

The Asset Depreciation Policy was developed and approved as an addendum to the Assets Management Policy. The objective of the addendum was to align the SASSA assets system (Oracle) depreciation with the policy, including the calculation method of SASSA assets in the Fixed Assets Register and Annual Financial Statements.

Challenges and Remedial Actions

The carrying value of the Agency's assets portfolio is indicated below (this includes the intangible assets portfolio):

Opening balances at carrying value (R)	Additions and transfers (R)	Disposals (R)	Depreciation and Amortisation (R)	Total Value (R)
785 507 278	251 984 519	(9 899 132)	(84 097 892)	943 494 299

In closing, I would like to acknowledge the leadership role provided by the Minister and Deputy Minister of Social Development in ensuring that the poor citizens and those that experienced dreadful situations were supported during such hardships. To the SASSA staff, you are simply the best, thank you for the resilient character displayed in the fight against poverty.

The challenge that the Agency still has is the reduction and elimination of irregular expenditure due to the lease portfolio, which is recurring monthly. To address this, the Minister granted approval to deviate from the Immovable Property Management Policy to formalise and regularise the leases incurring irregular expenditure and procure alternative accommodation. The long-term strategy of the Immovable Property Management Policy review is also underway. Pockets of non-compliance that are due to other reasons, other than policy interpretation or training issues, are managed through performance management processes.

Inventories

SASSA recognises and values inventory through the First-in-First-Out (FIFO) principle. The value of inventory as at 31 March 2023 was R19 million compared to R18,6 million in the previous year. This represents an increase of approximately 2%.

Discontinued Activities or Activities to be Discontinued

No significant portion of SASSA's operations was discontinued during the year under review.

Assets Management

SASSA invested in new assets, including furniture, equipment, and intangible assets, to the value of R252 million and recorded them in the Fixed Assets Register. The Agency reports on the Generally Recognised Accounting Practice (GRAP) standards and complies with its requirements.

MS B J MEMELA-KHAMBULA
CHIEF EXECUTIVE OFFICER
DATE: 31 July 2023



5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General of South Africa (AGSA).

The Annual Report is complete, accurate and free from any omissions.

The Annual Report has been prepared in accordance with the Guidelines on Annual Reports as issued by the National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the GRAP standards including any interpretations, guidelines and directives issued by the Accounting Standards Board applicable to the public entity.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, performance information, human resources information and financial affairs of the public entity for the financial year ended 31 March 2023.

Yours faithfully

MS B J MEMELA-KHAMBULA
CHIEF EXECUTIVE OFFICER
DATE: 31 July 2023





6. STRATEGIC OVERVIEW

6.1 Vision

A leader in the delivery of social security services.

6.2 Mission

Provide social security and related services to eligible people in South Africa.

6.3 Values

SASSA's values are:

- Integrity – being honest, accountable, reliable, and showing high moral values.
- Compassion – showing sympathy and concern; embodying heart for all stakeholders and beneficiaries.
- Fairness – treating everyone equally.
- Respect – showing due regard for the rights and obligations of others.

6.4 Principles Guiding How We Work

SASSA operates according to the Batho-Pele principles, having institutionalised the following:

- Transparency – being open in all communication and engagements.
- Professionalism – observing the highest standards with respect to be reliable, deliver work of the highest quality, on time, behaving in a manner worthy of the SASSA creed.

- Customer centric – putting customer needs at the forefront of everything we do.
- Confidentiality – being respectful of the need to safeguard confidential information.
- Courtesy – being polite, civil, and showing good manners to all we engage with.
- Responsibility – doing what is expected of us to do.
- Accountability – taking ownership for our actions.

6.5 SASSA's Relevance and Value Add

SASSA is relevant and adds value because it:

- Contributes to poverty alleviation.
- Contributes to individual social well-being.
- Is the delegated Agency mandated to administer social assistance.
- Provides a safety net to the most vulnerable.

6.6 SASSA Strategic Outcomes

SASSA's strategic outcomes as published in the 2020 – 2025 Strategic Plan remain unchanged; they are:

- Reduced poverty levels;
- Economic transformation – empowered individuals and sustainable communities;
- Improved customer experience; and
- Improved organisational efficiencies.





7. LEGISLATIVE AND POLICY MANDATES

7.1 Constitutional Mandate

Constitution, 1996 (Act 108 of 1996)	How SASSA Contributes
<p>In terms of section 27(1)(2) of the South African Constitution, 1996 (Act 108 of 1996):</p> <p>“everyone has the right to have access to:</p> <ol style="list-style-type: none"> health care services, including reproductive health care; sufficient food and water; and social security, including if they are unable to support themselves and their dependants, appropriate social assistance.” 	<ul style="list-style-type: none"> SASSA contributes to this mandate by providing the institutional platform for implementation of section 27 (1) (2) (c) and further creates channels for eligible beneficiaries to access their social grants.

7.2 Legislative Mandate

Legislation/Policy Directive	How SASSA Contributes
PRESCRIPTS OF THE SOCIAL ASSISTANCE ACT, 2004 (ACT. NO. 13 OF 2004 AS AMENDED)	
<p>The Social Assistance Act, 2004 (Act No. 13 of 2004 as amended) provides for the rendering of Social Assistance to eligible person; for mechanisms for rendering of such assistance and to provide for matters connected there with.</p>	<ul style="list-style-type: none"> The Social Assistance Act, 2004 and its regulations enables SASSA to facilitate eligible beneficiaries to access the income support including the social relief of distress. SASSA has the responsibility to further ensure that eligibility requirements, payment methods, conditions for reviews, among others, are complied with.
PRESCRIPTS OF THE SOUTH AFRICAN SOCIAL SECURITY ACT, 2004 (ACT NO. 9 OF 2004).	
<p>The SASSA Act provides for the establishment of SASSA with the objective of ensuring the effective and efficient administration, management, and payment of Social Assistance. The Act further provides for the prospective administration of social security, including the provision of services and matters related there to.</p>	
<p>“a) administer social assistance in terms of Chapter 3 of the Social Assistance Act, 2004, and perform any function delegated to it under that Act;</p> <p>b) collect, collate, maintain and administer such information as is necessary for the payment of social security, as well as for the central reconciliation and management of payment of transfer funds, in a national data base of all applicants for and beneficiaries of social assistance;</p> <p>c) establish a compliance and fraud mechanism to ensure that the integrity of the social security system is maintained;</p> <p>d) render any service in accordance with an agreement or a provision of any applicable law as contemplated in sub-section (4).”</p>	<ul style="list-style-type: none"> SASSA is responsible for processing of grants applications to qualifying beneficiaries; ensuring consistent and effective monthly payment of social grants; maintaining a credible database for all grant beneficiaries. SASSA is the sole custodian for agreed platform and footprint to provide social assistance. SASSA issues a payment file every month and has a beneficiary records management system for the payments made. There are processes and systems to detect fraud including internal control. SASSA established a credible system to manage data.



Legislation/Policy Directive	How SASSA Contributes
GUIDELINES FROM THE NATIONAL DEVELOPMENT PLAN, VISION 2030²	
<p>According to the National Development Plan (NDP) 2030, South Africa needs to ensure that vulnerable groups and citizens are protected from the worst effects of poverty by 2030.</p> <p>The social protection measures proposed seek to support those most in need, including children, people with disabilities and the elderly. In addition, the NDP seeks to promote active participation in the economy and society for those who are unemployed and under-employed through labour market activation measures, employment services, income support programmes and other services to sustain and improve quality of life.</p> <p>The NDP recommends that priority should be improving efficiency in the delivery of services, addressing exclusions by identifying and reaching those who are entitled to the existing benefits of social protection, reducing the administrative bottlenecks that prevent people accessing benefits.</p>	<ul style="list-style-type: none"> • SASSA is responsible for the provision of a basket of social assistance services (income support and safety net to the most vulnerable) and oversee services responding to needs of the community. • In line with the requirement to addressing exclusions by identifying and reaching those who are entitled to the existing benefits of social protection, SASSA prioritised improving coverage for children below the age one (1). • SASSA will implement measures to reduce the administrative bottlenecks that prevent people from accessing social assistance benefits.
7 PRIORITIES ADOPTED BY CABINET AND ALIGNED TO THE ELECTORAL MANDATE	
<p>Priority 1: Economic Transformation and Job Creation</p> <p>Priority 2: Education, Skills, and Health</p> <p>Priority 3: Consolidating the Social Wage through Reliable and Quality Basic Services</p> <p>Priority 4: Spatial Integration, Human Settlements and Local Government</p> <p>Priority 5: Social Cohesion and Safe Communities</p> <p>Priority 6: A Capable, Ethical and Developmental State</p> <p>Priority 7: A better Africa and World</p>	<ul style="list-style-type: none"> • SASSA's core mandate is primarily linked to priority 3: "Consolidating the Social Wage through Reliable and Quality Basic Services." • SASSA will improve coverage of the social assistance programme including for eligible refugees with the objective to ensure that South African who are unable to support themselves and/or their dependents are not excluded.
SUSTAINABLE DEVELOPMENT GOALS AND MILLENIUM DEVELOPMENT GOALS	
<p>Goal 1: No poverty</p> <p>Goal 2: End hunger, achieve food security</p> <p>Goal 5: Gender Equality</p>	<p>Goal 1: SASSA will contribute to South Africa's target of ensuring that no South African lives below the extreme poverty line³ by 2030.</p> <p>Goal 2: SASSA will provide temporary relief of distress to individuals and households who are experiencing undue hardship due to disasters, loss of breadwinners, and so on.</p> <p>Goal 5: SASSA will ensure that vulnerable groups such as women and children are prioritised when processing the social assistance programmes.</p>

1 National Planning Commission, 2012: National Development Plan 2030, South Africa. Chapter 11 (Social Protection)

2 The National Poverty Lines, 2019 by Statistics South Africa determined the food poverty line to be R561 per person per month. This refers to the amount of money that an individual will need to afford the minimum required daily energy intake.

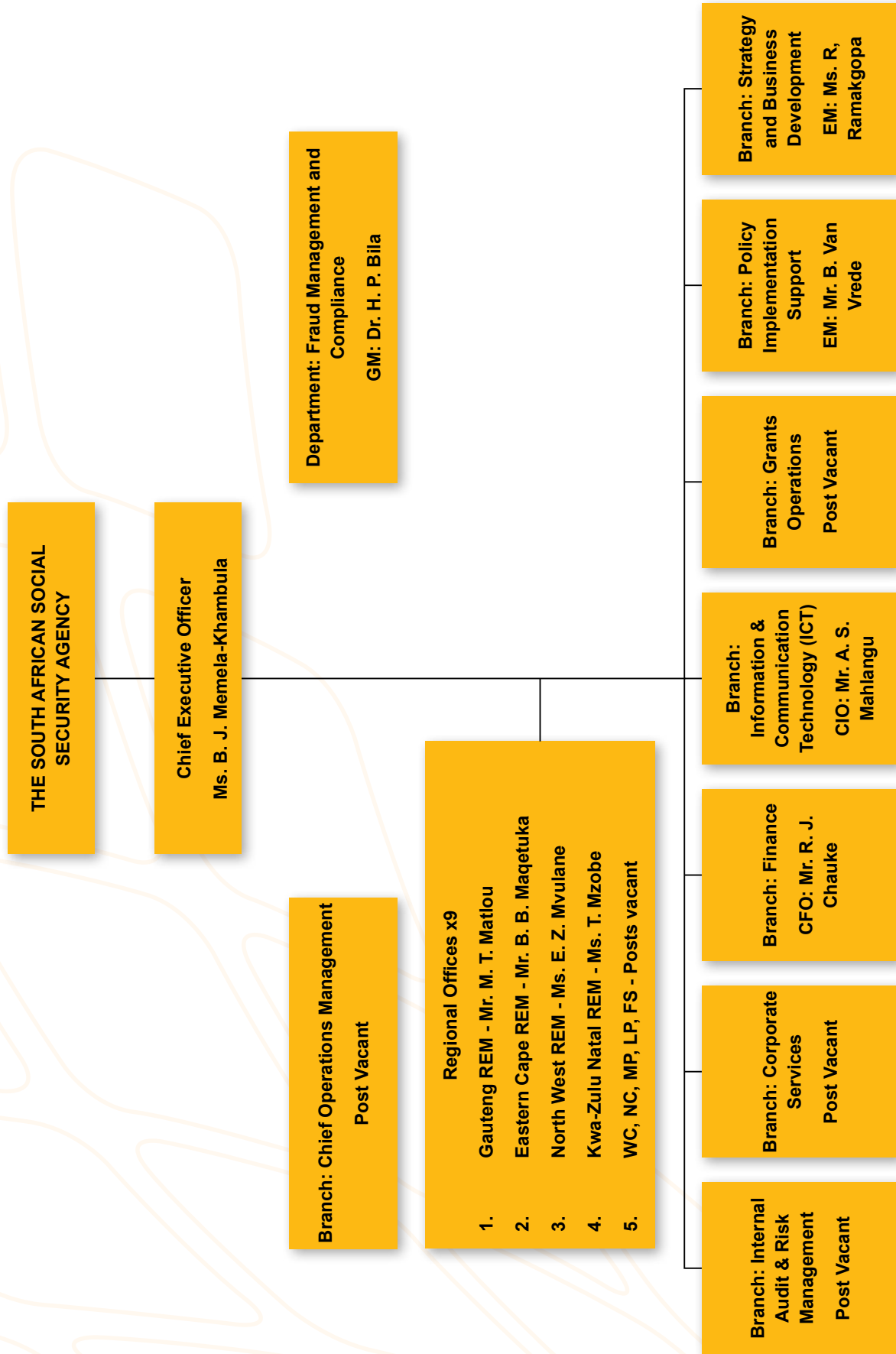


Legislation/Policy Directive	How SASSA Contributes
WHITE PAPER PROPOSALS	
<p>Proposal 1: Establish a Social Protection Floor that Includes Social Welfare</p> <p>Proposal 6: Establish and Enforce Simple, Effective and Standardised Data Collection</p> <p>Proposal 16: Comprehensive Social Security</p>	<ul style="list-style-type: none"> • Expand access of social grants to eligible citizens. • Implement integrated and standardised data collection processes. • Empower women- and disabled-driven Small, Medium Micro Enterprises (SMMEs). • Link youth in SASSA's target beneficiary group to development opportunities.
PRESIDENTIAL DISTRICT CO-ORDINATION SERVICE DELIVERY MODEL	
<p>The new District Development Model (Khawuleza - "hurry up") – seeks to synchronise planning by all spheres of Government and involve citizens and civil society in the development of South Africa's 44 Municipal Districts and eight (8) Metros.</p>	<ul style="list-style-type: none"> • Strengthening the capacity of SASSA's local and district areas. • Leveraging these offices to support the 44 municipal districts and the eight (8) metros targeted by the President.
PRESCRIPTS OF THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT, 2003 AS AMENDED (ACT NO. 53 OF 2003).	
<p>"a) promoting economic transformation in order to enable meaningful participation of black people in the economy;</p> <p>c) increasing the extent to which communities, workers, cooperatives, and other collective enterprises own and manage existing and new enterprises and increasing their access to economic activities, infrastructure, and skills training; and</p> <p>d) increasing the extent to which black women own and manage existing and new enterprises, and increasing their access to economic activities, infrastructure, and skills training".</p>	<ul style="list-style-type: none"> • Utilisation of the SRD budget (30%) to support qualifying small businesses and cooperatives. • Expand the procurement spent on other goods and services to increase support to qualifying women, youth, and people with disabilities. This will also cover the subcontracting as prescribed by the Preferential Procurement Policy Framework Act (PPPFA) and its regulations. • Annually, SASSA will report on the compliance with the Broad-based Black Economic Empowerment (B-BBEE) in its Annual Report.





8. ORGANISATIONAL STRUCTURE





SASSA TEAM



**CHIEF EXECUTIVE
OFFICER**
Busisiwe Jacqueline
Memela



**CHIEF FINANCIAL
OFFICER**
Tsakeriwa Chauke



**CHIEF INFORMATION
OFFICER**
Abraham Mahlangu



**GM - FRAUD
MANAGEMENT AND
COMPLIANCE**
Dr Hlengani Bila



**GM - HUMAN
CAPITAL
MANAGEMENT**
Mdumiseni Zulu



**GM -
COMMUNICATIONS**
Paseka Letsatsi



**EM - GRANTS
ADMINISTRATION**
Brenton Van Vrede



**EM - STRATEGY
AND BUSINESS
DEVELOPMENT**
Raphaahle Ramakgopa



**REM - EASTERN
CAPE**
Bandille Maqethuka



REM - NORTH WEST
Zodwa Mvulane



REM - GAUTENG
Themba Matlou





PART B: PERFORMANCE INFORMATION



1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against Predetermined Objectives is included in the report to management, with material findings

being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the Auditor's Report.

Refer to page 146 of the Report of the Auditor's Report, published as Part F: Financial Information.





2. OVERVIEW OF PERFORMANCE

2.1 Service Delivery Environment

SASSA's constitutional mandate is to administer, manage and pay social grants to all eligible people in South Africa. The social assistance programme makes provision for income support for older persons, people with disabilities and children, as well as for social relief of distress to individuals and households that are experiencing sudden destitution. Social assistance is South Africa's largest safety net against destitution and poverty, and promotes social and financial inclusion.

During the period under review SASSA continued to implement its mandate of providing Social Assistance to people who cannot support themselves and their dependents. SASSA was able to increase the number of grants in payments including Grant-in-Aid from 18,7 million at the end of March 2022 to 18,8 million at the end of March 2023. This represents an overall growth of 0.82%. Furthermore, approximately 13,8 million COVID-19 SRD grant applications were processed as at 31 March 2023. The continued roll out of COVID-19 SRD grant to individuals aged 18 – 59 who are unemployed and have no income played a central role in protecting individuals and households against the loss of income due to the serious implications of the COVID-19 pandemic. During the period under review the adverse economic conditions including the high levels of unemployment led to more people needing social assistance, as a result, about 1,8 million social grant applications were processed during the reporting period. Of these applications, 1,7 million were approved.

Due to the high uptake of the COVID-19 SRD grants per month, the percentage of individuals who accessed grants increased to 35,7% in 2021, while the percentage of households that received at least one grant increased to 50,6% in 2021. Nationally, 5,8% of individuals accessed the COVID-19 SRD grants in 2021. Individual access to the SRD grant was notably higher in metros at 25,2% (GHS, 2021)³.

South Africa continued to experience persistent high levels of unemployment; however, it has decreased from 35.3% in the fourth quarter of 2021 to 32,7% in the same quarter of 2022 (Quarterly Labour Force Survey, 2022)⁴. The increasing unemployment levels have a direct impact on the demand for social assistance, particularly the Child Support Grant and SRD. In addition, the compounding crises of climate change, international conflicts and the COVID-19 pandemic impacted food security in South Africa. The ensuing floods, droughts and supply chain disruptions affected the availability and affordability of basic goods for millions of citizens. For households, the impact was double-digit inflation for food essentials and severe shortages, often due to the lack of affordability rather than availability (Smail, 2023)⁵.

The rollout of the COVID-19 SRD grant in 2020 has played a central role in protecting individuals and households against the loss of income during this period. Social grants were the second most important source of income (51,0%) for households after salaries (59,4%) and the main source of income for about one-fifth (24,4%) of households nationally. A larger percentage of households received grants compared to salaries as a source of income in Free State (60,0%), Eastern Cape (63,7%), Limpopo (65,7%) and Mpumalanga (66,2%). Grants were most important as a main source of income for households in Eastern Cape (42,0%) and Limpopo (35,2%) (GHS, 2021)³.

Table 1 below shows the uptake rates of different grant types over the past 16 years. The number of social grants increased from 12,4 million to 18,8 million during the period between April 2007 and March 2023. This was a 52% increase over the period and was mainly driven by the CSG, the Old-Age Grant (OAG) and Grant-in-Aid, which showed significant upward trends over these years due to policy changes and an improved outreach programme.

3 South Africa. Statistics South Africa. 2022. General Household Survey 2021. Available at: <https://www.statssa.gov.za/publications/P0318/P03182021.pdf> (Accessed: 7 May 2023).

4 South Africa. Statistics South Africa. 2022. Quarterly Labour Force Survey (QLFS) Q4:2022. Available at: <https://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q4%202022.pdf> (Accessed: 7 May 2023).

5 Smail, E. 2023. South Africa's food shortage in 2022, Green Economy Journal. Available at: <https://www.greeneconomyjournal.com/explainer/south-africas-food-shortage-in-2022/> (Accessed: 7 May 2023).



Table 1: Number of social grants per grant type, 2007/08-2022/23

Grant type	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Old Age	2 229 550	2 390 543	2 546 657	2 678 554	2 750 857	2 873 197
War Veterans	1 924	1 500	1 216	958	753	587
Disability	1 408 456	1 286 883	1 264 477	1 200 898	1 198 131	1 164 192
Grant-in-Aid	37 343	46 069	53 237	58 413	66 493	73 719
Care Dependency	102 292	107 065	110 731	112 185	114 993	120 268
Foster Child	454 199	474 759	510 760	512 874	536 747	532 159
Child Support	8 189 975	8 765 354	9 570 287	10 371 950	10 927 731	11 341 988
Total	12 423 739	13 072 173	14 057 365	14 935 832	15 595 705	16 106 110
Annual Growth	3.40%	5.22%	7.54%	6.25%	4.42%	3.27%

Grant type	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Old Age	2 969 933	3 086 851	3 194 087	3 302 202	3 423 337	3 553 317
War Veterans	429	326	245	176	134	92
Disability	1 120 419	1 112 663	1 085 541	1 067 176	1 061 866	1 048 255
Grant-in-Aid	83 059	113 087	137 806	164 349	192 091	221 989
Care Dependency	120 632	126 777	131 040	144 952	147 467	150 001
Foster Child	512 055	499 774	470 015	440 295	416 016	386 019
Child Support	11 125 946	11 703 165	11 972 900	12 081 375	12 269 084	12 452 072
Total	15 932 473	16 642 643	16 991 634	17 200 525	17 509 995	17 811 745
Annual Growth	-1.08%	4.46%	2.10%	1.23%	1.80%	1.72%

Grant type	2019/20	2020/21	2021/22	2022/23
Old Age	3 676 791	3 722 675	3 774 604	3 886 708
War Veterans	62	40	25	15
Disability	1 042 025	997 752	1 004 798	1 035 437
Grant-in-Aid	273 922	267 912	283 771	328 507
Care Dependency	154 735	150 151	153 768	156 982
Foster Child	355 609	309 453	294 031	274 130
Child Support	12 787 448	12 992 589	13 166 342	13 147 937
Total	18 290 592	18 440 572	18 677 339	18 829 716
Annual Growth	2.69%	0.81%	1.28%	0.82%

Table 2: Social grant expenditure per grant type (R'000), 2007/08-2022/23

Grant type	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
OAG	22 803 047	25 933 971	29 826 420	33 750 600	37 129 812	40 475 021
WVG	21 845	19 692	16 644	13 976	11 848	9 543
DG	15 281 403	16 473 425	16 566 681	16 840 182	17 375 021	17 636 570
FCG	3 414 315	3 934 756	4 434 346	4 616 442	5 010 915	5 335 049
CDG	1 132 102	1 292 470	1 434 143	1 586 452	1 736 431	1 877 412
CSG	19 625 983	22 348 556	26 669 761	30 341 465	34 319 636	38 087 990
GIA	87 000	90 000	146 295	170 052	204 026	237 974
SRD	106 244	623 012	165 458	173 737	185 298	239 289
COVID-19	-	-	-	-	-	-
CSG Top-Up	-	-	-	-	-	-
Total	62 471 939	70 715 885	79 259 748	87 492 906	95 972 987	103 898 845



Grant type	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
OAG	44 064 239	49 039 940	53 132 206	58 320 617	64 225 847	70 635 272
WVG	7 657	6 157	4 843	3 849	3 033	2 391
DG	17 768 631	18 741 885	19 165 931	19 926 031	20 886 072	22 021 155
FCG	5 332 093	5 413 209	5 406 785	5 326 151	4 950 744	5 114 211
CDG	1 993 084	2 211 583	2 394 455	2 613 647	2 843 336	3 068 028
CSG	39 623 748	43 718 425	47 308 536	51 476 941	55 906 389	60 611 568
GIA	274 092	371 121	503 080	650 308	855 209	840 495
SRD	533 047	455 718	407 015	587 639	484 123	416 719
COVID-19	-	-	-	-	-	-
CSG Top-Up	-	-	-	-	-	-
Total	109 596 591	119 958 041	128 322 851	138 905 1823	150 154 753	162 709 839

Grant type	2019/20	2020/21	2021/22	2022/23
OAG	83 488 253	81 024 952	84 102 284	90 655 247
WVG	1 762	1 101	704	518
DG	25 110 506	23 031 721	24 081 504	25 385 839
FCG	5 389 888	4 783 110	4 373 497	4 162 140
CDG	3 596 766	3 445 776	3 492 803	3 770 622
CSG	70 651 231	85 590 843	72 666 743	76 441 385
GIA	1 400 089	1 311 643	1 529 872	1 778 716
SRD	402 346	224 781	139 789	184 020
COVID-19	-	19 543 008	32 330 702	30 221 747
CSG Top-Up	-	-	-	135 907
Total	190 289 381	218 956 935	222 717 897	232 736 141

Table 3: Number of social grants per grant type and region as at 31 March 2023

Region	Care Depend- ency Grant	Child Sup- port Grant	Disability Grant	Foster Care Grant	Grant- in-Aid	Old Age Grant	War Veter- an's Grant	Grand Total
EC	23 633	1 962 721	172 881	60 471	44 212	608 079	1	2 871 998
FS	9 344	712 077	77 482	18 517	14 789	221 467	-	1 053 676
GP	22 449	2 016 750	120 355	35 804	15 338	726 253	3	2 936 952
KZN	39 204	2 979 233	220 923	47 321	90 882	760 082	4	4 137 649
LP	17 741	1 999 191	98 265	33 525	60 790	508 732	-	2 718 244
MP	12 059	1 197 170	78 644	16 582	27 299	279 931	-	1 611 685
NC	5 818	333 348	52 079	9 075	29 727	96 287	1	526 335
NW	9 845	910 706	61 445	21 336	19 731	288 368	1	1 311 432
WC	16 889	1 036 741	153 363	31 499	25 739	397 509	5	1 661 745
Total	156 982	13 147 937	1 035 437	274 130	328 507	3 886 708	15	18 829 716



Furthermore, more than 8,5 million individuals benefitted monthly from the COVID-19 SRD grant (R350.00). Overall, for the period under review, approximately 32,6 million beneficiaries relied on social transfers for basic needs. This represents about 54% of the population.

There were almost 23,6% of South Africans in 2020 who were affected by moderate to severe food insecurity, while almost 14,9% experienced severe food insecurity. The high food insecurity levels were mainly driven by the impact of the COVID-19 pandemic. This indicates that the prevalence of food insecurity, in particular severe food insecurity was higher in South Africa in 2020 compared to 2019. The female population was the worst affected by both moderate to severe food insecurity and severe food insecurity when compared to males.

The effects of the COVID-19 pandemic denied many South Africans their right to adequate food as enshrined in the South African Constitution and undermined the efforts that have been made to meet the National Development Plan's goals and the United Nations Sustainable Development Goals (SDGs) of "Zero hunger" by 2030. Limpopo (28,9%) and KwaZulu-Natal (26,4%) were the worst affected provinces by moderate to severe food insecurity in 2020 (STATS SA 2022)⁶. These vulnerable groups ultimately become the Government's responsibility and, as such, they have impacted on the social security net.

2.2 Organisational Environment

The 2022/23 financial year marked the third year of implementation of the SASSA Strategic Plan 2020 – 2025. The Strategic Plan articulates four outcomes: Reduced levels of poverty; Economic Transformation – *empowered individuals and sustainable communities*; Improved Customer Experience; and Improved Organisational Efficiencies. SASSA is on track in implementing the five-year targets based on the identified outcomes.

The payment of social grants remained outsourced during the reporting period; however due to SAPO's inability to deliver on some of the critical milestones of the Master Service Agreement (MSA), a mutual decision was reached to terminate the contract and cede it to the Post Bank at the beginning of October 2022.

⁶ South Africa. Statistics South Africa. 2022. Measuring Food Security in South Africa: Applying the Food Insecurity Experience Scale. Available at: <https://www.statssa.gov.za/publications/Report-03-00-19/Report-03-00-192020.pdf> (Accessed: 7 May 2023).

Load shedding remains a major challenge for SASSA offices that are without alternative power sources. The continuous and constant power outages have a major impact on the network availability in SASSA offices. SASSA has commenced with the process of rolling out alternative power supply to severely affected offices nationwide. In the new financial year, 2023/24, a total of 54 local offices have been identified for improvement, including provisioning of alternative power supply.

Water scarcity is also one of the impediments of service delivery in some of the local offices. The challenge is addressed through engagement with relevant stakeholders including municipalities for provision of alternative supply.

SASSA continued to implement the Business Process Re-engineering project whereby the Operating Model, draft macro-organisational structures, delegation of authority, and business process costing, including Standard Operating Procedures for functional areas, were developed. The BPR aims at improving key business processes by eliminating unproductive activities and locating work in the most efficient and effective environment.

As per the President's pronouncement in the SONA, the COVID-19 SRD grant was further extended and administered by SASSA during the reporting period. A total of about 13,8 million applications were processed with an approval rate of 61% (8,5 million) by end of March 2023.

SASSA's Operating Model is that of Head Office, Region, District and Local Office. There were four regions with permanent appointed Regional Executive Managers (NW, GP, EC, and KZN), acting arrangements for the other five regions (MP, LP, NC, FS and WC) were put in place to enable effective operations and service delivery.

There were two appointments at the executive level, namely the Executive Manager: Grants Administration at Head Office (*responsibility to provide a comprehensive grant administration and payment service, including ensuring that operations are integrated within SASSA*) and the Regional Executive Manager for KZN region (*responsibility to oversee regional operations*).

In March 2023, there was a NEHAWU nationwide public servants' strike on the improvement of conditions of service (salary adjustments). The strike started on the 6th March 2023 to around the 13th March 2023. However, DPSA secured a court order which barred the participation of SASSA officials. Therefore, only a few SASSA officials were involved in the strike action. NEHAWU striking members from other departments forcefully removed



SASSA officials from their offices, even blocking entrances to SASSA premises. To mitigate the situation, SAPS members were called to restore law and order at the affected offices.

SASSA officials in the Mpumalanga region belonging to NEHAWU embarked on an unprotected strike action regarding alleged maladministration ranging from recruitment, nepotism, and collusion with service providers. SASSA then approached the Labour Court and an interim court order was obtained interdicting the unprotected strike and any form of violence and intimidation. The strike action lasted for about two weeks, from 6 February 2023. Furthermore, both the national leadership of NEHAWU and SASSA formed a task team to normalise the working relationship and to facilitate the appointment of a service provider to investigate alleged cases of maladministration. Service delivery in the region was severely affected since all four districts participated in the strike action.

SASSA is configured into two Programmes as follows:

Programme 1: Administration

The Administration programme provides leadership as well as management and support services. These include the following sub-programmes: Executive Management, Fraud and Compliance Management, Internal Audit and Risk Management, Communications and Marketing, Corporate Services; Financial Management, Information and Communication Technology, and Strategy and Business Development.

Programme 2: Benefits Administration and Support

The Benefits Administration and Support programme provides the grant administration service and ensures that operations within SASSA are integrated. The programme manages the full function of grant administration from application to approval, as well as beneficiary maintenance.

2.3 Key Policy Developments and Legislative Changes

In order to implement the changes emanating from the Social Assistance Amendment Act (16 of 2020), NDSD published the Social Assistance Regulations on 31 May 2022.

Among other things, the new regulations included the introduction of an extended child support grant for orphans. This is part of the holistic legal solution to the challenge in the foster care system where many orphaned children are cared for by members of the extended family. Previously,

these children would enter the foster care system purely to access financial support. By including them in the child support grant safety net, the process of accessing financial support will be both faster and administratively easier. A further significant change introduced is that children who head a child-headed household, where such child is aged between 16 and 18 years, now qualifies for the child support grant for him/herself as well as the children in his/her care. The regulations also bring the COVID-19 SRD grant of R350 per month into the social assistance safety net, and lift these out of the Disaster Regulations.

2.4 Progress Towards Achievement of Institutional Impacts and Outcomes

SASSA's strategic outcomes as published in the 2020 – 2025 Strategic Plan remain unchanged; they are:

Reduced poverty levels

This outcome entails improving social grants coverage, it deals with exclusion errors, particularly for children under the age of one year and the provision of temporary relief to families experiencing undue hardship (focusing primarily on disasters, fires, death of a provider, etc.). Similarly, the work of SASSA included in the 2019 – 2024 MTSF revolves around this outcome, as is reported accordingly through the Department of Social Development.

In the past three financial years, 2020/21 – 2022/23, SASSA managed to increase the social grants in payment from 18 440 572 at the end of March 2020 to 18 829 716 at the end of March 2023. In consideration of the perpetual unemployment rate facing South Africa and the impact of the COVID-19 pandemic that left a number of citizens without an income, the number of social grants processed by SASSA is expected to remain on the increase.

Furthermore, SASSA was tasked with the administration of the COVID-19 SRD grant that has brought in new beneficiaries amounting to more than 8,5 million at the end of March 2023. This has increased the number of citizens relying on social transfers to about 45% of the population. Towards closing the exclusion gap, particularly for children under one year old, a specific target is being included in the SASSA APPs in the five-year period of the strategic plan. By the end of March 2023, 509 430 children within this cohort were in receipt of children's grants against the 2022 mid-year population. This represents approximately 66% of the eligible population.



Economic transformation – empowered individuals and sustainable communities

This outcome aims at facilitating access to development and economic opportunities for social grant beneficiaries towards self-sufficiency. In the past two years, SASSA has worked with the Department of Basic Education and NSFAS towards assisting those who are/were social assistance beneficiaries financially to further their tertiary education without subjecting them to further means tests. In the three years, more than 1,7 million beneficiaries who wrote the matric examinations were referred to NSFAS and DSD for financial assistance.

In September 2021, SASSA initiated discussions with Sasol Limited to explore options for a partnership that could leverage existing opportunities in Sasol programmes to create economic opportunities for grant beneficiaries. In the process, the “Bridge to Work” umbrella programme was selected for this partnership, and a formal three year agreement (Memorandum of Understanding) has now been signed between SASSA and Sasol on 30 August 2022.

Among SASSA's role is to verify/confirm that participants are indeed grant beneficiaries and avail SASSA offices for the sharing of information and recruitment of participants.

The partnership will be piloted in Secunda and Sasolburg, these are areas where Sasol has its existing operations. The project will run in cycles of 6 – 18 months and will consist of the three elements, namely,

1. Technical Training;
2. Business Development; and
3. Mentorship and Coaching.

By end of March 2023, there were more than 50 active and inactive social grant beneficiaries participating in the various projects which were at different levels of implementation.

Improved customer experience

The implementation of this outcome is intended to improve the quality of services provided and ensure customers are not inconvenienced. This covers the gradual reduction of time taken to process social grant applications as well as the time taken to resolve customers' enquiries and disputes. SASSA's target in the five-year period is to gradually improve the turnaround time for processing social grant applications to one day. SASSA is likely to realise this target as the majority of the applications taken through face-to-face interactions are finalised within one day. During the past three years, the time taken to resolve

enquiries was reduced from 21 days to 10 days. Regarding the disputes, a similar trajectory was observed where the time taken to resolve customers' disputes was reduced from 21 days to 14 days.

Improved organisational efficiencies

The focus of this outcome is on improving institutional capability in order to address challenges that require SASSA's attention, including the shortage of critical skills and the automation of business processes. In 2020, a skills audit exercise was completed for SASSA's Executives and General Managers, skills gaps were identified, and training was provided.

SASSA has prioritised the automation of its manual business processes, these include the scanning of beneficiaries' records and the introduction of the Online Grant Applications Solution. The Online Grant Applications Solution was implemented for the following grant types: CSG, FCG, OAG and COVID-19 SRD grants. In the 2021/22 financial year, a total of 191 140 applications were received through the online platform, and 158 743 were finalised. In the 2022/23 financial year, a total of 22 405 applications were received through the online platform, and 17 016 were finalised within ten days. Furthermore, an Online Booking System for medical assessment for Temporary Disability Grants was developed, piloted in the Western Cape, and implemented in all regions.

A Queue Management System was implemented in 23 local offices in 2022/23 to manage the customers' waiting experience throughout their entire journey, from pre- to post-services, to facilitate the customers' access and improve the service delivered.





3. INSTITUTIONAL PROGRAMME: PERFORMANCE INFORMATION

3.1 Programme 1: Administration

3.1.1 Purpose

To provide leadership, management, and support services to SASSA.

3.1.2 Description

This programme aims to ensure effective leadership and administrative support services within SASSA. The programme consists of the following sub-programmes:

- **Executive Management:** This sub-programme comprises the Office of the CEO and related support services, including Fraud and Compliance Management, Communication and Marketing and Legal Services.
- **Internal Audit and Risk Management:** This sub-programme is responsible for providing internal audit assurance and risk management services.
- **Corporate Services:** The main responsibility of this sub-programme is to provide corporate support services to the organisation. It comprises Human Capital Management, Facilities Management, Security Services and Auxiliary Support Services. The sub-programme is also responsible for ensuring the provision and maintenance of suitable office space, lease administration and cleaning services.
- **Financial Management:** The sub-programme prepares financial plans and monitors national and regional budgets and expenditure. It is also responsible for managing the Agency's accounting and procurement system.
- **Information and Communication Technology (ICT):** This sub-programme ensures the development of ICT systems to support key business processes and effective utilisation of related solutions.
- **Strategy and Business Development:** This sub-programme is responsible for effective planning, improving operational efficiency and overseeing implementation of policies through monitoring and evaluation as well as the development of new products.

3.1.3 Outcomes Relevant to Programme 1

- Economic transformation – empowered individuals and sustainable communities;
- Improved customer experience; and
- Improved organisational efficiencies.

3.1.4 Key Achievements

Programme 1 had 17 targets planned for this financial year, of which 13 (76%) were achieved.

During the period under review, AGSA undertook an audit for the 2021/22 financial year of both AFS and Predetermined Objectives in which an unqualified audit was obtained. There was, however, a material finding on the usefulness and reliability of the reported performance information. The finding has since been addressed and reporting on the affected indicator is now streamlined accordingly.

Towards enhancing the efficiency and effectiveness of fraud prevention, detection, investigation and resolution within SASSA, a total of 487 cases of fraud and corruption were reported during the reporting period. SASSA investigated and finalised 96% (469 of 487) of these cases against a target of 80%.

The implementation of consequence management resulted in 95% (164 of 173) of financial misconduct cases (current) being finalised, 79% (227 of 287) of labour relations cases were also finalised, reflecting an overachievement of the planned targets of 75% and 60%, respectively. Effective consequence management serves as a deterrent to prevent further misdemeanours.

During the reporting period, positive results were recorded under the automated and digitised business processes initiatives. The new web-based front-end for the SOCPEN system was implemented in all regions to enable the processing of the Child Support Grant, Foster Child Grant, and Old Age Grant applications. System interfaces were established with various government databases through API to enable communication with SOCPEN. Interfaces were completed with the following institutions: GEPI, UIF, and COGTA.

Table 4: Programme 1: Administration - Report against the Tabled Annual Performance Plan

Programme 1: Administration							
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023
							Deviation from Planned Target to Actual Achievement for 2022/23
							Reasons for Deviations
1.	Improved organisational efficiency	Effective financial management	Unqualified audit outcome received	Achieved SASSA's Annual Financial Statements were compiled and submitted to AGSA and National Treasury on 31 July 2020 for audit purposes. SASSA received an unqualified audit opinion for the 2019/20 financial year.	Achieved SASSA received an unqualified Audit opinion for the 2020/21 Financial year.	Unqualified audit outcome received	Achieved SASSA received an unqualified Audit opinion for the 2021/22 Financial year.
2.	Improved organisational efficiency	Cost of administering social grants	Average cost of administering social assistance	Achieved Average cost of administering social assistance was R32 per beneficiary {R7 billion (administrative budget)/18 million (number of beneficiaries)}/12 months.	Achieved Average cost of administering social assistance was R21.36 per beneficiary. The total SASSA's administrative expenditure was R7.4 billion and there were 28 957 million (18.7 million normal grants plus 10.2 million COVID-19 special relief grant) beneficiaries at the end of March 2022.	Average cost of administering social assistance projected at below R37	Achieved Average cost of administering social assistance was R22 per beneficiary. The total SASSA's administrative expenditure was R7.2 billion and there were 27.3 million (18.8 million normal grants plus 8.5 million COVID-19 SRD grant) beneficiaries at the end of March 2023.
							R15
							Significant number of beneficiaries opted to receive their benefits through the National Payment System (i.e., ATMs, POS) instead of over the counter and Traditional Cash Way-points (method determined by SASSA) and the NPS payment channels are less expensive compared to other channels of payment.



Programme 1: Administration								
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/23
3.	Improved organisational efficiency	Cost of administering social grants	Administration cost as a percentage of social assistance transfers' budget	Achieved Administration cost of social assistance transfers budget was 3.17% of the total social grants budget: {R7 billion (administrative budget/R221 billion (social assistance budget))}.	Achieved Administration cost of social assistance transfers budget was 3.3% of the total social grants budget. SASSA's administrative expenditure was R7,4 billion against R222,6 billion social assistance' actual expenditure.	Administration cost as a percentage of social assistance transfers budget projected at below 5%	Achieved Administration cost of social assistance transfers budget was 3.1% of the total social grants budget. SASSA's administrative expenditure was R7,2 billion against R233 billion social assistance' actual expenditure.	1.9%
								<p>Total Annual social assistance grants expenditure including the COVID-19 SRD grant amounting to R233 billion.</p> <p>Increase in social assistance budget allocation from R223 billion in 2021/22 to R233 billion in 2022/23.</p> <p>Decrease of SASSA administration budget (administration budget for COVID-19 SRD grant) amounting to R500 million was allocated in 2021/22 only.</p>

Programme 1: Administration								
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/23
4.	Improved organisational efficiency	Effective financial management	Percentage of social assistance debts covered	<p>Not achieved</p> <p>1.17% (R8 042 489.41 of R686 443 065.51) of social assistance debts was recovered. The 5% target equates to R34 322 153.28.</p>	<p>Not achieved</p> <p>1.07% (R7 942 441.49 of R741 778 297.68) of social assistance debts were recovered. In addition, SASSA submitted a total of R315 million for write off.</p> <p>A collective achievement from the nine regions is detailed below.</p>	<p>5% of social assistance debts recovered and/or submitted for write-off.</p>	<p>Achieved</p> <p>43.75% (R345 million of R789 million) of social assistance debts were recovered and submitted for a write-off to the Department of Social Development and National Treasury.</p> <p>Recovery = R11 million</p> <p>Write-off submitted and approved = R334 million (R328 million actual write-off)</p> <p>A collective achievement from the nine regions is detailed below.</p>	<p>38.75%</p> <p>The significant achievement is attributed to the R334 million social assistance debt write-off that was submitted to the National Department of Social Development and National Treasury, and subsequently approved.</p>



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Programme 1: Administration																																																																																																																																																									
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6.	Improved organi- sational efficiency	Conse- quence man- agement measures imple- mented	Percent- age of financial misconduct cases finalised (backlog)	Not achieved 35.34% (434 of 1 228) backlog cases were final- ised.	Not achieved 88.47% (829 of 937) of financial misconduct cases were finalised (backlog). This is a collective achieve- ment from the nine regions as detailed below.	95% of financial miscon- duct cases finalised (backlog)	Not achieved 84.77% (167 of 197) of financial misconduct (back- log) cases were finalised. This is a collective achieve- ment from the nine regions as detailed below.	(10.23%)	Although the Agency had developed and implemented a project plan which was monitored regularly there were delays in the investigation, resolution, and implementation of disciplinary corrective measures due to the com- plexity of some cases.																																																																																																																																																
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				<table><tr><th>Location</th><th>Reported</th><th>Finalised</th><th>Percentage</th></tr><tr><td>HO</td><td>105</td><td>28</td><td>26.67</td></tr><tr><td>EC</td><td>179</td><td>142</td><td>79.33</td></tr><tr><td>FS</td><td>81</td><td>47</td><td>58.02</td></tr><tr><td>GP</td><td>199</td><td>19</td><td>7.54</td></tr><tr><td>KZN</td><td>222</td><td>71</td><td>31.53</td></tr><tr><td>LP</td><td>9</td><td>9</td><td>100</td></tr><tr><td>MP</td><td>137</td><td>3</td><td>2.19</td></tr><tr><td>NC</td><td>68</td><td>23</td><td>33.82</td></tr><tr><td>NW</td><td>24</td><td>4</td><td>16.67</td></tr><tr><td>WC</td><td>204</td><td>88</td><td>43.14</td></tr><tr><td>Total</td><td>1 228</td><td>434</td><td>35.34</td></tr></table>	Location	Reported	Finalised	Percentage	HO	105	28	26.67	EC	179	142	79.33	FS	81	47	58.02	GP	199	19	7.54	KZN	222	71	31.53	LP	9	9	100	MP	137	3	2.19	NC	68	23	33.82	NW	24	4	16.67	WC	204	88	43.14	Total	1 228	434	35.34	<table><tr><th>Location</th><th>Reported</th><th>Finalised</th><th>Percentage</th></tr><tr><td>HO</td><td>81</td><td>63</td><td>77.78</td></tr><tr><td>EC</td><td>112</td><td>77</td><td>68.75</td></tr><tr><td>FS</td><td>37</td><td>36</td><td>97.30</td></tr><tr><td>GP</td><td>193</td><td>168</td><td>87.05</td></tr><tr><td>KZN</td><td>155</td><td>152</td><td>98.06</td></tr><tr><td>LP</td><td>2</td><td>2</td><td>100.00</td></tr><tr><td>MP</td><td>134</td><td>134</td><td>100.00</td></tr><tr><td>NC</td><td>57</td><td>51</td><td>89.47</td></tr><tr><td>NW</td><td>23</td><td>19</td><td>82.61</td></tr><tr><td>WC</td><td>143</td><td>127</td><td>88.81</td></tr><tr><td>Total</td><td>937</td><td>829</td><td>88.47</td></tr></table>	Location	Reported	Finalised	Percentage	HO	81	63	77.78	EC	112	77	68.75	FS	37	36	97.30	GP	193	168	87.05	KZN	155	152	98.06	LP	2	2	100.00	MP	134	134	100.00	NC	57	51	89.47	NW	23	19	82.61	WC	143	127	88.81	Total	937	829	88.47	<table><tr><th>Location</th><th>Reported</th><th>Finalised</th><th>Percentage</th></tr><tr><td>HO</td><td>20</td><td>9</td><td>45.00</td></tr><tr><td>EC</td><td>51</td><td>49</td><td>96.08</td></tr><tr><td>FS</td><td>10</td><td>9</td><td>90.00</td></tr><tr><td>GP</td><td>31</td><td>23</td><td>74.19</td></tr><tr><td>KZN</td><td>5</td><td>5</td><td>100.00</td></tr><tr><td>LP</td><td>2</td><td>2</td><td>100.00</td></tr><tr><td>MP</td><td>3</td><td>3</td><td>100.00</td></tr><tr><td>NC</td><td>11</td><td>9</td><td>81.82</td></tr><tr><td>NW</td><td>7</td><td>6</td><td>85.71</td></tr><tr><td>WC</td><td>57</td><td>52</td><td>91.23</td></tr><tr><td>Total</td><td>197</td><td>167</td><td>84.77</td></tr></table>				Location	Reported	Finalised	Percentage	HO	20	9	45.00	EC	51	49	96.08	FS	10	9	90.00	GP	31	23	74.19	KZN	5	5	100.00	LP	2	2	100.00	MP	3	3	100.00	NC	11	9	81.82	NW	7	6	85.71	WC	57	52	91.23	Total	197	167	84.77
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7.	Improved organisational efficiency	Consequence management measures implemented	Percentage of reported fraud and corruption cases investigated and finalised	<ul style="list-style-type: none"> Of the total misconduct cases, 894 were irregular expenditure cases. <ul style="list-style-type: none"> 512 irregular expenditure cases were referred to National Treasury for condonement, of which 302 were condoned during the year under review. The feedback remained outstanding at the end of March 2020 for the 210 cases. The balance of 382 cases were still being considered internally through labour relations processes to institute consequence management. 	<ul style="list-style-type: none"> Of the total misconduct cases, 771 were irregular expenditure cases. <ul style="list-style-type: none"> National Treasury condoned 343 cases of irregular expenditure, 9 cases were cleared, and it is still considering 230 cases of irregular expenditure submitted for condonation during the year under review. The balance of 189 irregular expenditure cases was still being considered internally through labour relations process to institute consequence management. 	80% of reported fraud and corruption cases investigated and finalised.	Achieved 96.30% (469 of 487) reported fraud and corruption cases were investigated and finalised. The cases involved were dominated by fraudulent CSG, SRD, DG, and OAG. This is a collective achievement from the nine regions as detailed below.	16.30%	Improved case management strategy leading to fast-tracking of investigations to ensure compliance with performance target.

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8.	Improved organisational efficiency	Consequence management measures implemented	Percentage of labour relations cases finalised (misconduct and grievance cases)	<p>Achieved 67% (148 of 221) of labour relations cases were finalised (these were cases received during the reporting period).</p> <p>Additional to 67% achievement, there were 51 carried-over cases from the previous financial years, which were finalised. This increased the overall achievement of cases from 148 to 199, thereby increasing the overall percentage to 90% (199 of 221) of these cases, 145 were misconduct and 54 grievances.</p>	<p>Achieved 80.27% (179 of 223) of labour relations cases were finalised.</p> <p>Additional to 80% achievement, there were 48 carried-over cases from the previous financial year which were finalised. This increased overall achievement of cases from 179 to 227, thereby increasing the overall percentage to 102% (227 of 223).</p> <p>A collective achievement (i.e., cases finalised) from the nine regions is detailed below.</p>	60% of labour relations cases finalised.	<p>Achieved 79% (227 of 287) of labour relations cases were finalised.</p> <p>A collective achievement (i.e., cases finalised) from the nine regions is detailed below.</p>	19.09%
							<p>Most cases were finalised informally (between supervisors and subordinates without setting up disciplinary hearings) within a short period.</p>	



Programme 1: Administration																																																																																																																																																								
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					NB : Outcomes of grievances are not included in the list of sanctions cited above; they are dealt with at different levels.																											
9.	Improved organisational efficiency	Improved management of physical infrastructure	Office accommodation improvement strategy developed and implemented	-	-	Office accommodation improvement strategy developed and implemented in 18 offices (2 per region) focusing on: <ul style="list-style-type: none">Physical accessibilityBrandingDignity servicesNetwork connectivity	Not Achieved Office accommodation improvement strategy was developed and implemented in 13 of 18 offices as detailed below. <table><tr><th>Region</th><th>Local Offices</th></tr><tr><td>EC</td><td>Nil</td></tr><tr><td>FS</td><td><ul style="list-style-type: none">Ladybrand Local OfficeJagersfontein Local Office</td></tr><tr><td>GP</td><td><ul style="list-style-type: none">Orlando West Local OfficeThokoza Local Office</td></tr><tr><td>KZN</td><td><ul style="list-style-type: none">Msinga Local OfficeKranskop Local Office</td></tr><tr><td>LP</td><td><ul style="list-style-type: none">Ceres Local OfficeApel Local Office</td></tr><tr><td>MP</td><td>Nil</td></tr><tr><td>NC</td><td>Port Nolloth Local Office</td></tr><tr><td>NW</td><td>Mantlere Service Office</td></tr><tr><td>WC</td><td><ul style="list-style-type: none">Wynberg Local OfficeRobertson Thusing Centre</td></tr><tr><td>Total</td><td colspan="2">= 13 offices</td></tr></table>	Region	Local Offices	EC	Nil	FS	<ul style="list-style-type: none">Ladybrand Local OfficeJagersfontein Local Office	GP	<ul style="list-style-type: none">Orlando West Local OfficeThokoza Local Office	KZN	<ul style="list-style-type: none">Msinga Local OfficeKranskop Local Office	LP	<ul style="list-style-type: none">Ceres Local OfficeApel Local Office	MP	Nil	NC	Port Nolloth Local Office	NW	Mantlere Service Office	WC	<ul style="list-style-type: none">Wynberg Local OfficeRobertson Thusing Centre	Total	= 13 offices		(5 offices)	The underachievement was due to the following: <ul style="list-style-type: none">Poor performance by a service provider, leading to the termination of the contract with the service provider (EC);There were delays in the finalisation of tenant installations (MP);
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10.	Improved organisational efficiency	Implementation of organisational transformation interventions	Organisational transformation interventions implemented: <ul style="list-style-type: none"> Business Process Reengineering (BPR) 	Achieved Skills Audit for General and Executive Managers was conducted, and Skills Development report developed.	Achieved The project plan for Change Management and Culture survey was developed and signed-off, a steering committee was appointed, a group of 10 Change Agents were identified and selected to undergo training. Culture and Ability Blueprint surveys were undertaken for the whole organisation, and following the results of the survey:	Reviewed business processes approved.	Not Achieved <ul style="list-style-type: none"> Operating model roadshows were conducted; Draft Macro Organisational structure was developed; Delegation of Authority was drafted; Business Process costing was developed and completed; SOPs were developed; 	BPR full Blueprint report was not finalised and adopted.	<ul style="list-style-type: none"> Delay by landlords in the signing of SLA to grant permission for the renovations (NC and NW); and Cancellation of bids due to non-compliance thereby resulting in a re-advertisement of the tender (NW).
								<ul style="list-style-type: none"> Consultation process for some key project activities took longer as a result affecting the timelines. 	



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				<p>Not achieved The Terms of Reference for the Change Management tender was reviewed and enhanced to include the culture survey.</p> <p>The tender was awarded, and contracting discussions completed.</p>	<ul style="list-style-type: none"> Consultations with management and staff throughout the Agency were embarked on; Change Agents completed their Blueprint and TP5.0 accreditation; EMs, GMs and Senior Managers attended training sessions on various aspects of change management; 		<ul style="list-style-type: none"> However, reviewed business processes were not approved. 	
				<p>Not Achieved The project was merged with the Change Management programme.</p> <p>The Terms of Reference for the Change Management tender was reviewed and enhanced to include the culture survey.</p>				
				<p>Not achieved The Terms of Reference was approved, tender advertised and evaluated.</p>				

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				<p>Not achieved</p> <p>The Terms of Reference was approved, tender advertised and evaluated.</p> <p>The tender was considered by Bid Adjudication Committee (BAC) however, it was referred back to the Evaluation Committee for consideration of BAC inputs.</p>	<ul style="list-style-type: none"> Coaching sessions for EMs and GMs were also undertaken, following their Personal Blueprint assessments by themselves and direct reports; and A draft SASSA's Strategy on a Page (SOAP) was developed. 			
				<p>Achieved</p> <p>Digital Transformation Strategy was developed and approved.</p>	<p>Achieved</p> <ul style="list-style-type: none"> The service provider was appointed and contracting completed; Project Plan was agreed upon and signed off; Site visits were conducted across regions; Monitoring and evaluation tool was developed; and SASSA's As-Is report was developed and finalised. 			

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11.	Improved organi- sational efficiency	Capaci- tation of SASSA for optimum perfor- mance	Percent- age of vacant funded posts filled	-	-	90% of va- cant funded posts filled.	Achieved 96% (7 543 of 7 875) of vacant funded posts were filled. Performance Breakdown: <table><tr><th>Region</th><th>Funded Posts</th><th>Posts Filled</th><th>Percentage (%)</th></tr><tr><td>HO</td><td>398</td><td>375</td><td>94</td></tr><tr><td>EC</td><td>1 271</td><td>1 241</td><td>98</td></tr><tr><td>FS</td><td>536</td><td>517</td><td>96</td></tr><tr><td>GP</td><td>869</td><td>832</td><td>96</td></tr><tr><td>KZN</td><td>1 471</td><td>1 434</td><td>97</td></tr><tr><td>LP</td><td>843</td><td>794</td><td>94</td></tr><tr><td>MP</td><td>581</td><td>541</td><td>93</td></tr><tr><td>NC</td><td>528</td><td>493</td><td>93</td></tr><tr><td>NW</td><td>643</td><td>626</td><td>97</td></tr><tr><td>WC</td><td>735</td><td>690</td><td>94</td></tr><tr><td>Total</td><td>7 875</td><td>7 543</td><td>96</td></tr></table>	Region	Funded Posts	Posts Filled	Percentage (%)	HO	398	375	94	EC	1 271	1 241	98	FS	536	517	96	GP	869	832	96	KZN	1 471	1 434	97	LP	843	794	94	MP	581	541	93	NC	528	493	93	NW	643	626	97	WC	735	690	94	Total	7 875	7 543	96	6%	Improved implementation of recruitment strategy.
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12.	Improved organi- sational efficiency	Capaci- tation of SASSA for optimum perfor- mance	Draft Or- gani- sational Structures developed	-	-	Draft Or- gani- sational Structures developed based on the BPR project.	Not Achieved Draft Operating Model and Options for the High-level Organisational Structure was developed by BPR Team - pending EXCO approval.	Draft Or- gani- sational Structures were not developed based on the BPR project. Consultation process for some key BPR project activities took longer as a result affecting the time- lines for the development of the draft organisational structures.																																																	



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13.	Economic transformation – Empowered individuals and sustainable communities	Economic opportunities for SMME's and Cooperatives	Procurement spent through SMMEs and Cooperatives on goods and services	Achieved 46.44% (R189 million of R407 million) of the total SRD rand value was awarded through cooperatives and SMMEs. This is a collective achievement from the nine regions.	Not Achieved 21.50% (R84 million of R391 million) of total SRD rand value was awarded through cooperatives and SMMEs.	Report on procure- ment spent through SMME and Cooper- atives on goods and services budget.	Achieved A report was compiled on procurement spent through SMME and Cooperatives on goods and services budget. <ul style="list-style-type: none">Overall, SASSA procured and awarded goods and services in 2022/23 amounting to R302 million.R270million was awarded to SMMEs and EMEs.A significant amount was allocated for women and young people (R155 million).Actual expenditure as at end of March is 9% of the goods and services.	None	None																																												
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14.	Improved organisational efficiency	Automated and digitised business processes: Migration from legacy systems	Automated and digitised business processes: Migration from legacy systems	Achieved Business case was developed, and the system was enhanced to accommodate the payment of the COVID-19 special relief grant. Technical support was provided for the stabilisation of the system.	Not Achieved The proposed roadmap for migration from Legacy systems to ERP platform was presented to EXCO in December 2021. The roadmap was proposing the use of alternative technologies and replacement of the Legacy system.	Integration of new technology with legacy system: Implementation of a web-based front-end.	Achieved The new web based front-end solution was implemented to integrate the online application system with SOCPEN for the processing of CSG, FCG and OAG.
15.	Improved organisational efficiency	Automated and digitised business processes: data exchange	Interfaces with various government databases established to verify income means	-	Achieved Interfaces with the Department of Labour (UIF), GPAA (GEPI), NSFAS and the Department of Correctional Services were established to verify income means. The focus of the activities during this reporting period had been on signing the Memorandum of Understanding (MOU's) with the identified institutions and sharing of information that was used to validate Covid-19 SRD grant applications.	System interfaces implemented with government institutions where agreements (MOUs) were completed in the 2021/22 financial year.	Achieved System interfaces were established with various government databases through API to enable communication with SOCPEN. Interfaces were completed with the following institutions: GEPI, UIF, and COGTA.



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16.	Improved organisational efficiency	Fraud and corruption detection	Suspected fraud detected and referred to relevant stakeholders (e.g., Grant Administration, SAPO and Banks) for corrective action	<p>Achieved</p> <p>SAPO employees were matched against the SOCOPEN system:</p> <p>A total of 1 768 grants were suspended except for the Foster Child and Combination grants. This action resulted in SASSA saving approximately R2 million per month.</p> <p>Beneficiaries who transacted outside South Africa:</p> <p>4 726 grants for beneficiaries who transacted outside South Africa during lockdown were suspended. Resulting in a saving of approximately R7 million per month.</p> <p>Matching of COVID-19 SRD applicants against the databases of various entities:</p> <p>The matching of COVID-19 SRD applicants against the databases of various entities has resulted in the identification and declining of 8 347 878 as follows:</p> <ul style="list-style-type: none"> 4 547 709 – UIF; 	<p>Achieved</p> <p>Suspected fraud was detected and referred to relevant stakeholders.</p> <p>Fraudulent disability grants in Limpopo:</p> <p>Sixty-five disability grants were detected to be possible fraudulent cases whereby fraudulent referral documents were used.</p> <ul style="list-style-type: none"> There were 44 grants recommended for suspension and were under internal and criminal investigation processes at the end of the reporting period. 21 of these grants were cleared. <p>Suspicious illegal SASSA office in Gauteng: A suspect, in collusion with two SASSA officials, was charging applicants R4 300 for fraudulent application of disability and old age grants. A total of 154 ID numbers were found in the diary of the suspect. Further internal and criminal investigations are being conducted.</p>	Suspected fraud detected and referred to relevant stakeholders (e.g., Grant Administration, SAPO and Banks) for corrective action.	<p>Achieved</p> <p>Suspected fraud was detected and referred to relevant stakeholders (e.g., Grant Administration, SAPO and Banks) for corrective action.</p> <p>Change of banking details at Head Office Supply Chain Management:</p> <p>During May 2022, it was detected that a suppliers' banking details had been changed by an official without documentary evidence, whereby an amount of R728 000 was paid into an account that is not that of an approved supplier. Investigations were conducted and the matter was also reported to SAPS for criminal investigations. Subsequently, one official was suspended pending the finalisation of the investigations.</p> <p>Fraudulent activities at Department of Health facilities Western Cape:</p> <p>A preliminary investigation discovered that 37 beneficiaries were involved in fraudulent activities involving fraudulent medical records to apply for disability grants.</p>	None

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				<ul style="list-style-type: none">2 813 298 in receipt of social grants;86 620 - Outside the age range;767 166 NSFAS funding recipients;124 262 – Government employees with PERSAL numbers;8 823 – PERSAL/ Receiving Pension Fund. <p>Cases reported through the Hotline:</p> <p>495 suspected fraud cases were received through the hotline.</p> <p>Correctional Services inmates:</p> <p>105 active Correctional Services inmates were found to be receiving grants (48 DG and 32 OAG and 25 child grants). The grants were cancelled, resulting in SASSA saving R160 520 per month.</p>	<p>COVID-19 Special Relief grant:</p> <p>The matching of COVID-19 SRD grant applicants against the databases of various entities has resulted in the identification and declining of 16 460 156 applications.</p> <p>These were:</p> <table><tr><td>UIF</td><td>8 293 801</td></tr><tr><td>Social grant recipients</td><td>1 237 584</td></tr><tr><td>NSFAS</td><td>1 001 690</td></tr><tr><td>Outside age range</td><td>320 383</td></tr><tr><td>On the government payroll Register</td><td>384 756</td></tr><tr><td>Receiving government pension</td><td>43 082</td></tr><tr><td>IRP5 registered</td><td>881 111</td></tr><tr><td>Grant debtors</td><td>70 201</td></tr><tr><td>Alternative income</td><td>2 989 771</td></tr><tr><td>Failed verification of ID</td><td>1 187 390</td></tr><tr><td>Invalid ID</td><td>39 853</td></tr><tr><td>In a government facility</td><td>4 325</td></tr><tr><td>Sports relief</td><td>22</td></tr><tr><td>Spaza Shop relief</td><td>1 087</td></tr><tr><td>Farmer relief</td><td>2 217</td></tr><tr><td>Seta intern</td><td>2 883</td></tr><tr><td>Totals</td><td>16 460 156</td></tr></table>	UIF	8 293 801	Social grant recipients	1 237 584	NSFAS	1 001 690	Outside age range	320 383	On the government payroll Register	384 756	Receiving government pension	43 082	IRP5 registered	881 111	Grant debtors	70 201	Alternative income	2 989 771	Failed verification of ID	1 187 390	Invalid ID	39 853	In a government facility	4 325	Sports relief	22	Spaza Shop relief	1 087	Farmer relief	2 217	Seta intern	2 883	Totals	16 460 156		18 of the applications stopped before capturing on SOCPEN, and the 19 that were already on payment system were lapsed and placed under investigations status. The matter was referred to the Police.	Fraudulent Disability grant at Fezile Dabi District Sasolburg and Para Local Office: During the month of August 2022, SASSA detected that there were 171 disability grant applications of which the referral letters in the applications appeared to be fraudulent. The grants were all suspended and placed under investigation (U4 status). The matter was referred to SAPS for further investigations.	In Gauteng, 82 fraudulent disability grants were de- tected through verification of medical assessment referral forms with hospitals/clinics. These transactions were processed at the following Local Offices in Gauteng: Pretoria (42), Thokoza (20), Soshanguve (6) and Tembisa (14).
UIF	8 293 801																																										
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				<p>Fraud committed by SASSA officials:</p> <p>Three EC SASSA officials issued 188 fraudulent grants to members of the public without their knowledge. The grants were lapsed with a potential saving of R300 000 per month.</p> <p>Three SASSA officials were arrested in Limpopo in February 2021 for defrauding the Agency.</p> <p>36 SASSA officials and 24 service provider personnel consisting of 14 cleaners and 10 security guards failed to inform the Agency about changes in their financial circumstances.</p> <p>City of Johannesburg officials (cleaners and security):</p> <p>148 City of Johannesburg officials (cleaners and security) were found to be on the COVID-19 Special Relief grant database and cancelled. Others were being investigated.</p>	<p>Public Service Commission and Fraud Hotline.</p> <p>A total of 571 cases were received through the fraud hotline and handled as follows:</p> <table><tr><td>Referred to Benefits Administration and Support for review.</td><td>161</td></tr><tr><td>Referred to SAPO.</td><td>42</td></tr><tr><td>COVID-19 cases</td><td>147</td></tr><tr><td>Referred to Regions for investigation.</td><td>52</td></tr><tr><td>Closed with no elements of fraud.</td><td>169</td></tr><tr><td>Total</td><td>571</td></tr></table>	Referred to Benefits Administration and Support for review.	161	Referred to SAPO.	42	COVID-19 cases	147	Referred to Regions for investigation.	52	Closed with no elements of fraud.	169	Total	571			The cases or transactions were referred to for further investigations and possible lapsing/cancellation of grants.	<p>Fraudulent Quad (7777) cases at the South African Post Office (SAPO) in Pretoria:</p> <p>In September 2020, irregularities were detected in the application and payment of Quad (7777) that implicated foreign nationals who applied at various SASSA offices but submitted the same asylum seeker document. The detection led to 6800 Quad (7777) accounts that were blocked by SAPO and was escalated to the SAPS in Gauteng and culminated in the arrest of two foreign nationals.</p> <p>Two hundred and three (203) transactions were identified as suspected ID fraud in Limpopo:</p>		
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				<p>Information of beneficiaries on MIS/BRM</p> <p>436 beneficiaries of active permanent disability grants could not be found on the MIS/BRM in Eastern Cape; Western Cape, and Free State region. These grants were not verified and reviewed in accordance with the SOCPEN review dates.</p> <p>Others:</p> <p>17 beneficiaries were arrested in Limpopo in February 2021 for defrauding the Agency.</p>			<p>The cases of alleged sharing of IDs were detected at Nebo Local Office, in Sekhukhune District. Verification of transactions (VOT) reports assessed indicated that 203 transactions suspected as ID fraud were processed by two officials.</p> <p>The identified 1 227 fraudulent accounts, wherein SASA officials were depositing money were analysed with assistance of the bank and were frozen and SASSA was able to lapse 203 old age grants transactions.</p> <p>Public Service Commission and Fraud hotline (0800 601011):</p> <p>A total of 1 050 cases were received through the fraud hotline, consisting mainly of the following categories:</p> <ul style="list-style-type: none"> • Old Age Grant • Disability Grant • Child Support Grant • Covid-19 SRD grant 	



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17.	Improved customer experience	Informed citizenry	Integrated Communication and Marketing Programmes implemented to improve customer communication	Achieved Education programmes benefitting beneficiaries were implemented on the COVID-19 pandemic, financial literacy, anti-fraud messaging and promotion of SASSA services including the benefits of receiving social grants through electronic means (through virtual communication, electronic and print media). A total of 2 103 programmes were implemented.	Achieved Education programmes benefitting beneficiaries were implemented on the COVID-19 pandemic, financial literacy, anti-fraud messaging and promotion of SASSA services including the benefits of receiving social grants through electronic means. Electronic and print media platforms were used. A total of 2 008 programmes were implemented. This is a collective achievement from the nine regions as detailed below.	Integrated Communication and Marketing Programmes implemented to improve customer communication, organisational reputation, and communication on strategic interventions.	Achieved Integrated Communication and Marketing Programmes were implemented to improve customer communication, organisational reputation and communication on strategic interventions. A total of 1 792 programmes were implemented which focused on CSG Top-Up; intake of eligible children under the age of 1 year; COVID-19 SRD grant; elimination of open cash pay points; online grant application; online medical assessment bookings; and SRD regulations. A collective achievement from the nine regions is detailed below.	None	None
							From the 1 050 cases received, 86 cases were closed as they did not contain elements of fraud. Two cases were referred to SAPO as they related to payment. Further investigations and reviews are conducted by the various units within SASSA.		



Programme 1: Administration																																																																																																																																																								
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Table 5: Strategy to overcome areas of under-performance: Programme 1 Administration

Target	Strategy
95% of financial misconduct cases finalised (backlog).	Projectise the backlog cases ensuring the investigations are completed.
Office accommodation improvement strategy developed and implemented in 18 offices (2 per region) focusing on: <ul style="list-style-type: none"> Physical accessibility Branding Dignity services Network connectivity 	Revise the project plan to include backlog and new identified offices for implementation in the next financial year.
Reviewed business processes approved.	BPR project plan to be revised and finalised in the new financial year.
Draft Organisational Structures developed based on the BPR project.	BPR project plan to be revised and finalised in the new financial year.

Table 6: Linking performance with budgets: Programme 1: Administration

Programme/ Activity/ Ob- jective	2021/22			2022/23		
	Final Appropri- ation	Actual Ex- penditure	(Over)/Under Expenditure	Final Appropri- ation	Actual Ex- penditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	2 990 666	2 664 305	326 361	3 003 836	2 780 621	223 215
Add: Non-cash items	-	109 030	(109 030)	-	90 831	(90 831)
Total	2 990 666	2 773 335	217 331	3 003 836	2 871 452	132 384

The table reconciles to both the statement of financial performance and the statement of comparison of budget and actual amounts. The figure of R2,8 billion reports on cash only while the total figure of R2,9 billion includes non-cash items.





3.2 Programme 2: Benefits Administration and Support

3.2.1 Purpose

The Benefits Administration and Support Programme provides a grant administration service and ensures that operations within SASSA are integrated. The programme manages the full function of grant administration from application to approval, as well as beneficiary maintenance.

The programme is responsible for the core business of SASSA and ensures implementation of the full value chain of grants administration. The functions relating to this programme cut across all levels within the Agency, including day-to-day interface with clients.

The continued need for this programme should be seen against the persistently high levels of unemployment, poverty, and inequality in the country.

3.2.2 Description

The programme aims to ensure that the Social Assistance Programme is administered in the most effective and efficient manner. The programme consists of the following processes:

- **Application Management:** Screening and attesting of each applicant; enrolment of the applicant on the system; capturing and verification of the application on the system; and quality assurance. This is done to ensure that only qualifying citizens benefit from the programme.
- **Payment Management:** Processing of payments, payments to beneficiaries, and reconciliation of payments. The in-house unit's responsibility is primarily the management of the Service Level Agreement (SLA) between SASSA and SAPO. It also manages the relationships between SASSA, the banks, and retailers, which all form an integral part of the social grant distribution network. The function is also responsible for the designation of the pay point infrastructure.
- **Beneficiary Maintenance Management:** Responsible for life certification as well as maintenance of beneficiary data, including grant reviews. The primary purpose of this unit is to ensure the integrity of data within the SASSA environment through the management of identified exceptions, as well as to ensure beneficiaries' continued eligibility once grants are in payment.

- **Policy Implementation Support:** Includes continuous development and improvement of systems and procedures, training and management of business systems that support the grant administration process.
- **Customer Care:** Responsible for promoting a customer-centric service offering to clients. It also ensures the deployment of interventions to ensure that clients can access services, especially in the most remote areas of the country, and ensures the provision of information to all SASSA's stakeholders. A primary driver of all SASSA's interventions is to promote an improved customer experience.

3.2.3 Outcomes Relevant to Programme 2: Benefits Administration and Support

- Reduced levels of poverty;
- Improved customer experience; and
- Improved organisational efficiencies.

3.2.4 Key Achievements

The Benefits Administration and Support programme had 17 planned targets for this financial year of which 13 (76%) were achieved.

SASSA planned to increase social grant uptake by 1,2 million for the period under review. In total, 1 688 045 applications were approved, representing an overachievement of 488 045. The main objective was to provide social assistance to qualifying/eligible South Africans.

The number of social grants in payment, including grant-in-aid, increased from 18 677 339 at the end of March 2022 to 18 829 716 at the end of March 2023 which represents an increase of about 0.82%.

Whilst dealing with the exclusion errors in children below the age of 1 year, the number of eligible children below the age of 1 accessing children's grants was 509 429 against the eligible population of 776 715; this represents 66% of the eligible population against a 65% target.

SASSA has played a vital role in assisting individuals, households and communities affected by disasters. The assistance is rolled out through the SRD programme. During the 2022/23 financial year, 4 321 disasters were reported, and 4 280 were responded to within the stipulated time frame of 48 hours. The role of SASSA in these disasters remains indispensable.



In the period under review, SASSA prioritised the implementation of a Queue Management System (QMS) at 18 designated local offices across the nine regions with an aim to measure time spent by beneficiaries in SASSA offices. QMS was implemented in 23 local offices.

An average of 99.99% of social grant payments were successfully processed every month and paid into the correct beneficiary accounts.

Social grant payments were monitored every month across all payment platforms. The results depict a reduction in beneficiaries paid through SAPO/Postbank and an increase in beneficiaries paid through commercial banks.

As a contribution towards improving the conditions under which SASSA serves its beneficiaries, the number of open cash pay points were reduced from 652 in the beginning of the financial year to 341 at the end of March 2023, this represents a 52% reduction.



Programme 2: Benefits Administration and Support - Report Against the Tabled Annual Performance Plan

Sub-programme 2.1: Benefits Administration

Table 7: Sub-Programme 2.1: Benefits Administration - Outcomes, Outputs, Output Indicators, Targets and Actual Achievement.

Programme 2: Benefits Administration and Support Sub-programme 2.1: Benefits Administration							
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023
18.	Reduced levels of poverty	Provision of social assistance to persons unable to support themselves and /or their dependents	Number of social grant applications approved	Achieved 1 379 634 applications for social grants were approved. This represents 115.0% achievement against the annual target. This is a collective achievement from nine regions as detailed below.	Achieved 1 583 498 applications for social grants were approved. This represents 131.96% achievement against the annual target. This is a collective achievement from nine regions as detailed below.	1 200 000 social grant applications approved.	Achieved 1 688 045 applications for social grants were approved. This represents 140.67% achievement against the target. This is a collective achievement from nine regions as detailed below.
							Deviation from Planned Target to Actual Achievement for 2022/23 488 045
							Reasons for Deviations The target is overachieved due to continuous marketing of SASSA services and outreach programmes. The increasing poverty, deteriorating economic environment and high levels of unemployment has resulted into more people meeting eligibility criteria, and their grants approved.





Programme 2: Benefits Administration and Support
Sub-programme 2.1: Benefits Administration

No.	Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/23	Reasons for Deviations			
19.	Reduced levels of poverty	Provision of social assistance to persons unable to support themselves and/or their dependents.	Number of grants in payment including Grant-in-Aid.	Achieved 18 440 572 grants including Grant-in-Aid were in payment at a cost of R199 189 billion. This represents 99.10% achievement against the target.	Achieved 18 677 339 grants including Grant-in-Aid were in payment at a cost of R190 247 billion. This represents 99.15% achievement against the target.	18 931 854 grants in Payment including Grant-in-Aid at a cost of R204 295 billion.	Achieved 18 829 716 grants including Grant-in-Aid were in payment at a cost of R202 330 billion. This represents 99.46% achievement against the target.	(102 138)	The target is affected by natural attrition in some regions, lapsing of grants due to age attainment, cancellations and death.			
										Contribution by Regions:		
											Location	No. of new social grant applications approved
											EC	181 287
											FS	79 592
											GP	236 312
											KZN	281 756
											LP	200 797
											MP	116 748
											NC	50 151
NW	99 556											
WC	133 435											
Total	1 379 634											
Contribution by Regions:												
	Location	No. of new social grant applications approved										
	EC	209 445										
	FS	92 716										
	GP	259 865										
	KZN	332 539										
	LP	213 012										
	MP	139 349										
	NC	61 126										
NW	108 192											
WC	167 254											
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Programme 2: Benefits Administration and Support Sub-programme 2.1: Benefits Administration																																																																																										
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20.	Reduced levels of poverty	Provision of social assistance to persons unable to support themselves and/or their dependents.	Number of applications for the extended CSG in payment.	-	-	191 200 applications for the extended CSG in payment (CSG Top-Up for Orphans).	Not achieved 37 416 applications for the extended CSG were in payment. This represents 19.57% achievement against the target.	(153 784)	Regulations were promulgated late in the first quarter of the financial year. This impacted the marketing of the grant resulting in the low take-up.																																																																																	



Programme 2: Benefits Administration and Support Sub-programme 2.1: Benefits Administration																															
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WC	1 999																														
Total	37 416																														
21.	Reduced levels of poverty	Implemen- tation of measures to reduce exclusions to children's social grants.	Percentage of eligible children be- low the age of 1 in re- ceipt of the children's grants.	Not Achieved 550 919 children below the age of 1 were in receipt of the children's grant. This represents 95% achievement against the target.	Not Achieved 544 237 children below the age of 1 were in receipt of the children's grant. This represents 93.83% achievement against the target.	65% of eligible chil- dren below the age of 1 in receipt of children's grants.	Achieved 65.59% (509 430 of 776 715) of eligible children below the age of 1 were in receipt of the children's grant.	0.59%	This is attributed to continuous collaborations and engage- ments with key stakehold- ers such as Department of Health and local commu- nities.																						

[illegible]



Programme 2: Benefits Administration and Support Sub-programme 2.1: Benefits Administration							
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023
22.	Reduced levels of poverty	Provision of temporary relief to individuals and households affected by disasters, undue hardships, and loss of breadwinner	Percentage of COVID-19 Special Relief grant applications processed	<p>Not Achieved 62 924 207 cumulative applications were approved, whilst 55 109 713 were paid, representing 87.58%.</p> <p>All COVID-19 Special Relief grant (R350) applications received by SASSA on a monthly basis, including existing ones, were considered new and subjected to a verification process. This resulted in 98 757 899 cumulative applications processed.</p> <p>NB: By the end of March 2021, March payments were still outstanding, pending National Treasury's approval (a detailed explanation is provided on page 23).</p>	<p>Not Achieved 126 685 470 cumulative applications were received, and 124 204 429 were processed, inclusive of Asylum Seekers and Special Permit Holders. This represents 98.04% of applications processed.</p> <p>The 126 685 470 cumulative applications received, consist of 10 000 663 for April 2021 and an additional 116 684 807 for August 2021 to March 2022.</p> <p>All COVID-19 Special Relief grant (R350) applications received by SASSA on a monthly basis, including existing ones, were considered new and subjected to a verification process. This resulted in 126 685 470 cumulative applications received, and 124 204 429 of those were processed.</p>	100% of COVID-19 special relief grant applications processed.	<p>Achieved 100% (13 826 012 of 13 826 012) COVID-19 SRD grant (R350) applications were processed.</p>
							<p>Deviation from Planned Target to Actual Achievement for 2022/23</p> <p>None</p>
							Reasons for Deviations
							None

Programme 2: Benefits Administration and Support Sub-programme 2.1: Benefits Administration										
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				Performance per month:			Performance per month			
				South Africans + Asylum Seekers and Special Permit Holders						
				Month	No. of applica- tions received	Approved	Declined	% Processed	No. of appli- cations paid	% Paid
				May '20	6 605 445	4 424 555	4 423 810	99.98		
				Jun '20	7 518 308	5 061 868	5 057 415	99.91		
				Jul '20	8 346 136	5 572 916	5 549 417	99.58		
				Aug '20	8 951 206	5 973 930	5 962 787	99.81		
				Sep '20	9 146 107	6 038 618	6 036 457	99.96		
				Oct '20	9 357 534	6 136 015	6 112 660	99.62		
				Nov '20	9 553 560	6 089 973	6 017 274	98.81		
				Dec '20	9 657 870	5 941 919	5 418 489	91.19		
				Jan '21	9 789 903	5 945 235	5 324 605	89.56		
				Feb '21	9 876 113	5 958 719	5 206 799	87.38		
				Mar '21	9 955 717	5 780 459	---	--		
				Total	98 757 899	62 924 207	55 109 713	87.58		



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23.	Reduced levels of poverty	Provision of temporary relief to indi- viduals and households affected by disasters, undue hardships, and loss of breadwin- ner	Percentage of reported disasters responded to within 48 hours	Not achieved 191 558 SRD applica- tions were awarded at a cost R224 781 million. This represents 76.32% achievement against the planned target. Contribution by Regions: <table><tr><th>Location</th><th>Target</th><th>No. SRD Applications awarded</th></tr><tr><td>EC</td><td>40 157</td><td>42 257</td></tr><tr><td>FS</td><td>15 059</td><td>15 176</td></tr><tr><td>GP</td><td>37 648</td><td>13 208</td></tr><tr><td>KZN</td><td>55 216</td><td>28 838</td></tr><tr><td>LP</td><td>35 138</td><td>39 897</td></tr><tr><td>MP</td><td>20 079</td><td>12 430</td></tr><tr><td>NC</td><td>7 530</td><td>14 120</td></tr><tr><td>NW</td><td>17 569</td><td>7 999</td></tr><tr><td>WC</td><td>22 589</td><td>17 633</td></tr><tr><td>Total</td><td>250 983</td><td>191 558</td></tr></table>	Location	Target	No. SRD Applications awarded	EC	40 157	42 257	FS	15 059	15 176	GP	37 648	13 208	KZN	55 216	28 838	LP	35 138	39 897	MP	20 079	12 430	NC	7 530	14 120	NW	17 569	7 999	WC	22 589	17 633	Total	250 983	191 558	Not achieved 167 802 SRD appli- cations were awarded at a cost of R191 755. This represents 42.93% achievement against the planned target. Total Expenditure: A total of R191 755 was committed at the end of March 2022. However, actual expenditure as at 31 March 2022 stood at R139 789 million. SRD is provided to individuals and families experiencing undue hardship to ensure their basic needs are met.	95% of reported disasters responded to within 48 hours.	Achieved 99.05% (4 280 of 4 321) of reported disas- ters were responded to within 48 hours. Contribution by Regions <table><tr><th>Region</th><th>Disasters reported</th><th>Disasters Reported within 48 hours</th><th>Percentage (%)</th></tr><tr><td>EC</td><td>376</td><td>375</td><td>99.73</td></tr><tr><td>FS</td><td>77</td><td>75</td><td>97.40</td></tr><tr><td>GP</td><td>446</td><td>443</td><td>99.33</td></tr><tr><td>KZN</td><td>134</td><td>134</td><td>100.00</td></tr><tr><td>LP</td><td>566</td><td>566</td><td>100.00</td></tr><tr><td>MP</td><td>190</td><td>190</td><td>100.00</td></tr><tr><td>NC</td><td>14</td><td>14</td><td>100.00</td></tr><tr><td>NW</td><td>1 957</td><td>1 937</td><td>98.98</td></tr><tr><td>WC</td><td>561</td><td>546</td><td>97.33</td></tr><tr><td>Total</td><td>4 321</td><td>4 280</td><td>99.05</td></tr></table>	Region	Disasters reported	Disasters Reported within 48 hours	Percentage (%)	EC	376	375	99.73	FS	77	75	97.40	GP	446	443	99.33	KZN	134	134	100.00	LP	566	566	100.00	MP	190	190	100.00	NC	14	14	100.00	NW	1 957	1 937	98.98	WC	561	546	97.33	Total	4 321	4 280	99.05	4.05%	Close col- laboration with disaster management structures at different levels. Close moni- toring and ad- herence to the set turnaround time.
Location	Target	No. SRD Applications awarded																																																																																				
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				The SRD awards were awarded as follows: Cash – 11 324 Food parcels – 158 860 Uniform – 18 221 Vouchers – 3 153 SRD is provided to individuals and families experiencing undue hardship to ensure their basic needs are met.					
24.	Improved organisational efficiency	Reduced turnaround times in social grants application process.	Percentage of new grant applications processed within stipulated timeframes. 24.1 Face-to-face new grant applications.	Achieved. 99,26% (1 482 442 of 1 493 488) of new grant applications processed within 10 days.	Achieved 98,00% (1 706 158 of 1 740 896) of new grant applications processed within 10 days. This is a collective achievement from the nine regions as detailed below.	95% of new grant applications taken through face-to-face interaction processed within 5 days.	Not achieved 89,13% (1 640 499 of 1 840 623) of new grant applications taken through face-to-face interaction were processed within 5 days. This is a collective achievement from the nine regions as detailed below.	(5,87%)	Accumulation of manual applications due to load-shedding and negative impacts on network availability.



Programme 2: Benefits Administration and Support Sub-programme 2.1: Benefits Administration																																																																																																																																												
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			24.2 Online applications (measured when ap- plication is complete, not where documents are still missing).	-	-	70% of online appli- cations processed within 10 days.	Achieved 75.93% (17 011 of 22 405) of online applica- tions were processed within 10 days. Contribution by Regions <table><thead><tr><th>Region</th><th>Received</th><th>Processed</th><th>Percent (%)</th></tr></thead><tbody><tr><td>EC</td><td>225</td><td>147</td><td>65.33</td></tr><tr><td>FS</td><td>255</td><td>215</td><td>84.31</td></tr><tr><td>GP</td><td>8 963</td><td>7 081</td><td>79.00</td></tr><tr><td>KZN</td><td>283</td><td>221</td><td>78.09</td></tr><tr><td>LP</td><td>1 673</td><td>1 362</td><td>81.41</td></tr><tr><td>MP</td><td>3 582</td><td>2 326</td><td>64.94</td></tr><tr><td>NC</td><td>149</td><td>130</td><td>87.25</td></tr><tr><td>NW</td><td>3 337</td><td>3 243</td><td>97.18</td></tr><tr><td>WC</td><td>3 938</td><td>2 286</td><td>58.05</td></tr><tr><td>Total</td><td>22 405</td><td>17 011</td><td>75.93</td></tr></tbody></table>	Region	Received	Processed	Percent (%)	EC	225	147	65.33	FS	255	215	84.31	GP	8 963	7 081	79.00	KZN	283	221	78.09	LP	1 673	1 362	81.41	MP	3 582	2 326	64.94	NC	149	130	87.25	NW	3 337	3 243	97.18	WC	3 938	2 286	58.05	Total	22 405	17 011	75.93	5.95%	Regions shared best practices in terms of managing and moni- toring online applications, and closely monitoring the process- ing of online applications within the set turnaround time.
Region	Received	Processed	Percent (%)																																																		
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25.	Improved organisational efficiency	Implementation of biometrics for users and beneficiaries towards reducing fraudulent activities	Biometric Solution for users and beneficiaries acquired and implemented	Achieved Biometric identity access management system was implemented for SOCPEN users in 391 offices. These offices are spread across all nine regions. <table><tr><th>Location</th><th>No. of Offices</th></tr><tr><td>EC</td><td>21</td></tr><tr><td>FS</td><td>25</td></tr><tr><td>GP</td><td>42</td></tr><tr><td>KZN</td><td>88</td></tr><tr><td>LP</td><td>57</td></tr><tr><td>MP</td><td>46</td></tr><tr><td>NC</td><td>59</td></tr><tr><td>NW</td><td>34</td></tr><tr><td>WC</td><td>19</td></tr><tr><td>Total</td><td>391</td></tr></table>	Location	No. of Offices	EC	21	FS	25	GP	42	KZN	88	LP	57	MP	46	NC	59	NW	34	WC	19	Total	391	Achieved Scope and Benchmarking Framework were developed, and the research was conducted. The Benchmark Research Report was presented and approved by EXCO in March 2022.	Beneficiary biometrics implemented in 4 local offices as per SNBF resolution.	Not achieved A business process for the piloting and implementation of grant application process with beneficiary biometrics through a face-to-face application channel was developed and signed-off.	Beneficiary biometrics were not implemented in four (4) local offices as per SNBF resolution.	There was no service provider for the support and maintenance of beneficiary biometrics in four biometrics system, due to non-responsive bids.
Location	No. of Offices																														
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26.	Improve customer experience	Improve the turnaround time for resolving customer enquiries	Percentage of enquiries resolved within stipulated time frame	Achieved 93.86% (300 511 of 320 177) enquiries were resolved within 21 days.	Achieved 98.06% (551 430 of 562 366) enquiries were resolved within 10 days. This is a collective achievement from the nine regions, as detailed below.	90% of enquiries resolved within 10 days.	Achieved 98.25% (632 662 of 643 931) of enquiries were resolved within 10 days. This is a collective achievement from the nine regions and Head Office, as detailed below.	8.25%	Additional capacity to the call centre was provided through an external service provider. Improved training of call centre staff (on-the-job training).																						

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					<ul style="list-style-type: none">● Grant not captured (online grant application finalisation) and● Unemployment grant.		<ul style="list-style-type: none">● Non-payment of normal grants;● Updating of banking details – request for bank form;● Appeals status;● Change of contact number due to fraudulent activities;● Qualifying criteria for R350;● Request for grant statement; and● Request for grant confirmation letter – prove for receiving grant.		
27.	Improve customer experience	Improve the turnaround time for resolving customer disputes	Percentage of disputes resolved within stip- ulated time frames	Achieved 80.82% (59 of 73) of disputes resolved within 21 days.	Achieved 94.39% (21 378 of 22 649) of disputes re- solved within 14 days. This is a collective achievement from the nine regions as detailed below.	60% of disputes resolved within 14 days.	Achieved 97.80% (12 331 of 12 608) of disputes were resolved within 14 days. This is a collective achievement from the nine regions and Head Office as detailed below.	37.80%	



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					<p>The most frequent disputes for 2021/22 financial year include:</p> <ul style="list-style-type: none"> Declined COVID-19 special relief grant; Dispute withdrawals from SASSA/SAPO account; Funeral Policy premium disputes; and Card Cancellation and re-issue. 		<p>The most frequent disputes for 2022/23 financial year include:</p> <ul style="list-style-type: none"> Auto-migrate card withdrawal; Blocked card; Damaged card; Dispute withdrawals from SASSA SAPO Card / COVID-19 SRD Grant; Funeral Policy Dispute; Registered False Beneficiary; and Regulation 26A. 		



Programme 2: Benefits Administration and Support Sub-programme 2.1: Benefits Administration									
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28.	Improved customer experience	Implement measures to improve customer satisfaction	Customer satisfaction survey conducted	-	-	Customer satisfaction survey conducted.	Not Achieved The Customer satisfaction/experience tool was developed and administered in all nine regions. This culminated in the production of the Customer Satisfaction/Experience reports of the nine regions. The consolidated customer satisfaction/experience report was produced. However, the service delivery improvement plan was not completed.	Service delivery improvement plan was not completed.	The target was affected by the revision/review of the project plan, resulting in a delay in the completion of project milestones.
29.	Improved customer experience	Implement measures to reduce long queues at SASSA local offices	Queue management system implemented			Queue Management system implemented in 18 local offices.	Achieved Queue management system was implemented in 23 local offices in the regions below.	5 local offices	Improved implementation of the revised project plans.



Programme 2: Benefits Administration and Support Sub-programme 2.1: Benefits Administration																											
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Sub-programme: 2: Payment Administration

Table 8: Sub-programme 2.2: Payment Administration - Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

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30.	Reduced levels of poverty	Direct transfers (payments) into correct beneficiaries' accounts	Percentage of successful payment transfers paid into correct beneficiary accounts	Achieved 99.99% (11 380 042 of 11 380 805) social grant payments were successfully processed as at 31 March 2021.	Achieved For the period April 2021 to March 2022, 99.99% of social grant payments were successfully processed.	99% of social grant payments successfully processed.	Achieved For the period ending March 2023, 99.98% of social grant payments were successfully processed.	0.01%	Bank accounts are verified prior to transfer of social grants payments to minimise the number of invalid bank accounts																																																																																																																																		
				Performance breakdown:	Performance breakdown:	Performance breakdown:																																																																																																																																					
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Programme 2: Benefits Administration and Support
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31.	Improved Organizational efficiency	Payment partnerships managed (e.g., SAPO, Banks, BankServ, SARB)	Social grant payments monitored on a monthly basis across all payment platforms	<p>Achieved</p> <p>Compliance with SASSA SAPO SLA for social grant payments was monitored and managed. In the process, the following non-compliance issues were identified:</p> <ul style="list-style-type: none">Reduction in payment transaction rejections <p>Payment transactions from SASSA into beneficiaries' accounts holding Post Bank accounts were overall successful, averaging 99%. The rejection was less than a percentage.</p>	<p>Achieved</p> <p>Social grant payments were monitored on a monthly basis across all payment platforms.</p> <p>The table below indicates the usage of access channels:</p>	Social grant payments monitored on a monthly basis across all payment platforms.	<p>Achieved</p> <p>Social grant payments were monitored on a monthly basis across all payment platforms.</p> <p>The table below shows the movement of beneficiaries across the various payment channels.</p>	None	None																																																																																																																
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	-	-	4 of 25 (16%)	-																																																																																											
NW	Poor network and shortage of cash.																																																																																														
	-	-	-	1 of 141 (0.7%)																																																																																											
				Robberies and shortage of cash.																																																																																											
Quarter 3																																																																																															
Month	IGPS (SASSA/ SAPO card)	Mzansi (Post- bank card)	Banks	Total																																																																																											
Oct- 21	7 313 826	88 544	4 014 369	11 416 739																																																																																											
Nov- 21	7 313 624	88 267	4 115 125	11 517 016																																																																																											
Dec- 21	7 285 934	87 751	4 176 920	11 550 605																																																																																											

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				<table><tr><th colspan="5">No of PP rescheduled (per quarter) and reasons</th></tr><tr><th>Region</th><th>Quarter 1</th><th>Quarter 2</th><th>Quarter 3</th><th>Quarter 4</th></tr><tr><td>WC</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table> <ul style="list-style-type: none">Reduction in pay-points and post offices without chairs, shelter, and water for beneficiaries on grant payment days: Dignified services provided as per Annexure A1.1 (Clause 15 SLA): Performance breakdown: <table><tr><th colspan="2">No. of SAPO outlets without (chairs, water, and shelter) dignity services</th><th colspan="4">No. of CPP's without (chairs, water, and shelter) dignity services</th></tr><tr><th>Region</th><th>Quarter 1</th><th>Quarter 2</th><th>Quarter 3</th><th>Quarter 4</th><th>Quarter 1</th><th>Quarter 2</th><th>Quarter 3</th><th>Quarter 4</th></tr><tr><td>EC</td><td>-</td><td>29</td><td>24</td><td>28</td><td>-</td><td>242</td><td>201</td><td>197</td></tr><tr><td>FS</td><td>-</td><td>8</td><td>-</td><td>5</td><td>-</td><td>1</td><td>9</td><td>20</td></tr><tr><td>GP</td><td>-</td><td>5</td><td>4</td><td>4</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>KZN</td><td>-</td><td>43</td><td>43</td><td>45</td><td>-</td><td>341</td><td>276</td><td>263</td></tr><tr><td>LP</td><td>-</td><td>4</td><td>-</td><td>-</td><td>-</td><td>7</td><td>-</td><td>0</td></tr><tr><td>MP</td><td>-</td><td>1</td><td>4</td><td>1</td><td>-</td><td>-</td><td>-</td><td>4</td></tr><tr><td>NC</td><td>-</td><td>-</td><td>2</td><td>34</td><td>-</td><td>-</td><td>1</td><td>2</td></tr><tr><td>NW</td><td>-</td><td>13</td><td>5</td><td>7</td><td>-</td><td>-</td><td>-</td><td>4</td></tr><tr><td>WC</td><td>-</td><td>9</td><td>-</td><td>-</td><td>-</td><td>-</td><td>3</td><td>-</td></tr><tr><td>Tot</td><td>-</td><td>112</td><td>82</td><td>124</td><td>-</td><td>591</td><td>490</td><td>490</td></tr></table>	No of PP rescheduled (per quarter) and reasons					Region	Quarter 1	Quarter 2	Quarter 3	Quarter 4	WC	-	-	-	-	No. of SAPO outlets without (chairs, water, and shelter) dignity services		No. of CPP's without (chairs, water, and shelter) dignity services				Region	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	EC	-	29	24	28	-	242	201	197	FS	-	8	-	5	-	1	9	20	GP	-	5	4	4	-	-	-	-	KZN	-	43	43	45	-	341	276	263	LP	-	4	-	-	-	7	-	0	MP	-	1	4	1	-	-	-	4	NC	-	-	2	34	-	-	1	2	NW	-	13	5	7	-	-	-	4	WC	-	9	-	-	-	-	3	-	Tot	-	112	82	124	-	591	490	490	<table><tr><th colspan="5">Quarter 4</th></tr><tr><th>Month</th><th>IGPS (SASSA/ SAPO card)</th><th>Mzansi (Post-bank card)</th><th>Banks</th><th>Total</th></tr><tr><td>Jan-22</td><td>7 231</td><td>87</td><td>4 232</td><td>11 551</td></tr><tr><td>Feb-22</td><td>553</td><td>095</td><td>784</td><td>432</td></tr><tr><td>Mar-22</td><td>7 173</td><td>85</td><td>4 276</td><td>11 535</td></tr><tr><td></td><td>272</td><td>932</td><td>721</td><td>925</td></tr><tr><td></td><td>7 119</td><td>85</td><td>4 364</td><td>11 569</td></tr><tr><td></td><td>191</td><td>108</td><td>822</td><td>121</td></tr></table> <ul style="list-style-type: none">The number of beneficiaries paid through IGPS (SASSA/ SAPO Card) and Mzansi (Postbank) reduced by 112 362 and 1 987 respectively, over the three-month period from January 2022 to March 2022.Whereas beneficiaries paid through their own bank accounts increased by 132 038 from January 2022 to March 2022. The overall total number of beneficiaries also increased by 17 689 over the same reporting period.	Quarter 4					Month	IGPS (SASSA/ SAPO card)	Mzansi (Post-bank card)	Banks	Total	Jan-22	7 231	87	4 232	11 551	Feb-22	553	095	784	432	Mar-22	7 173	85	4 276	11 535		272	932	721	925		7 119	85	4 364	11 569		191	108	822	121	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/23	Reasons for Deviations
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EC	-	29	24	28	-	242	201	197																																																																																																																																																																
FS	-	8	-	5	-	1	9	20																																																																																																																																																																
GP	-	5	4	4	-	-	-	-																																																																																																																																																																
KZN	-	43	43	45	-	341	276	263																																																																																																																																																																
LP	-	4	-	-	-	7	-	0																																																																																																																																																																
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NC	-	-	2	34	-	-	1	2																																																																																																																																																																
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				<ul style="list-style-type: none">● Reconciliations received from SAPO by the 15th of the month following the payment month being reported on: <p>Performance breakdown</p> <table><tr><th>Month</th><th>Period received</th></tr><tr><td>April 2020</td><td>28 May 2020</td></tr><tr><td>May 2020</td><td>6 July 2020</td></tr><tr><td>June 2020</td><td>22 July 2020</td></tr><tr><td>July 2020</td><td>2 September 2020</td></tr><tr><td>August 2020</td><td>26 February 2021</td></tr><tr><td>September 2020</td><td>8 March 2021</td></tr><tr><td>October 2020</td><td>8 March 2021</td></tr><tr><td>November 2020</td><td>8 March 2021</td></tr><tr><td>December 2020</td><td>8 March 2021</td></tr><tr><td>January 2021</td><td>8 March 2021</td></tr><tr><td>February 2021</td><td>8 March 2021</td></tr><tr><td>March 2021</td><td>22 April 2021</td></tr></table> <p>Delays were caused by challenges experienced by SAPO on updating SOCPEN changes on IGPS.</p>	Month	Period received	April 2020	28 May 2020	May 2020	6 July 2020	June 2020	22 July 2020	July 2020	2 September 2020	August 2020	26 February 2021	September 2020	8 March 2021	October 2020	8 March 2021	November 2020	8 March 2021	December 2020	8 March 2021	January 2021	8 March 2021	February 2021	8 March 2021	March 2021	22 April 2021					
Month	Period received																																		
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32.	Improved customer experi-ence	Monitoring of the SAS-SA/SAPO SLA.	SASSA/ SAPO SLA monitored.	<p>Achieved Compliance to SASSA SAPO SLA for social grant payments was monitored and managed. In the process the following non-compliance issues were identified:</p> <ul style="list-style-type: none">● Reduction in payment transaction rejections: Payment transactions from SASSA into beneficiar-ies' accounts holding Post Bank accounts were overall successful, averaging 99%. The rejection was less than a percentage. <p>Performance breakdown:</p> <table><tr><th colspan="6">Number of sites with instability of the IGPS and number of beneficiaries rescheduled</th></tr><tr><th>Region</th><th>Quarter 1</th><th>Quarter 2</th><th>Quarter 3</th><th>Quarter 4</th><th></th></tr><tr><td>EC</td><td>No. of sites</td><td>-</td><td>4</td><td>15</td><td>1</td></tr><tr><td></td><td>No. of ben-eficiaries resched-uled</td><td>-</td><td>-</td><td>-</td><td>6</td></tr><tr><td>FS</td><td>No. of sites</td><td>-</td><td>4</td><td>2</td><td>2</td></tr><tr><td></td><td>No. of ben-eficiaries resched-uled</td><td>-</td><td>69</td><td>90</td><td>-</td></tr></table>	Number of sites with instability of the IGPS and number of beneficiaries rescheduled						Region	Quarter 1	Quarter 2	Quarter 3	Quarter 4		EC	No. of sites	-	4	15	1		No. of ben-eficiaries resched-uled	-	-	-	6	FS	No. of sites	-	4	2	2		No. of ben-eficiaries resched-uled	-	69	90	-	<p>Achieved Social grant payments were monitored on a monthly basis across all payment platforms. The table below indicates usage of access channels:</p> <table><tr><th colspan="5">Quarter 1</th><th>Total</th></tr><tr><th>Month</th><th>IGPS (SASSA/SAPO card)</th><th>Mzansi (Post-bank card)</th><th>Banks</th><th></th><th></th></tr><tr><td>Apr-21</td><td>7 720</td><td>91</td><td>3 631</td><td></td><td>11 443</td></tr><tr><td>May-21</td><td>277</td><td>392</td><td>874</td><td></td><td>543</td></tr><tr><td>Jun-21</td><td>7 668</td><td>91</td><td>3 708</td><td></td><td>11 468</td></tr><tr><td></td><td>134</td><td>540</td><td>739</td><td></td><td>413</td></tr><tr><td></td><td>7 612</td><td>91</td><td>3 796</td><td></td><td>11 500</td></tr><tr><td></td><td>640</td><td>131</td><td>503</td><td></td><td>274</td></tr></table>	Quarter 1					Total	Month	IGPS (SASSA/SAPO card)	Mzansi (Post-bank card)	Banks			Apr-21	7 720	91	3 631		11 443	May-21	277	392	874		543	Jun-21	7 668	91	3 708		11 468		134	540	739		413		7 612	91	3 796		11 500		640	131	503		274	SASSA/ SAPO SLA monitored The mon-itoring will focus on the follow-ing critical areas which have an impact on service delivery: <ul style="list-style-type: none">● Provision of dignity services● Payment of all benefi-ciaries (resched-uling al-lowed for reasons outside SAPO's control)	Achieved The SASSA/SAPO/Post Bank SLA was monitored across the nine regions, and a national report was produced which highlighted compliance issues at both SAPO outlets and cash pay points as per the Service Level Agreement (SLA) be-tween SASSA and SAPO. SASSA/SAPO contract was ceded to Post Bank in Octo-ber 2022. Monitoring focused on the following critical areas: <ul style="list-style-type: none">● Provision of dignity services:	None	None
Number of sites with instability of the IGPS and number of beneficiaries rescheduled																																																																																													
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Dysfunctional laptops	Availability of backup power supply	Dysfunctional laptops	Availability of backup power supply	Dysfunctional laptops	Availability of backup power supply	Dysfunctional laptops	Availability of backup power supply																																																		
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<ul style="list-style-type: none">A high number of dysfunctional laptops was reported in November 2022. Regions that were affected over a three-month period included the Free State, Eastern Cape, Gauteng, and Mpumalanga.Non-availability of backup power supply was mostly reported in the Eastern Cape, North West, Northern Cape and Western Cape.																																																									
January'23	133	55	249	79	21	21																																																			
<ul style="list-style-type: none">A high number of dysfunctional laptops was reported in February 2023. Regions that were affected over a three-month period included Limpopo and Free State.Non-availability of backup power supply was mostly reported in the Eastern Cape, Free State and North West, over the three-month period.																																																									



Programme 2: Benefits Administration and Support
Sub-programme 2.2: Payment Administration

No.	Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement for 2022/23	Reasons for Deviations																																							
							<table><thead><tr><th>Month</th><th>Number of CPP where payment started and finished late</th><th>SAPO Outlets where payment started and finished</th></tr></thead><tbody><tr><td>April'22</td><td>180</td><td>202</td></tr><tr><td>May'22</td><td>86</td><td>200</td></tr><tr><td>June'22</td><td>183</td><td>234</td></tr><tr><td>July'22</td><td>228</td><td>233</td></tr><tr><td>August'22</td><td>188</td><td>184</td></tr><tr><td>September'22</td><td>172</td><td>191</td></tr><tr><td>October'22</td><td>183</td><td>299</td></tr><tr><td>November'22</td><td>208</td><td>61</td></tr><tr><td>December'22</td><td>185</td><td>119</td></tr><tr><td>January'23</td><td>193</td><td>112</td></tr><tr><td>February'23</td><td>176</td><td>85</td></tr><tr><td>March'23</td><td>161</td><td>103</td></tr></tbody></table> <ul style="list-style-type: none">Over 12-month period, a higher number of CPPs that did not comply with the starting and/or finishing times for payment was recorded in the Eastern Cape, KwaZulu-Natal, North West, Mpumalanga and Free State.On the other hand, a large number of SAPO outlets that did not comply with the starting and/or finishing times include Eastern Cape, Free State, Limpopo, Mpumalanga, and North West.	Month	Number of CPP where payment started and finished late	SAPO Outlets where payment started and finished	April'22	180	202	May'22	86	200	June'22	183	234	July'22	228	233	August'22	188	184	September'22	172	191	October'22	183	299	November'22	208	61	December'22	185	119	January'23	193	112	February'23	176	85	March'23	161	103		
Month	Number of CPP where payment started and finished late	SAPO Outlets where payment started and finished																																														
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August'22	188	184																																														
September'22	172	191																																														
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33.	Improved customer experience	Improve conditions under which beneficiaries are served.	Percentage of open cash pay-points reduced.	-	-	50% of open cash pay-points reduced.	<div>Achieved 52% (341 of 652) of open cash pay points (CPPs) were reduced.</div> <table><thead><tr><th>Region</th><th>Baseline</th><th>Number of Open cash pay points reduced</th><th>Percentage (%)</th></tr></thead><tbody><tr><td>EC</td><td>273</td><td>136</td><td>50</td></tr><tr><td>FS</td><td>11</td><td>6</td><td>55</td></tr><tr><td>GP</td><td>1</td><td>1</td><td>100</td></tr><tr><td>KZN</td><td>188</td><td>97</td><td>52</td></tr><tr><td>LP</td><td>179</td><td>101</td><td>56</td></tr><tr><td>Total</td><td>652</td><td>341</td><td>52</td></tr></tbody></table>	Region	Baseline	Number of Open cash pay points reduced	Percentage (%)	EC	273	136	50	FS	11	6	55	GP	1	1	100	KZN	188	97	52	LP	179	101	56	Total	652	341	52	2%	Good partnership between SASSA and the stakeholders in utilising alternative fixed structures.
Region	Baseline	Number of Open cash pay points reduced	Percentage (%)																																		
EC	273	136	50																																		
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GP	1	1	100																																		
KZN	188	97	52																																		
LP	179	101	56																																		
Total	652	341	52																																		





Table 9: Strategy to Overcome Areas of Under-Performance: Programme 2: Benefits Administration and Support

Target	Strategy
191 200 applications for the extended CSG in payment (CSG Top Up for Orphans).	Continuous marketing of the grant through different media platforms, stakeholder, and community engagement, including staff training, stakeholder collaboration and public education regarding the grant and qualifying requirements. The distribution of booklets with step-by-step processes and requirement for accessing CSG-TP (updated You and Your Grant inclusive of CSG).
95% of new grant applications taken through face-to-face interaction processed within five (5) days.	Capacitate offices with alternative energy supply. Strengthen backlog management strategy.
Beneficiary biometrics implemented in four (4) local offices as per SNBF resolution.	Accelerate the appointment of a service provider for the support and maintenance of the beneficiary biometrics system in the new financial year.
Customer satisfaction survey conducted.	Finalise the development of the Service Delivery Improvement plans in the first quarter of the new financial year.

Table 10: Linking Performance with Budgets: Programme 2: Benefits Administration and Support

Programme/ Activity/ Objective	2021/22			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Benefits Administration (Cash)	4 973 235	4 453 822	519 413	4 411 743	4 265 394	146 349
Add: Non-cash items	-	5 931	(5 931)	-	187	(187)
Total	4 973 235	4 459 753	513 482	4 411 743	4 265 581	146 162

The table reconciles to both the statement of financial performance and the statement of comparison of budget and actual amounts. The figure of R4 265 394 billion reports on cash only, while the total figure of R4 265 581 billion includes non-cash items.





4. REVENUE COLLECTION

Table 11: Revenue Collection

Sources of Revenue	2021/22			2022/23		
	Estimate R'000	Actual Amount Collected R'000	(Over)/ Under Collection R'000	Estimate R'000	Actual Amount Collected R'000	(Over)/ Under Collection R'000
Revenue from exchange transactions	4 956	40 845	(35 889)	7 415 579	7 415 579	-
Finance income	715	712	3	860	1 233	(373)
Government grants	7 963 901	7 963 901	-	4 534	43 079	(38 545)
Interest applied on concessionary loan repayment	-	4 789	(4 789)	-	-	-
Total	7 969 572	7 963 901	(40 678)	7 420 973	7 459 891	(38 918)

The bulk of SASSA's revenue comes mainly from the transfers from the Department of Social Development's Vote.

Another portion of revenue, although insignificant, comes from other sources such as the sale of wastepaper, recovery of debts, skills development refund, interest and disposal of assets and parking rental income. Transfers received for the period under review amounted to R7,4 billion.

The actual collection revenue exceeded the estimation as a result of implementing a contractual penalty against one of our main service providers. This was not expected, and it is not an anticipated performance in the future during the ordinary course of business of the Entity.

5. CAPITAL INVESTMENT

5.1 Capital Investment Maintenance

There were no planned capital projects for the financial year 2022/23.

5.2 Asset Management Plan

SASSA's Assets Management Policy and Demand Plan, among others, are the basis for assets planning. The demand plan (assets procurement) is a yearly plan that is

effective from the first day of April of each financial year. The progress is monitored through monthly reports. Such reports are consolidated quarterly for reporting to National Treasury, while SASSA Assets Management Policy covers the life span of the assets, depreciation, and disposal, among others. Below is progress against such for the financial year 2022/23.

The Agency uses the straight-line method to depreciate its assets.

Table 12: Asset depreciation

Assets Category	Useful Life
Land	Indefinite
Buildings	20 to 50 Years
Furniture & Fixtures	5 to 17 Years
Motor Vehicles	4 to 10 Years
Office Equipment	5 to 17 Years
IT Equipment	3 to 10 Years
Finance Leases	Lesser of the useful life or the lease agreement term
Machinery & Equipment	2 to 17 Years
Communication Equipment	2 to 17 Years
Leasehold improvements	Lesser of the useful life or the lease agreement term
Intangible Assets	3 to 20 Years



The breakdown in numbers for additions, disposals, and depreciation for the 2022/2023 financial year is as follows:

Table 13: Asset additions, disposals and depreciation as at 2022/2023 financial year

Category	Number of Assets at Beginning of Financial Year	Number of Additions	Number of Re-classification or Transfer	Number of Assets Disposed	Number of Assets at End of Financial Year
Land	1	0	0	0	1
Buildings	506	2	0	(4)	504
Furniture & Fixtures	63 780	1 742	(1)	(3 175)	62 346
Motor Vehicles	1 879	519	0	(92)	2 306
Office Equipment	640	3	(1)	(44)	598
IT Equipment	46 388	3 532	3	(4 180)	45 743
Finance Leases	640	119	0	(203)	556
Machinery & Equipment	10 001	1 261	(6)	(537)	10 719
Communication Equipment	11 840	60	5	(1 975)	9 930
Leasehold improvements	28	0	0	0	28
Intangible Assets	43	0	0	0	43
Total	135 746	7 238	0	(10 210)	132 774

Table 14: Asset holdings' change over the period under review, including information on disposals, scrapping and loss due to theft

Reconciliation of Property, Plant and Equipment-2022					
	Opening Balance (R)	Additions (R)	Disposals (R)	Depreciation (R)	Closing Balance (R)
Land	519 500	0	0	0	519 500
Buildings	192 669 187	771 173	(187 027)	(9 665 815)	183 587 518
Furniture & Fixtures	77 825 728	7 607 272	(1 478 838)	(7 480 193)	76 473 969
Motor Vehicles	171 584 759	159 094 930	(5 503 814)	(14 047 095)	311 128 777
Office Equipment	2 201 828	412 676	(71 756)	(303 579)	2 239 168
IT Equipment	212 357 517	50 477 356	(1 817 150)	(38 467 498)	222 380 076
Finance Leases	313 191	457 103	(10 418)	(445 071)	314 805
Machinery & Equipment	44 748 844	26 844 972	(481 985)	(5 479 720)	65 791 366
Communication Equipment	13 558 566	407 852	(348 139)	(960 384)	12 668 306
Leasehold improvements	319 805	0	0	(92 499)	227 306
Intangible Assets	69 408 353	5 911 185	0	(7 156 031)	68 163 506
TOTAL	785 507 278	251 984 519	(9 899 131)	(84 097 891)	943 494 299

The Agency's opening balance of Property, Plant and Equipment (PPE) 1 April 2022 was **R786 million**

Assets Additions on period under review **R252 million**

Disposals of assets due to redundancy, obsolete and unserviceable **(R9,9 million)**

Assets Depreciation **(R84 million)**

Closing balance as at 31 March 2023 **R943 million**

Agency Assets Register increased with the value of **R158 million**



5.3 Measures Taken to Ensure That the Public Entity's Assets Register Remained Up-to Date during the Period under Review

When assets are procured, the assets' clearing account is used. This is a suspense account that is cleared monthly.

Once the assets are confirmed to be delivered at the right quantity and quality, assets are tagged/barcoded and added on the assets register with the asset numbers, description, serial numbers, asset users, etc.

The assets are physically verified half-yearly, and their condition noted. For assets not found, and not reported to have been stolen or lost, the loss control process is followed to ensure accountability for such assets.

For movement of assets, a transfer form is completed by the individuals involved in the movement of affected assets

and such a form becomes the source documents for the updating of the assets register.

The assets lose value each month through depreciation on the system and the register is automatically updated after depreciation has run to completion.

Lost assets, similar to unverified assets are also updated as such and they are managed through the damage and loss process, and when the process is finalised, they are updated on the assets register as write-offs/recoverable debt or whatever method that is approved by the Loss Control Committee.

Assets that are donated, scrapped, and auctioned are updated as such in the assets register once they are disposed through the disposal process as approved by the delegated authority. Assets reconciliation is done to ensure that the Trial Balance and Fixed Assets Register agree on the assets captured on the register with what is paid for.

5.4 The Current State of the Public Entity's Capital Assets

Table 15: Current State of Capital Assets

Condition	Number of assets	Percentage
Excellent	19 713	15%
Good	53 188	40%
Fair	52 501	40%
Poor	6 712	4%
Broken	660	1%
Total	132 774	100%







PART C: GOVERNANCE



1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled, and held to account. In addition to legislative requirements based on a public entity's enabling legislation and the Companies Act (Act 71 of 2008), corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) (Act 1 of 1999, as

amended) and run in tandem with the principles contained in the King Report on Corporate Governance. Parliament, the Executive and the Accounting Authority as well as the management of the public entity are responsible for corporate governance. Below is a list of governance structures and dates to which SASSA engaged with the Parliamentary committees during 2022/23 financial year.

2. PORTFOLIO COMMITTEES TO WHICH SASSA REPORTED: 2022/23

Table 16: Portfolio Committees

Committee	Subject	Date
Portfolio Committee	DSD, NDA & SASSA 2022/23 Annual Performance Plans, including AGSA input; with Minister and Deputy Minister	20-Apr-22
National Council of Provinces	SASSA & NDA 2022/23 Annual Performance Plan; with Minister	03-May-22
National Council of Provinces	Social Relief of Distress Grant progress report by Minister	23-Aug-22
Portfolio Committee	Differences between the Child Support Grant Top-Up and Foster Care Grant, DSD briefing with Minister	24-Aug-22
National Council of Provinces	Child Support Grant Top-Up for orphans in the care of relatives: update with Minister	30-Aug-22
Portfolio Committee	DSD action plan in response to AGSA audit findings & recommendations; with Minister	31-Aug-22
Portfolio Committee	Social Development Portfolio Audit Outcomes; DSD, SASSA & NDA Annual Report 2021/22; with Minister	12-Oct-22
Portfolio Committee	SASSA & NDA Annual Report 2021/22; with Minister	14-Oct-22
Portfolio Committee	Social Development BRRR; Committee Report on DSD Quarterly Performance	19-Oct-22
Portfolio Committee	New regulations on the payment of SRD Grant: DSD & SASSA briefing, with Minister	03-Jun-22
Portfolio Committee	Status report on payment of social grants: DSD & SASSA briefing	15-Feb-23

3. EXECUTIVE AUTHORITY

Table 17: Reports submitted to the Executive Authority

Report	Date
SASSA 2021/22: 4th Quarter	29 April 2022
SASSA 2022/23: 1st Quarterly report	29 July 2022
SASSA Audited Annual Report 2022/23	31 August 2022
SASSA 2022/23: 2nd Quarterly report	1 November 2022
SASSA 2022/23: 3rd Quarterly report	31 January 2023



4. RISK MANAGEMENT

SASSA maintains an active approach towards managing risks through its effective and approved Risk Management Policy and Strategy. The Risk Management approach is adopted from the best practice Risk Management Standards ISO 31000, Committee of Sponsoring Organisations (COSO) Risk Management Framework, and the King IV Report.

The executive management team conducted an organisational strategic planning session, which included the alignment of the Annual Performance Plan 2022/23 to the strategic risks identified. The strategic risks emphasised critical areas of focus and enforces the accountability of the Executive Management team. These guide the Enterprise-wide Risk Management approach, adopting a top-down, bottom-up risk management process to shape the Agency's performance, guided by its strategic objectives in support of risk-informed decisions at executive management level. The strategic risks identified are mitigated through various programmes streaming across the value chain of the Agency and are continuously monitored and assessed for residual risk exposures. The objective of the risk assessment process is to:

- Ensure that all significant unacceptable and emerging risks with the potential to negatively impact the Agency's strategy are identified, assessed, and recorded.
- To provide assurance that adequate and effective risk mitigation strategies are implemented across the Agency.

The Agency has a Risk Management Committee that advises on the overall system of risk management, especially the identification and mitigation of the unacceptable levels of risk. A formal Terms of Reference governs the committee, and it meets quarterly.

Information pertaining to the Agency-wide risk management is reported to the Audit Committee on a quarterly basis to enable it to provide independent advice on the effectiveness of the systems of risk management. For the period under review, there has been a progressive improvement in the management of Agency-wide risks, which promotes the improvement of the Agency's performance in achieving its set outcomes and priorities.

5. INTERNAL CONTROL UNIT

The Internal Control Unit carried out the following activities during the financial year under review:

a) Secretariat of the Loss Control Committee (LCC)

- In compliance with sections 83 to 86 of the PFMA (1999, as amended), SASSA identifies and records all allegation of financial misconduct and investigates and takes appropriate action against responsible officials.
- The unit performed investigations of financial misconduct cases relating to irregular expenditure; fruitless and wasteful expenditure; and damages and losses. The outcome reports in respect of fruitless and wasteful expenditure and damages and losses were considered and approved by the delegated authority for implementation while irregular expenditure cases after implementation of consequence management, were sent to National Treasury for condonation in line with the National Treasury Framework on irregular expenditure.
- The unit also facilitated and convened Loss Control Committee meetings and scribed, and prepared the committee's submissions for consideration by the delegated authority in line with delegation of authority for approval of investigation reports related to financial misconduct cases.

b) Co-ordination of the Audit

- The Internal Control Unit was responsible for coordinating the audit conducted by AGSA. This involved ensuring that information requested for audit purposes was submitted to the audit team within stipulated timeframes; providing advice to other units on matters related to the audit; preparing and keeping accurate registers of audit information requests and findings; and following up on any outstanding matters regarding the audit.
- During the audit, the unit facilitated Audit Steering Committee meetings where the audit progress and issues were discussed. The management report and audit report were also engaged in this meeting before taken through to the Audit Committee for consideration of audit outcome.
- On finalisation of the audit, the Audit Action Plan was developed for implementation by the affected branches and regions, ensuring that control measures

were implemented to avoid recurrence of the audit findings. The progress report on the Audit Action Plan was updated monthly and submitted to AGSA, the Audit Committee and EXCO when required. The unit coordinated inputs and progress reports on the status of records review report which deals with high-risk areas identified and communicated by AGSA through these reports. Management is required to provide commitments and interventions to ensure that such risks are addressed during the audit and beyond.

- The unit provided secretariat services to SASSA's Audit Steering Committee, including record keeping of information deliberated at the committee's meetings.

c) Monitoring, Analysis and Follow-up on Compliance with Policies and Relevant Legislation such as the PFMA, Treasury Regulations and National Treasury's Instruction or Practice Notes

- The Agency continued to implement the Financial Misconduct Management Policy which is aligned to National Treasury Framework on Irregular Expenditure, as well as the Framework on Fruitless and Wasteful Expenditure.
- Upon the conclusion of the audit by the Auditor-General of South Africa (AGSA), continuous assessments and monitoring of the effectiveness of internal controls is made through analysing progress made by various branches and units of the control measures committed in the Audit Action Plan which is developed from the management report issued by the AGSA.

6. INTERNAL AUDIT AND AUDIT COMMITTEES

Independently reporting to the Accounting Authority administratively and to the Audit Committee functionally enhanced Internal Audit independence, which is imperative for the success of any internal audit activity.

Key activities and objectives of the internal audit and summary of work done

The Internal Audit Department provides independent and consulting services to assist the Agency in achieving its goals by evaluating and enhancing governance, risk management, and internal control processes. They assist the Accounting Authority in maintaining effective controls by evaluating them and recommending enhancements. In addition to planned audits, they also respond to ad-hoc management requests and assignments, conducting

various types of audits as per the approved internal audit plan.

- Annual Financial Statements 2021/2022
- Annual Performance Review 2021/2022
- Interim Financials
- Mid-year Performance Report
- Draft Annual Performance Report
- Fraud Management
- SRD Disaster (KZN Disaster – April 2022)
- Probity Audits
- ICT General Controls
- Postbank and SAPO contract ceding
- KZN – Uniform Distribution
- Fleet Management
- SRD Disaster (KZN Disaster – February 2023)
- Asset Management

Key activities and objectives of the Audit Committee

The PFMA requires that all public entities have an Audit Committee, which must provide independent oversight and their key activities and objectives include reviewing financial and performance reports, overseeing internal controls and risk management processes, selecting and overseeing external auditors, ensuring compliance with regulations, and promoting transparency and accountability through communication with stakeholders.

The Audit Committee effectively executed its function which included the following:

- Developed the Audit Committee Work Plan for 2022/2023
- Approved the Annual Internal Audit Plan for 2022/23
- Reviewed the Audit Committee Charter
- Considered the Audit Plan of the AGSA for 2022/2023
- Reviewed quarterly performance/financial reports
- Reviewed the Annual Financial Statements for 2021/2022
- Reviewed the Annual Performance Report for 2021/2022

The table below provides relevant information on the Audit Committee members:



Table 18: Relevant information on the Audit Committee Members and meeting attendance

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Re-signed	No. of Meetings attended
Mr T Magare (Acting Chair)	<ul style="list-style-type: none"> CA (SA) Certificate in the Theory of Accounting Post Graduate Certificate in Financial Accounting 	External	Not applicable	30 May 2019	Not applicable	7 of 7
Mr Z Fihlani (Member)	<ul style="list-style-type: none"> CA (SA) MCom (Tax) Higher Diploma in Tax Law BCompt Honours BCom in Accounting 	External	Not applicable	30 May 2019	Not applicable	6 of 7
Ms S Mzizi (Member)	<ul style="list-style-type: none"> CA (SA) Post Graduate Diploma in Corporate Law Post Graduate Certificate in Corporate Governance CIMA BCom Honours Certificate in Accountancy BTech Cost and Management Accounting Higher Diploma in Education (Economic Sciences) 	External	Not applicable	30 May 2019	Not applicable	7 of 7
Adv LL Peter (Member)	<ul style="list-style-type: none"> Advocate of the High Court (SA). MPhil (Fraud Risk Management) MSc (Med) (Bioethics & Health Law) LLM (Environmental Law) LLB Postgrad Diploma (Compliance Management) Postgrad Diploma (Contracts Management). 	External	Not applicable	30 May 2021	Not applicable	7 of 7
Mr W Hero (Member)	<ul style="list-style-type: none"> Masters in Technology Innovation Chartered Information Technology professional CIO Council 2019 Bachelor of Science, Research and Statistics 	External	Not applicable	30 May 2021	Not applicable	7 of 7



7. COMPLIANCE WITH LAWS AND REGULATIONS

To ensure compliance with applicable laws and regulations, SASSA developed and implemented various compliance checklists and delegations of authority. These include, but are not limited to, Supply Chain Management, Finance, Human Capital, and Facilities.

8. FRAUD AND CORRUPTION

SASSA has adopted Zero Tolerance stance on fraud and corruption. Its anti-fraud and corruption strategic approach focuses on fraud and corruption governance, prevention; detection; investigations and corrective actions/ resolutions. These are explained in detail as follows:

8.1 Fraud and Corruption Governance

Fraud Management and Compliance Department, which is a segment responsible for fraud and corruption prevention, detection and investigation, reports to SASSA governance structures on a quarterly basis. The governance structures consist of, amongst others the following: Department of Social Development Oversight Forum, Risk Management and Audit Committees.

8.2 Fraud and Corruption Prevention

SASSA has a Fraud Prevention Strategy that was approved in March 2020. The reviewed Fraud Prevention Strategy and Plan addresses, among others, new fraud trends associated with electronic grant applications and electronic payments. As part of preventing corrupt and fraudulent activities, SASSA conducted 46 awareness sessions. These sessions were aimed at educating SASSA officials on identification and reporting fraudulent activities. The Agency is also taking part in the National School of Government's mandatory Ethics course. Annual fraud risk assessments are also conducted to identify areas of high fraud risk exposure, thereby mitigating such fraud.

8.3 Fraud and Corruption Detection

The fraud detection measures of the Agency resulted in the following:

Fraudulent disability grants were detected through verification of medical assessment in Gauteng

From October to December 2022, 82 fraudulent disability grants were detected through verification of medical assessment referral forms with hospitals/clinics. These transactions were processed at the following Local Offices in Gauteng; Pretoria Local Office, 42; Thokoza Local Office, 20; six were found at the Soshanguve Local Office; and 14 at the Tembisa Local Office. The cases or transactions were referred to Gauteng Fraud Management and Compliance unit for further investigations and possible lapse/cancellation of grants. The value of the fraudulent transactions is not yet established.

Change of banking details at Head Office Supply Chain Management

During May 2022, the Western Cape Region detected that there was a supplier (Pronto Clean) whose banking details were changed on the Oracle System without their knowledge. The changes of banking details were apparently captured by an official from Head Office Supply Chain Management. There was no documentary evidence to support as to why the changes were made. An amount of R728 000 was subsequently paid into an account that is not that of the approved supplier. A task team was appointed by the Chief Executive Officer to investigate and the allegations were also reported to SAPS for criminal investigations as per Cape Town CAS 948/05/2022. Subsequently, one official from Head Office Supply Chain Management was suspended pending the finalisation of the investigations.

Fraudulent activities at Department of Health facilities Western Cape

An allegation was received from a whistleblower, alleging that there were fraudulent activities conducted at Department of Health facilities (clinics). A complainant alleged that when beneficiaries were booked for medical assessments at clinics, someone would fraudulently photocopy a patient history so that when an assessment is conducted, the doctor would recommend and award a disability grant based on the fraudulent medical record. The matter was reported to Fraud Management and Compliance Department. A preliminary investigation was conducted and it was discovered that 37 beneficiaries were involved in these activities. Eighteen (18) fraudulent applications were detected before they were captured on SOCPEN. The 19 grants that were already captured on SOCPEN for payment were lapsed and placed under investigation



status. SASSA has incurred a prejudice of R190 000 as a direct consequence of approval of fraudulent Disability Grants and internal investigations are ongoing. The matter was also referred to the SAPS and only to find that they were already busy with a similar matter involving a limited number of transactions as per Gugulethu CAS 15/09/2021.

Fraudulent Disability grant at Fezile Dabi District Sasolburg and Para Local Office

During August 2022 Grant Administration detected that there were 171 disability grants applications of which the referrals letters were written with the same handwriting with mostly included the same diseases. The grants were all lapsed and placed under investigations (u4 status). The matter was referred to both the Fraud Management and Compliance and the SAPS for further investigations. The total value is not yet established as the investigations are on-going.

Fraudulent Quad (7777) seven at the South African Post Office (SAPO) in Pretoria

SAPO which is the paymaster of social grants on behalf of SASSA detected irregularities in the application and payment of Quad (7777) seven implicating foreign nationals. Further information indicated that the suspects applied for Quad (7777) accounts at various SASSA offices submitting the same asylum seeker document. The detection led to 6 800 identified Quad accounts being blocked by SAPO. This detection was escalated to the South African Police Service (SAPS) in Gauteng and culminated in the first wave of arrests of two foreign nationals (Ethiopians) that were found in possession of:

- 3 Quad (7777) SASSA branded applications;
- 62 SASSA-SAPO Cards;
- A list of SASSA accounts that were previously blocked were found in the cell phone of the suspect; and.
- Cash amounting to R32 000.

The suspects were arrested and appeared before the court as per Booysens CAS96/10/2022. The investigations of the 6 800 blocked accounts are on-going. The overall amount is not yet established.

Two Hundred and three (203) transactions identified as suspected ID fraud

The Fraud Unit in Limpopo received numerous cases of alleged sharing of ID processed at Nebo Local Office at Sekhukhune District and VOT was retrieved starting from 1 January 2022 to 6 February 2023 and 203 transactions

were identified as suspected ID fraud which were processed by two Grants Administrators and approved by a Senior Grant Administrator. This triggered a corporate compliance inspection at Nebo Local Office on the 7 to 8 February 2023. TYME Bank identified 1 227 fraudulent accounts that SASSA was depositing money into, and those accounts were analysed and were frozen and SASSA was able to lapse 203 old age grants transactions.

Public Service Commission and Fraud Hotline

1 050 cases were received through the fraud hotline between 1 April 2022 to 31 March 2023, including:

- **Old Age Grant:** Beneficiary is employed/owns income-generating businesses/receives pension from other companies.
- **Disability Grant:** Beneficiary **was** not disabled, or the beneficiary is employed.
- **Child Support Grant:** Beneficiary is not staying with the children and misuse of grant funds.
- **COVID-19 SRD Grant:** Beneficiary's applications are approved but they are not receiving their grant.

8.4 Fraud and Corruption Investigations

SASSA has an internal investigation unit, which is well capacitated, and working closely with the law enforcement agencies. By the end of the financial year 2022/23 (1 April 2022 to March 2023), 96.3% (469 out of 487) reported fraud, theft and corruption cases were investigated and finalised.

8.5 Fraud and Corruption Resolution

From 1 April 2022 to 31 March 2023, 866 cases were referred to law enforcement agencies for criminal investigations and possible prosecutions. The cases implicate the following persons: **21** SASSA officials, one former SASSA official, **369** beneficiaries, **1 880** public servants, **33** money lenders, **33** SAPO employees, two convicted persons.

The allegations include social grant fraudulent activities, Supply Chain Management fraud and money lenders' cases.



9. MINIMISING CONFLICT OF INTEREST

As part of the SCM value chain, every official involved in any transaction, including the end-user (custodian of goods and services), is required to declare his/her interest (if any) by completing a Declaration of Interest Form. The form is populated with all Directors of Companies whose bids are being evaluated for access by all role players to verify against the names and declare their interest. There is also a register to record declarations that have been made, if any.

Declaration of interest is a standard practice in all sessions of the Bid Evaluation Committee and the Bid Adjudication Committee (BAC); records are kept (Declaration of Interest Forms) and the BAC minutes reflect that the process is undertaken as an agenda item. Additionally, segregation of functions is maintained to ensure that officials who capture transactions do not also approve them. Equally, the same official cannot nominate suppliers, issue RFQs, receive quotations, evaluate them, and issue orders. These business processes are streamlined so that there is segregation of duties. Where there is a shortage of personnel, it is ensured that the approver is different from the official who sourced quotations and the capturer is different from the approver of the transaction on the system.

All officials in the SCM environment are made aware of the SCM Code of Conduct for SCM Practitioners (Treasury Practice Note 4 of 2003) and are required to declare in writing that they are aware of the contents of the Code. The file for such declarations is kept for reference.

The Compliance Checklist, against which all SCM transactions are subjected for approval by the delegated authority, also checks if the Declaration of Interest form has been duly completed. The Compliance Checklist is an internal control mechanism to prevent irregular expenditure and is fully aligned with all applicable legislation, instructions and regulations that govern the SCM environment.

The service providers are compelled (mandatory requirement) to complete the Declaration of Interest Form as a retainable document with their bids or quotation. Additionally, the CSD reports are drawn from the Central Supplier Database to verify whether the service provider is not a government employee and to confirm the Directors against the SBD form.

10. CODE OF CONDUCT

Sub-section 195(1) of the Constitution (Constitution of South Africa, 1996) provides for public administration to be governed by the democratic values and principles enshrined in the Constitution and lists nine (9) principles in this regard. To give effect to this requirement of the Constitution, Sub-section 7(3) of the South African Social Security Agency (SASSA/Agency) Act, 2004 (Act No. 9 of 2004) enjoins the Minister of Social Development (the Minister) in consultation with the Chief Executive Officer (CEO) of SASSA to determine a Code of Conduct applicable to all members of staff of the Agency and justiciable for purposes of disciplinary proceedings. This ensures, among others, the promotion and maintenance of a high standard of professional ethics and the prevention of conflicts of interest other than those contemplated in section 8 (of the SASSA Act).

Description of the SASSA Code of Conduct and Ethics

– The Code was approved in March 2008 by the then Minister of Social Development. The Code of Conduct and Ethics is currently under review to align it with legislative changes and other developments related to management of ethics generally and in workplace, in particular that have occurred since it was approved. The primary purpose of the Code is to foster a culture of supreme integrity and organisational identity in both conduct and business ethics. It has nine (9) parts. The main body of the Code is constituted by three parts, i.e., Part B: **SASSA ETHICAL VALUES**, Part C: **STANDARDS OF CONDUCT**, and Part D: **COMPLIANCE and SANCTIONS**.

The effect the Code has on the Agency, among others, includes the Code being a reference document for policies and other internal prescripts that prescribe standards of conduct to be followed. Hence the Ethics Policies are also concurrently under review with the Code. The expected behaviour of employees towards these prescripts is thus aligned with the behaviour enjoined on the employees by the Code of Conduct and Ethics. This ensures a shared culture and uniform system of values across all aspects and functions of the Agency.

Regarding improving the management of ethics in the Agency, two more developments took place and were implemented during the period under review. These developments are premised on the provisions of the Ethics Management Policy that was approved by EXCO in 2021. Firstly, in order to improve the management of financial disclosure, the Agency developed a user-friendly



Oracle-based e-disclosure system. This has strengthened integrity and eliminated paper-based disclosure records. The automated disclosure system is intended to safeguard personal information and improve management of declaration of financial interests, other remunerative work performed by employees outside employment and gifts registration. The e-Disclosure system also makes it easier for employees to access all records of their previous and current disclosures and to disclose immediately when they acquire new interests as required by subsection 8(2) of the SASSA Act. This enables employees to update and save information on their interests throughout the year but submit only once in the first quarter of following financial year.

The other development is the establishment of the Ethics Committee, which is constituted by senior officials within the Agency. By establishing the Ethics Committee through the Office of the CEO, EXCO has fulfilled one of its key roles in managing ethics in the Agency. The responsibilities of the Ethics Committee include:

- Ensuring that the Agency's ethics risks are assessed, and that the Agency has an understanding of its ethics risk profile;
- Approving a strategy and plan for the management of ethics in the Agency;
- Ensuring that the Agency's code of conduct and relevant policies are developed or revised to address the ethics risks;
- Identify and report unethical behaviour and corrupt activities to the Chief Executive Officer (CEO);
- Monitoring and reporting on the Agency's ethics performance;

- Providing strategic advice to leadership on ethical issues; and
- Keep the Risk Management Committee and Executive Committee (EXCO) informed of the ethics performance of the Agency, and formally report to the CEO through the Chief Ethics Officer.

11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

SASSA regards a proper working environment as key to service delivery. Therefore, it has an approved Occupational Health and Safety Policy (OHS) and Strategy that guides the management of health and safety matters within the organisation. The policy provides for the establishment of National and Regional OHS Committees to ensure compliance with the Occupational Health and Safety Act 1993 (Act 85 of 1993). Based on these provisions, SASSA has appointed OHS Committees at Head Office and Regional Offices.

OHS representatives have also been appointed to identify hazards within SASSA offices. Where they are identified, corrective measures are implemented jointly with landlords to ensure that health and safety standards are not compromised. These OHS representatives play a key role in ensuring that employees comply with the provisions of the Act and the Policy.

Depending on the terms and conditions of the lease agreements of individual offices, landlords have continued to improve and maintain offices to ensure that they are habitable and that services are rendered in a suitable environment.





12. AUDIT COMMITTEE REPORT

The Audit Committee provided governance oversight in relation to the agency's financial, performance, compliance, and risk management activities. In the year under review, the R350 special COVID-19 SRD grant was boosted in order to alleviate the hardship inflicted by the consequences of the pandemic.

We are pleased to present our report for the financial year ended 31 March 2023.

Audit Committee Responsibility

The Audit Committee reports that it has followed Treasury Regulation 3.1.13 and Section 77 of the Public Finance Management Act in order to fulfil its obligations. The Audit Committee also reports that it has adopted suitable formal terms of reference as its Audit Committee Charter, that it has governed its affairs in accordance with this charter, and that it has carried out all its duties as set forth therein, with the exception that we have not examined changes in accounting policies and practices.

Key objectives and activities of the Audit committee

The Audit Committee is a specially designated committee tasked with aiding management in fulfilling their oversight duties for financial and performance reporting, internal control systems (including risk management and audit processes), and ensuring compliance with laws, regulations, and codes of conduct. It provides guidance to both the Executive and Accounting Authority and is responsible to the Executive Authority for properly considering and evaluating any relevant matters.

The Committee holds private meetings with auditors to discuss matters that require confidentiality, and reviews proposed audit approaches, plans, staffing, and organization of the function. It also meets regularly with internal auditors and management from SASSA and officials from the Department of Social Development to discuss any concerns that may arise.

We are pleased with the appointment of a director in charge of ICT audits which we believe will increase the Agency's assurance coverage regarding IT-related risks including cyber security and data breaches, among others.

Internal Control Environment

The Audit Committee concludes that the internal control environment was partially effective for the year under review. Some findings indicate control weaknesses, including financial loss, fraud, corruption, or error have been reported to the Audit Committee during the year ended 31 March 2023 through internal audit, fraud management and compliance functions. The matters were raised with management and the Committee is satisfied with the controls and activities that were in place to address the identified weaknesses.

The following is list of key internal audit work that was completed during the year under review:

- Annual Financial Statements 2022/23
- Annual Performance Review 2022/23
- Interim Financials
- Mid-year Performance Report
- Draft Annual Performance Report
- Fraud Management
- SRD Disaster (KZN Disaster – April 2022)
- Probity Audits
- ICT General Controls
- Postbank and SAPO contract ceding
- KZN – Uniform Distribution
- Fleet Management
- SRD Disaster (KZN Disaster – February 2023)
- Asset Management

The Internal Audit Committee Charter underwent review by the internal audit and received approval from the Audit Committee. Likewise, the Audit Committee Charter underwent review by the Audit Committee and was recommended to the Minister for approval.

Key areas of concern

The committee played a key role in ensuring that the Agency developed an integrated tracking system for all internal and external investigations. They held special sessions to address investigation-related matters, particularly material irregularities identified by AGSA. This approach has resulted in positive progress in implementing recommendations from investigation reports.



The committee also expressed concern about the delayed recruitment of new audit committee members, which could lead to a vacuum in governance if not prioritized. They also highlighted that the governance arrangements between the Department of Social Development and SASSA's Audit Committee were not properly coordinated, which could potentially cause conflicts and compromise governance if a proper reporting framework were not developed as a matter of urgency.

Real-time audits of disaster-related transactions by the internal audit have yielded positive results, as no material findings were identified by AGSA. It is worth noting that significant fraudulent activities were identified during disasters in previous years.

Performance information reporting continues to be a concern, and management has committed to developing action plans to improve the quality of reporting and minimise the number of errors/findings raised by the AGSA. Additionally, internal audit has been tasked with reviewing performance information quarterly to identify areas of internal control weakness throughout the financial period.

In-Year Management and Monthly/Quarterly Report

The public entity has submitted monthly and quarterly reports to the Executive Authority. The Audit Committee has considered these reports as part of its quarterly standard meetings and has provided guidance and oversight to the Executive Authority based on the information contained in these quarterly reports.

Auditor-General's Report and Implementation of Prior Year Audit Findings

We have reviewed the public entity's implementation plan for audit issues raised in the prior year and we are satisfied

that the matters are receiving appropriate attention. Whilst the Audit Committee is satisfied that the remedial actions for audit issues raised in prior years are adequate, the Committee is concerned that there are still repeat findings and has requested the Executive Authority together with the management team to intensify efforts to avoid repeat findings in coming years.

The Committee has evaluated the Annual Financial Statements (AFS) and the Annual Performance Information for the year ended 31 March 2023 in May 2023 and duly recommended them for the Accounting Authority's approval prior to being submitted to the AGSA for audit. Subsequently the material misstatements corrected were reviewed when management report of the AGSA was discussed with the Audit Committee. The Audit Committee has discussed the external audit outcomes on the reporting on pre-determined objectives to be included in the annual report with the AGSA and the Accounting Authority.

The Committee is pleased that the Agency has achieved an unqualified audit report, however, the number of findings reported by the AGSA are a concern and management has been requested to increase efforts to deal with the matters that resulted in the findings.

Mr T Magare
Chairperson of the Audit Committee
South African Social Security Agency
31 July 2023





13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the requirements of the Broad-Based Black Economic Empowerment Amendment Act (B-BBEE Act) of 2013 and as determined by the Department of Trade and Industry.

Table 19: B-BBEE Compliance Performance Information

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licenses, concessions, or other authorisations in respect of economic activity in terms of any law?	N/A	N/A
Developing and implementing a preferential procurement policy?	Yes	SASSA's SCM policy is fully aligned with Preferential Procurement Policy Framework Act and its Regulations, 2022. To that effect, it has since developed its SCM and Preferential Procurement Policy, effective from January 2023. Such policy advocates specific goals to empower women, youth, and people with disabilities in accordance with B-BBEE Act and its code of good practice.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	N/A
Developing criteria for entering into partnerships with the private sector?	No	The nature of the partnerships envisaged in this instance is collaborative with no procurement involved.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	N/A	N/A





PART D: HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

1.1 Overview of HR matters at the public entity

Set HR priorities for the year under review and the impact of these priorities

To ensure that there is capacity to meet service delivery requirements, 96% (7 481) of funded permanent posts were filled, of which 56 positions were filled through internal promotions. There were 30 employees appointed on contract prior to the period under review and they are still employed by the Agency. Furthermore, the Agency appointed 10 interns; 10 Expanded Public Works Programme (EPWP) workers and also enhanced efficiency by appointing 11 (runners) contract workers to assist with administrative functions, thus bringing the total number of permanent and contract employees to 7 542. These appointments yielded positive results in SASSA contributing towards the creation of employment.

The Agency has a 2.8% workforce of Persons with Disabilities. Although SASSA has a target of 3% for Persons with Disabilities, it has overachieved the 2% of employment of Persons with Disabilities as gazetted by Government. Therefore, SASSA has been able to sustain its contribution towards promoting equal opportunities and fair treatment for Persons with Disabilities. In addressing the high unemployment rate in the country particularly young people, 14% of the total SASSA employees are youth.

The Agency is committed to creating and maintaining a conducive working environment through sound employee relations. During the period under review (2022/2023), the Agency has managed to finalise 59 grievances lodged by the officials within the Agency and has also finalised 158 cases of officials for various categories of misconduct. The latter mentioned achievement is a clear reflection of the extent to which the Agency is dealing with incidents of fraud and corruption in the workplace and thus promoting the culture of corporate governance and cultivation of ethics and professionalism in line with section 195 of the RSA Constitution. Collaborated efforts between the Fraud and Compliance and Labour Relations are ongoing in ensuring that the employees are empowered on the policies of the Agency, and this includes the Fraud and Prevention Strategy and Financial Management Framework.

The Organisation has further managed to ensure that Management and Organised Labour engage on issues pertinent to the employees' conditions of employment through the SASSA National Bargaining Forum (SNBF). In the period under review (2022/2023), SNBF agreed on the implementation of a wellness policy, as well as the policy and guideline procedure for handling various types of harassment in the workplace. One of the critical achievements was the conclusion and signing of the collective agreement between SASSA and Labour unions (namely; Resolution 1 of 2022). The latter document deals with organisational rights within SASSA and the role of the shop-stewards in the workplace. The Agency has again managed to get cooperation and support from organised labour in relation to the transformational/organisational initiatives, including the Business Process Re-Engineering project aimed at providing organisational effectiveness and new ways (operating model) of doing business and taking advantage of Industrial Technology.

Workforce Planning Framework and key strategies to attract and recruit a skilled and capable workforce

During the period under review, SASSA managed to fund 133 critical posts with the limited Compensation of Employees (CoE) budget that was available. The Agency has shared the advertised positions with the Department of Employment and Labour as well as Organisations for Persons with Disabilities to attract the previously disadvantaged groups. The headhunting method through recruitment agencies was also utilised as a means of attraction.

Employee Performance Management Framework

During the financial year under review, SASSA's performance management policies for members of Senior Management Service (SMS), Middle Management Service (MMS) and non - MMS were implemented. All SASSA employees signed their performance agreements/contracts within three (3) months period into the financial year, and regular performance assessments were conducted to determine the extent of their contributions to the achievement of the strategic goals and performance programmes of the Agency.

The Agency is pleased with the sustained above expectation level of performance, irrespective of the fact that the payment of incentive/fitting rewards in the form of performance bonuses is no longer implemented pending the development of the new performance tool by the employer (DPSSA) and organised labour.



Women Leadership Development

To align and contribute to the national imperative of women's empowerment, SASSA has implemented a Women Leadership Development Programme. This training and development programme is targeting female managers from the levels of Middle and Senior Management; respectively. During the year under review, 20 females at Senior Management System (SMS) participated in a programme facilitated by a reputable institution of higher learning (namely, Nelson Mandela Bay University). Leadership and Strategic skills are one of the key capabilities which needed special attention in our management, hence the priority given to female senior managers.

Employee wellness programmes

Employees and their immediate families were continuously provided with 24-hour Psychosocial Support services by qualified staff through the comprehensive Employee Wellness Programme (face-to-face and telephonic counselling services) ensuring that the Agency can deliver on its mandate. A total of 1 434 employees utilised the psychosocial services, whilst 5 370 were reached through marketing and awareness creation during the reporting period. It should be noted that this service is utilised on a voluntary basis. A series of awareness sessions were conducted to encourage work-life balance and timely referral of employees for intervention by managers. Workplace dynamics were addressed through team audits, managerial Consultancy services, conflict and relationship management, emotional intelligence, harassment, and diversity management. In addition, health screenings were conducted to mitigate health related risks such as hypertension and diabetes that might have impact on employees' wellbeing if not well managed.

Regrettably, it can be recorded that some of the employees are overstretched in terms of workloads due to a limited number of filled positions. During the year under review, the Agency experienced 374 exits due to various reasons, including retirement.

Policy development

The Employee Wellness and Handling of Harassment Policies were approved by the Executive Committee of the Agency and then ratified by the Accounting Authority for implementation. Again, the Bereavement Policy has been reviewed and accordingly approved by the EXCO and the Accounting Authority for implementation. The significance of the latter-mentioned policy is the upgrade of the condolence/donation fee, which is now R15 000, is

payable to the surviving family members of the deceased employee. This administrative action was taken after the management realised the challenges faced by the families of the deceased employees, especially those at salary levels 5, 7 and 8; respectively.

In compliance with the Employment Equity Act, the Agency has the approved Employment Equity Plan for implementation with effect from 1 April 2023 to 31 March 2024. This important plan was developed in consultation with the Employment Equity Consultative Forums of the Agency (which includes the members of the organised labour/workplace shop stewards) and the Department of Employment and Labour. It should also be noted that an Employment Equity Annual report was successfully submitted to the Department of Employment and Labour in line with the Employment Equity Act, 1998, as amended.

1.2 Achievement highlights

The Agency currently have 60% of female employees on its establishment, of which 1.2% are at Top Management and Senior Management Service levels. Fifty percent (50%) of the appointed Senior Managers in the organisation are women.

1.3 Challenges faced by the Agency and its employees

Often when some of the officials leave the Agency, the Government Administration Agency (GPAA) does not approve the application for post-retirement medical aid/subsidy. According to GPAA, a directive was received from the Department of Public Service and Administration (DPSA) indicating that only the staff who were transferred from the Department of Social Development to SASSA in 2006, through the application of Section 197 of the Labour Relations Act of 1995, would be eligible for subsidised post-retirement medical aid/benefit. SASSA employees who joined SASSA on or after the 1 April 2006 do not qualify for subsidised medical aid/benefits when they retire. At this stage the Agency is attributing this challenge to the incorrect interpretation of Chapter 3, Section 7 (4) of the SASSA Act (Act 9 of 2004) which states that a "person employed by the Agency becomes a member of the Government Employees Pension Fund" mentioned in section 2 of the Government Employees Pension Law, 1996 (Proclamation No. 21 of 1996), and is entitled to pension and retirement benefits as if that person were in service in a post classified in a division of the public service". The Agency is addressing this challenge with the National Treasury, Government



Pensions Administration Agency and Department of Public Service and Administration.

The Office of the Auditor General has made an adverse finding against the Agency for non-compliance with the requirements of the Unemployment Insurance Fund which required all employers (including government departments and related entities/institutions to be registered for the Unemployment Insurance Fund (UIF) in terms of Unemployment Insurance Act, 63 of 2001, as amended. Due to reliance on the PSA in terms of various collective agreements regulating the employees' conditions of services and related benefits, and the fact that the Agency operates like one of the departments as per the Determination signed between DSD and DPSA in 2006, the Agency could not register as an employer in terms of the UIF Act's provisions.

The concerning factor is that if it becomes unavoidable for the Agency to be registered as the employer in terms of the UIF Act, the financial implications would be huge and unaffordable to both the Agency and its employees as each would be expected to contribute at least 1% of the total employees' earnings monthly towards the UIF. The situation could be worse if the Department of Employment and Labour requires that arrears could be payable by those institutions which did not comply. In addressing the matter, the Agency has engaged the Department of Public Service and Administration (DPSA) to determine if UIF has been implemented throughout the public service/sector.

The Agency has observed continuous annual reductions of the Compensation of Employees (CoE) budget allocations in the past years (at least from the 2018/2019 financial year to date) on one hand, yet the DPSA and organised labour would conclude various agreements in respect of the Cost of Living Salary Adjustments (COLA). Such agreements

have always required implementation even though there would be no specific budget allocation for such salary adjustments. As a result of the salary adjustments requiring implementation without additional budget allocations, the Agency would be forced to re-prioritize its performance programmes; including the restrictions and/or moratoriums in the filling of critical posts. These unavoidable administrative actions are not sustainable and have adverse effects on the limited and over-stretched employees and thus service delivery continues to be compromised.

1.4 Future HR plans/goals

- Three percent (3%) of funded posts (filled + vacant funded posts) filled by persons with disabilities;
- Fifty-one percent (51%) of posts filled by women (filled + vacant funded);
- Maintain 15% of youth employees within the Agency (including EPWP, interns);
- Human Capital Management Strategy in which the key areas are recruitment, learning and development, performance appraisal, compensation, and succession planning. The aim is to create alignment around the Agency's employees, processes, and operating philosophies; and
- The development and implementation of the Comprehensive Training and Development Plan for 2023/2024 will assist the Agency to realise the optimal utilisation of the 1.5% Training Budget allocation; and the conclusion of the Memorandum of Agreement (MoA) with the National School of Government will place a significant role in respect of Training and Development of the staff.





2. HUMAN RESOURCE OVERSIGHT STATISTICS

Table 20: Personnel Cost by Programme

Programme	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure	No. of employees	Average personnel cost per employee (R'000)
1. ADMINISTRATION	2 871 451 941	1 016 833 134	35.41%	1 922	529 049
Executive Management	144 013 933	89 565 874	62.19%	129	694 309
Internal Audit & Risk Management	55 752 769	43 788 672	78.54%	86	509 171
Corporate Services	1 475 875 861	323 120 380	21.89%	599	539 433
Finance	544 029 783	456 188 514	83.85%	981	465 024
Information & Communications Technology	624 356 261	78 546 939	12.58%	101	777 692
Strategy & Business Development	27 423 332	25 622 754	93.43%	26	985 491
2. GRANTS ADMINISTRATION	4 265 580 957	2 342 760 242	54.92%	6 049	387 297
TOTAL	7 137 032 897	3 359 593 376	47.07%	*7 971	421 477

* Represents employees paid during the year including contracts that expired prior to year-end.

Table 21: Personnel Cost by Location

Location	Total expenditure for the entity (R)	Personnel expenditure (R)	Personnel expenditure as a % of total expenditure	No. of employees	Average personnel cost per employee (R)
Head Office	2 631 538 209	273 352 753	10.39%	409	668 344
Eastern Cape	744 398 901	521 015 841	69.99%	1 295	402 329
Free State	344 836 012	231 975 654	67.27%	544	426 426
Gauteng	523 476 135	352 055 742	67.25%	872	403 734
KwaZulu-Natal	828 204 072	599 938 705	72.44%	1 514	396 261
Limpopo	497 128 308	352 854 204	70.98%	844	418 074
Mpumalanga	360 407 768	241 854 216	67.11%	572	422 822
Northern Cape	341 113 424	220 043 183	64.51%	532	413 615
North West	423 683 057	269 655 042	63.65%	661	407 950
Western Cape	442 247 011	296 848 037	67.12%	728	407 758
Total	7 137 032 897	3 359 593 376	47.07%	*7 971	421 477

* Represents employees paid during the year including contracts that expired prior to year-end.



Table 22: Personnel Cost by Salary Band

Level	Personnel expenditure (R)	% of personnel expenditure to total personnel cost (R)	No. of employees	Average personnel cost per employee (R)
Top Management	16 439 961	0.49%	10	1 643 996
Senior Management	234 314 851	6.97%	198	1 183 408
Professional Qualified	444 672 678	13.24%	485	916 851
Skilled	1 220 786 482	36.34%	2 499	488 510
Semi-Skilled	1 437 768 495	42.80%	4 689	306 626
Unskilled	5 610 909	0.17%	90	62 343
TOTAL	3 359 593 376	100.00%	*7 971	421 477

*Represents all employees paid during the year, including contracts that expired prior to year-end.

Table 23: Performance Rewards by Salary Band

Salary band	Number of employees	Performance Rewards in Rand	Personnel expenditure (R'000)	% Percentage of Performance Rewards to total personnel cost (R'000)
Top Management	2	209 862	16 439 961	1.28%
Senior Management	2	278 802	234 314 851	0.12%
Professional Qualified	1	10 236	444 672 678	0.00%
Skilled	3	81 581	1 220 786 482	0.01%
Semi-skilled	4	10 249	1 437 768 495	0.00%
Unskilled	-	-	5 610 909	0.00%
Total	12	590 730	3 359 593 376	0.02%

Table 24: Training Costs by Head Office Branch and Region

Programme/Activity/Objective	Personnel expenditure (R)	Training expenditure (R)	Training expenditure as a % of personnel cost	No. of employees trained	Avg. training cost per employee
Executive Management	20 836 467	-	0.00%	-	0
Internal Audit & Risk Management	18 231 428	387 132	2.12%	21	18 435
Corporate Services	68 381 749	588 009	0.86%	34	17 294
Finance	61 955 743	104 806	0.17%	4	26 201
Information & Communications Technology	37 846 991	357 787	0.95%	9	39 754
Grants Administration	40 477 621	-	0.00%	-	0
Strategy & Business Development	25 622 754	-	0.00%	-	0
Eastern Cape	521 015 841	1 212 079	0.23%	213	5 691
Free State	231 975 654	1 377 820	0.59%	224	6 151
Gauteng	352 055 742	3 044 381	0.86%	291	10 462
KwaZulu-Natal	599 938 705	1 427 049	0.24%	328	4 351
Limpopo	352 854 204	1 919 184	0.54%	147	13 056
Mpumalanga	241 854 216	680 180	0.28%	286	2 378



Programme/Activity/Objective	Personnel expenditure (R)	Training expenditure (R)	Training expenditure as a % of personnel cost	No. of employees trained	Avg. training cost per employee
Northern Cape	220 043 183	843 535	0.38%	93	9 070
North West	269 655 042	1 116 377	0.41%	266	4 197
Western Cape	296 848 037	801 466	0.27%	28	28 624
Total	3 359 593 376	13 859 805	0.41%	1 944	7 130

Table 25: Employment and Vacancies per Head Office Branch and Region

Head Office Branches and Regions	2021/2022 No. of Employees	2022/2023 Approved Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% of Vacancies
The South African Social Security Agency [#]	2	2	2	0	0.0%
Fraud & Compliance	9	40	8	32	80.0%
Chief Operations Management	20	76	21	55	72.4%
Internal Audit & Risk Management	24	56	24	32	57.1%
Corporate Services	98	228	99	129	56.6%
Finance	88	183	87	96	52.5%
Information & Communications Technology (ICT)	39	112	44	68	60.7%
Grants Operations	61	83	56	27	32.5%
Policy Implementation Support	8	19	9	10	52.6%
Strategy & Business Development	27	118	25	93	78.8%
Eastern Cape	1 260	3 307	1 240	2 067	62.50%
Free State	529	1 792	517	1 275	71.10%
Gauteng	857	2 006	832	1 174	58.50%
KwaZulu-Natal	1 463	3 225	1 434	1 791	55.50%
Limpopo	830	1 783	794	989	55.50%
Mpumalanga	561	1 416	541	875	61.80%
Northern Cape	510	1 294	493	801	61.90%
North West	634	1 585	626	959	60.50%
Western Cape	722	1 342	690	652	48.60%
Total	7 742	18 667	***7 542	11 125	59.6%

*** Represents all employees (permanent and contract) in service as at 31 March 2023

The South African Social Security Agency represents the Chief Executive Officer (CEO) and the Chief Coordinator.

A huge number of vacancies (18 667) created between 2006 and 2008 were based on the assumption that the Agency was going to insource the full grant payment value chain. However, the Agency has always been very economical when deciding on the filling of posts, focusing on those classified as critical, hence the total number of filled posts has never exceeded the 9 000 threshold/mark.

It is on the basis of the above challenges that the Agency is currently embarking on the Business Process Re-

engineering project to ascertain amongst others, the realistic number of posts required to enable the Agency to function effectively and efficiently, reducing or abolishing all those posts which may not be required and never filled since their existence in 2006/2008 (when the Agency was still in its transition periods).

During the 2022/2023 Financial Year, the Agency had 7 542 filled funded critical posts in the establishment. The total number of 7 543 employees reflected in Table 25 above,



accounts for both permanent (7 482) and all contract (61) employees in the Agency. The Agency will require additional funding to address replacements totalling 187 posts which resulted from exits in recent financial years.

The Agency prioritised its Cost of Employees budget and funded 133 posts to be filled in the financial year 2022/2023.

Table 26: Employment and Vacancies per Occupational Group

Programme/Activity/ Objective (Occupational Group)	2021/2022 No. of Em- ployees	2022/2023 Approved Posts	2022/2023 No. of Em- ployees	2022/2023 Vacancies	% of vacan- cies
Top Management	8	18	9	9	50.0%
Senior Management	175	305	187	118	38.7%
Professional Qualified	453	896	455	441	49.2%
Skilled	2 404	6 788	2 338	4 450	65.6%
Semi-skilled	4 630	10 553	4 507	6 046	57.3%
Unskilled	72	107	46	61	57.0%
Total	7 742	18 667	7 542	11 125	59.6%

At average, the posts have been vacant for a minimum period of six (6) months due to reprioritisation of critical vacant posts and limited Cost of Employees (CoE) budget. During the period under review, the Agency could fund only 133 vacant posts. There are 56 internal promotions, four (4) were at Senior Management level and 14 are at professional qualification (skilled supervision). The Agency

will require additional funding to reduce the vacancy rate. The Agency shared the advertised positions with the Department of Employment and Labour as well as Organisations for Persons with Disabilities with the aim of attracting the previously disadvantaged groups. The headhunting method through recruitment agencies was also utilised as a means of attraction.

Table 27: Employment changes

Salary Band	Employment at be- ginning of period	Appointments	Terminations	Employment at end of the period
Top Management	8	2	1	9
Senior Management	175	15	11	179
Professional Qualified	453	11	27	437
Skilled	2 404	26	129	2 301
Semi-skilled	4 630	101	166	4 565
Unskilled	72	20	41	51
Total	7 742	175	375	***7 542

*** Represents all employees (permanent and contract) in service as at 31 March 2023

**Table 28: Reason for Staff Leaving**

Reason	Number	% of total no. of staff leaving
Death	31	0.4%
Resignation	139	1.8%
Dismissal	15	0.2%
Retirement	96	1.3%
Ill health	0	0.0%
Expiry of contract	70	0.9%
Other - Transfer	24	0.3%
Total	375	5.0%

The percentage provided is based on the total number of employees who terminated service (375).

Resignation and retirement account for the highest number of people who exited the Agency.

The Agency has a positive Voluntary Attrition Rate of 5%, which is equivalent to the acceptable norm.

Wellness: Exit interviews reasons for staff leaving SASSA

Voluntary exit interviews were conducted with employees

that terminated their services with SASSA. Employees indicated that the reasons for leaving, among others, were dissatisfaction with performance management, job enrichment, management style (quality of leadership i.e., closed door, authoritative, poor working relationships), and employee value. The Agency will have to put more emphasis on retention management and creating an environment for employees where they feel valued and recognised. Targeted Employee Wellness interventions in the form of information sessions were conducted to address some of the issues raised during the exit interviews.

Table 29: Labour Relations - Misconduct and disciplinary actions

Nature of disciplinary action	Number
Verbal Warning	5
Written Warning	72
Final Written warning	32
Dismissal	4
Corrective counselling	17
Demotion	2
Suspension Without Pay	12
Total	149

According to the Labour Relations records, 10 dismissal cases were dealt with in the financial year 2021/2022. The employees appealed against the decision of the chairperson; however, the appeal committee was held in the

2022/2023 financial year and confirmed the 10 dismissals. Four dismissal cases were finalised in the financial year 2022/2023 following a disciplinary hearing, while one case is on appeal and is not yet adjudicated.



Table 30: Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	4	4	1	1	0	0	0	0
Senior Management	82	85	7	9	4	4	3	6
Professional Qualified	208	222	25	25	8	9	9	24
Skilled	844	971	83	90	25	39	15	39
Semi-skilled	1 468	1 675	162	179	13	19	9	24
Unskilled	22	28	0	1	0	0	0	1
Total	2 628	2 985	278	305	50	71	36	94

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	4	4	0	1	0	0	0	1
Senior Management	82	80	2	12	3	5	4	12
Professional Qualified	182	183	10	21	5	5	8	20
Skilled	1 195	1242	111	114	23	26	42	62
Semi-skilled	2 559	2629	234	337	21	24	41	53
Unskilled	23	27	1	3	0	0	0	1
Total	4 045	4165	358	488	52	60	95	149

Levels	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	1
Senior Management	3	3	1	3
Professional Qualified	5	7	2	8
Skilled	24	34	26	43
Semi - Skilled	68	70	82	75
Unskilled	0	1	0	1
Total	100	115	111	131

The EE disability targets were not achieved due to limited suitable applicants from the labour market. The EE targets for Disability were set at 3% of the total funded positions across occupational levels as at the time of the EE Plan development, the Agency's total current workforce is 7 543 inclusive of 211 employees with disabilities, which means 2.8% of the disability target was achieved during this reporting period.



PART E: PFMA COMPLIANCE REPORT



1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	994 700	1 149 854
Add: Irregular expenditure confirmed	20 815	47 686
Add: Irregular Expenditure that relates to 2021/2022 and identified in 2022/2023		317
Less: Irregular expenditure condoned	565 978	202 049
Less: Irregular expenditure not condoned and removed	4 203	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure cleared ¹	19 472	1 108
Less: Irregular expenditure not recovered and written off	-	-
Closing balance²	425 862	994 700

1: The irregular expenditure cleared is the expenditure that was confirmed as irregular during the assessment and confirmation process, however, evidence emerged during the determination test which proved that the expenditure was not irregular.

2 The closing balance for the previous year 2021/22 has been restated due to implementation of new PFMA compliance and reporting framework issued by National Treasury effective January 2023.

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2022/2023	-	-
Irregular expenditure that relates to 2021/2022 and identified in 2022/2023	-	317
Irregular expenditure for the current year	20 815	47 686
Total	20 815	48 003

The R18 million of R21 million irregular expenditure incurred in the 2022/23 and R44 million of the R48 million incurred in 2021/22 relate to expired leases for office accommodation. The Agency has been experiencing a challenge where leases expired without having alternative office accommodation or renewal of the leases due to the difficulties of finding suitable office buildings through procurement process by the Department of Public Works and Infrastructure. During the year under review, the

Agency has developed and implemented immovable property management improvement strategy, which resulted in the obtainment of approval from the Minister to deviate from the immovable property management policy to directly test the market instead of using Department of Public Works and Infrastructure for leases already expired. The procurement of remaining expired leases will be finalised in the year 2023/24.



b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	425 862	994 700
Irregular expenditure under investigation	-	-
Total	425 862	994 700

c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	565 978	202 049
Total	565 978	202 049

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	4 203	1 108
Total	4 203	1 108

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
None

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2022/2023	2021/2022
	R'000	R'000
None	-	-



i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
The affected officials went through disciplinary process where some were issued with written warnings, verbal warnings or dismissed however there were those who were not found guilty either on technical ground or otherwise and some resigned.

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	87 764	88 848
Add: Prior year error	(1 399)	-
As Restated	86 365	88 848
Add: Fruitless and wasteful expenditure confirmed	123	97
Add: Fruitless and wasteful – identified in the current year but incurred in the prior year		140
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	138	820
Less: Fruitless and wasteful expenditure cleared ¹	167	499
Less: Fruitless and wasteful expenditure: Credit note received	-	2
Closing balance ²	86 183	87 764

1 The fruitless and wasteful expenditure absorbed is the expenditure that was confirmed as fruitless and wasteful during the assessment and confirmation process, however, evidence emerged during the determination test which proved that the expenditure was not fruitless and wasteful even though it could not be avoided.

2 The closing balance for the previous year 2021/22 has been restated due to implementation of new PFMA compliance and reporting framework issued by National Treasury effective January 2023.

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2023/22	-	-
Fruitless and wasteful expenditure that relates to 2022/21 and identified in 2023/22	-	140
Fruitless and wasteful expenditure for the current year	123	97
Total	123	237

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	86 183	87 764
Fruitless and wasteful expenditure under investigation	-	-
Total	86 183	87 764



Of the R86 million of the expenditure under determination, R9 million relates to cases currently being pursued through court processes where the Agency intends to recover the amount from the affected persons while the R74 million is pursued against the company that is now going through liquidation process. The parallel process has been embarked upon to finalise internal disciplinary processes in respect of the R74 million mentioned above.

c) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	138	820
Total	138	820

d) Details of current and previous year irregular expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
The affected officials went through disciplinary process where some were found liable for the financial losses and recovery process instituted against, however, there were those who were not found guilty, and the expenditure was absorbed.

1.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)

- During May 2022, one of the Service providers, contacted SASSA Western Cape Region Finance Department indicating non receipt of a payment of R728 067 due to such service provider. This necessitated investigation to be conducted also in other Regions and based on the outcome of the preliminary investigation conducted, four (4) regions namely Western Cape, KwaZulu-Natal, Northern Cape and Gauteng are tentatively affected by the irregular payments to unknown "suppliers/ service providers" as the banking details of legitimate suppliers were changed on the Oracle System at the SASSA Head Office resulting in a financial prejudice to SASSA with the amount projected to be R1,4 million. The investigation processes are ongoing and envisaged to be concluded during the year 2023/24.
- An allegation was received from the South African Social Security (SASSA) in Vredenburg Local Office notifying SASSA Fraud Management and Compliance Department in the Western Cape Region of a suspect who operates within the Malmesbury Area. The suspect was alleged to be assisting unqualified clients in obtaining fraudulent permanent disability grants. Since the start of the investigation of the 81 fraudulent disability grants which continued until 2022, including the case above, an estimate loss of R2,8 million was incurred. Further validation is continuing and will be concluded during the year 2023/24.



1.4 Other damages, theft, and losses

These are not losses in terms of the above section but are losses in respect of damages, theft, and losses such as loss of laptops by officials, car accidents where SASSA's motor vehicles were involved etc. These are cases dealt with internally and do not require criminal steps to be taken against the affected officials. The details as per table below:

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	3 725	3 069
Add: Prior year error	16	(44)
As Restated	3 741	3 025
Add: Damages, theft and losses confirmed	1 991	4 629
Less: Damages, theft and losses written off	-	-
Less: Damages, theft, and losses recoverable	1 952	1 306
Less: Damages, theft, and losses absorbed	2 442	2 514
Less: Damages, theft, and losses – credit notes received	77	108
Closing balance	1 261	3 725

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	2 364	3 137 705
Invoices paid within 30 days or agreed period	2 363	3 137 699
Invoices paid after 30 days or agreed period	2	11
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

Invoice paid after 30 days or agreed period was for a staff bereavement where the region was having challenges in capturing the beneficiary's bank details on Oracle system.

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Request for deviation to enter into a lease agreement with Rebosis Property Fund for a period of 12 months	Rebosis Property Fund	Deviation	8 470
Caseware Software Licences Contract	Adapt IT holdings	Sole Supplier	470
Approval to deviate from National Treasury Instruction no.4 of 2016/2017 CSD on the appointment of Capitec Bank Limited as per paragraph 4,5 and 6	Capitec Bank	Deviation	0
Supply and delivery of meals, blankets and dignity packs for beneficiaries affected by disaster in Strand	Various service providers	Emergency	2 447



Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Richmond Local Office had a challenge of damaged and un-flushable toilet, which led to unpleasant and unhealthy situation in the office	Shorty Plumbers and Construction	Emergency	4 000
Emergency procurement of plumbing services in respect of sewer line for male and female toilet system at Harding Local Office	VITASA Projects	Emergency	4 000
Supply and delivery of meals, blankets, mattresses, and dignity packs	Various service providers	Emergency	588
Supply and delivery of meals, blankets, mattresses, and dignity packs.	Various service providers	Emergency	388
Sole supplier to move a Xerox MFU from Khayelitsha to Eersteriver. The Xerox MFU is under lease contract and may only be moved by the service provider as per TR3 conditions.	Altron Document Solutions	Sole Provider	4 000
Sole Supplier to move a sharp MFU from Khayelitsha to Eersteriver and from Herbert Sportsground Wynberg to 272 Main Road Wynberg. The sharp MFU is under lease contract and may only be moved by the service provider as per TR3 conditions.	Apex Business Systems	Sole Provider	7 000
Supply and delivery of meals, blankets, mattresses, and dignity packs.	Various service providers	Emergency	20
Reloading of postage.	Various service providers	Deviation	200
Supply and delivery of meals	Agape Company Group	Emergency	13
Supply and delivery of meals, blankets, mattresses, and dignity packs.	Various service providers	Emergency	523
Emergency hiring of gas heaters and carpets for Khulani Resource Centre under the Khayelitsha Local Office for a period of 3 months.	Sibanye Office Solutions CC	Emergency	87
Deviation request of sole supplier for three (3) officials to attend the SITA Govtech Conference from 13-15 September 2022.	SITA/Govtech	Sole supplier	45
Deviation to renew SSL Certificate.	Altron	Deviation	14
Deviation from normal SCM processes to attend Annual SITA Govtech (Internal Auditors).	SITA/Govtech	Sole supplier	75
Deviation from normal SCM processes to attend Annual SITA Govtech	SITA/Govtech	Sole supplier	45
Deviation from normal SCM processes to attend Annual SITA Govtech (ICT).	SITA/Govtech	Sole supplier	60
Request to deviate from normal SCM process and use one service provider.	General Trading Solutions	Deviation	15
Microsoft licences	Microsoft Ireland	Sole supplier	9 615
Conference for Maswabi	SASA	Sole supplier	4
Software licence	Surtech	Sole supplier	135
Training for Internal Audit	Leadership Academy	Sole supplier	150
Manage Engine ADSservice plus Professional Edition – Perpetual Licensing Model	ITR Technology	Deviation	71
Membership Fee	ISSA	Sole supplier	12



Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Renewal of annual membership fee	The Institute of Internal Auditors SA	Sole supplier	48
Emerging Management Development Programme	National School of Government	Deviation	328
Coaching and Mentoring Conference	Skill Indawo	Deviation	3
Emergency procurement of security service provider for physical guarding of offices affected by strike.	Bokwes Security Services	Emergency	5 548
Supply and delivery of meals, blankets, mattresses, and dignity packs	Lokontani Co-Operative & Multipurpose	Emergency	50
Supply and delivery of meals, blankets, mattresses, and dignity packs	Misebenzi Solutions	Emergency	32
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nade Holdings	Emergency	13
Supply and delivery of meals, blankets, mattresses, and dignity packs	Masiqhame Trading	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	OKL Creations	Emergency	10
Supply and delivery of meals, blankets, mattresses and dignity packs	Mavula 1	Emergency	29
Supply and delivery of meals, blankets, mattresses, and dignity packs	Masiqhame Trading	Emergency	5
Supply and delivery of meals, blankets, mattresses, and dignity packs	Msakazana Events Management	Emergency	4
Supply and delivery of meals, blankets, mattresses, and dignity packs	Vani and Nyandeni	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Linamandla Business Enterprise	Emergency	16
Supply and delivery of meals, blankets, mattresses, and dignity packs	Mavula 1	Emergency	81
Supply and delivery of meals, blankets, mattresses, and dignity packs	Masiqhame Trading	Emergency	78
Supply and delivery of meals, blankets, mattresses, and dignity packs	Luchwayito & Zama	Emergency	17
Supply and delivery of meals, blankets, mattresses, and dignity packs	Linamandla Business Enterprise	Emergency	53
Supply and delivery of meals, blankets, mattresses, and dignity packs	Luchwayito & Zama	Emergency	17
Supply and delivery of meals, blankets, mattresses, and dignity packs	JRM Family Enterprise	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	Linamandla Business Enterprise	Emergency	19
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering Cleaning Services	Emergency	38
Supply and delivery of meals, blankets, mattresses, and dignity packs	Mavula 1	Emergency	23
Supply and delivery of meals, blankets, mattresses, and dignity packs	Mavula 1	Emergency	19



Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Supply and delivery of meals, blankets, mattresses, and dignity packs	Mavula 1	Emergency	17
Supply and delivery of meals, blankets, mattresses, and dignity packs	Van Neel Projects	Emergency	24
Supply and delivery of meals, blankets, mattresses, and dignity packs	Divine Charm	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	Divine Charm	Emergency	15
Supply and delivery of meals, blankets, mattresses, and dignity packs	Divine Charm	Emergency	45
Supply and delivery of meals, blankets, mattresses, and dignity packs	Divine Charm	Emergency	13
Supply and delivery of meals, blankets, mattresses, and dignity packs	Divine Charm	Emergency	41
Supply and delivery of meals, blankets, mattresses, and dignity packs	Agape Company Group	Emergency	30
Supply and delivery of meals, blankets, mattresses, and dignity packs	Agape Company Group	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	Agape Company Group	Emergency	12
Supply and delivery of meals, blankets, mattresses, and dignity packs	Word Sisters Primary Co-op	Emergency	21
Supply and delivery of meals, blankets, mattresses, and dignity packs	Word Sisters Primary Co-op	Emergency	39
Supply and delivery of meals, blankets, mattresses, and dignity packs	Masiqhame Trading	Emergency	25
Supply and delivery of meals, blankets, mattresses, and dignity packs	Agape Company Group	Emergency	32
Supply and delivery of meals, blankets, mattresses, and dignity packs	Mavula 1	Emergency	47
Supply and delivery of meals, blankets, mattresses, and dignity packs	Word Sisters Primary Co-op	Emergency	23
Supply and delivery of meals, blankets, mattresses, and dignity packs	Come Again	Emergency	26
Supply and delivery of meals, blankets, mattresses, and dignity packs	Msakazana Events Management	Emergency	29
Supply and delivery of meals, blankets, mattresses, and dignity packs	JRM Family Enterprise	Emergency	23
Supply and delivery of meals, blankets, mattresses, and dignity packs	Masiqhame Trading	Emergency	61
Supply and delivery of meals, blankets, mattresses, and dignity packs	Masiqhame Trading	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	Masiqhame Trading	Emergency	19
Supply and delivery of meals, blankets, mattresses, and dignity packs	Masiqhame Trading	Emergency	13



Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering Cleaning Services	Emergency	13
Supply and delivery of meals, blankets, mattresses, and dignity packs	Van Neel Projects	Emergency	59
Supply and delivery of meals, blankets, mattresses, and dignity packs	Van Neel Projects	Emergency	88
Supply and delivery of meals, blankets, mattresses, and dignity packs	JRM Family Enterprise	Emergency	115
Supply and delivery of meals, blankets, mattresses, and dignity packs	Luchwayito & Zama	Emergency	129
Supply and delivery of meals, blankets, mattresses, and dignity packs	Mosiwe Enterprise	Emergency	77
Supply and delivery of meals, blankets, mattresses, and dignity packs	Msakazana Events Management	Emergency	95
Supply and delivery of meals, blankets, mattresses, and dignity packs	Noda Foods PTY LTD	Emergency	98
Supply and delivery of meals, blankets, mattresses, and dignity packs	Agape Company Group	Emergency	130
Supply and delivery of meals, blankets, mattresses, and dignity packs	Divine Charm	Emergency	107
Supply and delivery of meals, blankets, mattresses, and dignity packs	JLA Logistics	Emergency	92
Supply and delivery of meals, blankets, mattresses, and dignity packs	Etix	Emergency	16
Supply and delivery of meals, blankets, mattresses, and dignity packs	Zondle Events	Emergency	115
Supply and delivery of meals, blankets, mattresses, and dignity packs	Come Again	Emergency	96
Supply and delivery of meals, blankets, mattresses, and dignity packs	Linamandla Business Enterprise	Emergency	160
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering Cleaning Services	Emergency	111
Deviation from normal procurement process in line with PFMA Instruction note 3 of 2021/2022, paragraph 4.1 to appoint NSG for the provision of training on Bid Committees PFMA for six (06) SASSA officials.	National School of Governance	Deviation	53
Supply and delivery of meals, blankets, mattresses, and dignity packs	Zondle Events	Emergency	61
Supply and delivery of meals, blankets, mattresses, and dignity packs	Zondle Events	Emergency	31
Supply and delivery of meals, blankets, mattresses, and dignity packs	Zondle Events	Emergency	7
Supply and delivery of meals, blankets, mattresses, and dignity packs	Zondle Events	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	JRM Family Enterprise	Emergency	19



Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Supply and delivery of meals, blankets, mattresses, and dignity packs	JRM Family Enterprise	Emergency	37
Supply and delivery of meals, blankets, mattresses, and dignity packs	JRM Family Enterprise	Emergency	31
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering Cleaning Services	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering Cleaning Services	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Lokontani Co-Operative & Multipurpose	Emergency	16
Supply and delivery of meals, blankets, mattresses, and dignity packs	Lokontani Co-Operative & Multipurpose	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	Excell SV Group	Emergency	86
Supply and delivery of meals, blankets, mattresses, and dignity packs	Agape Company Group	Emergency	26
Supply and delivery of meals, blankets, mattresses, and dignity packs	Luchwayito & Zama	Emergency	17
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering Cleaning Services	Emergency	111
Supply and delivery of meals, blankets, mattresses, and dignity packs	Msakazana Events Management	Emergency	30
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	34
Supply and delivery of meals, blankets, mattresses, and dignity packs	JRM Family Enterprise	Emergency	13
Supply and delivery of meals, blankets, mattresses, and dignity packs	Linamandla Business Enterprise	Emergency	15
Supply and delivery of meals, blankets, mattresses, and dignity packs	Linamandla Business Enterprise	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Linamandla Business Enterprise	Emergency	10
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering Cleaning Services	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Linamandla Business Enterprise	Emergency	149
Supply and delivery of meals, blankets, mattresses, and dignity packs	Achoti	Emergency	146
Supply and delivery of meals, blankets, mattresses, and dignity packs	Msakazana Events Management	Emergency	146



Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Supply and delivery of meals, blankets, mattresses, and dignity packs	Luchwayito & Zama	Emergency	148
Supply and delivery of meals, blankets, mattresses, and dignity packs	Excell SV Group	Emergency	224
Supply and delivery of meals, blankets, mattresses, and dignity packs	Mkhonto Services and Supplies	Emergency	224
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	220
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering Cleaning Services	Emergency	146
Supply and delivery of meals, blankets, mattresses, and dignity packs	Van Neel Projects	Emergency	149
Supply and delivery of meals, blankets, mattresses, and dignity packs	Agape Company Group	Emergency	153
Supply and delivery of meals, blankets, mattresses, and dignity packs	Divine Charm	Emergency	146
Supply and delivery of meals, blankets, mattresses, and dignity packs	Come Again	Emergency	220
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	25
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	7
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	137
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	52
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	64
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	80
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	21
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	11
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	52
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nuze Holdings	Emergency	17
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nuze Holdings	Emergency	44
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nuze Holdings	Emergency	23



Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nuze Holdings	Emergency	21
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	21
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	40
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	Sqalo Business Development	Emergency	99
Supply and delivery of meals, blankets, mattresses, and dignity packs	Sqalo Business Development	Emergency	14
Supply and delivery of meals, blankets, mattresses, and dignity packs	Sqalo Business Development	Emergency	9
Supply and delivery of meals, blankets, mattresses, and dignity packs	Sqalo Business Development	Emergency	10
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nuze Holdings	Emergency	56
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	11
Emergency Procurement for Khayelitsha Local Office. Hiring of mobile toilets.	Every Flush Toilet Hire	Emergency	27
Emergency Procurement for Khayelitsha Local Office. Hiring of Khulani Centre for the Khayelitsha Local Office	City of Cape Town	Emergency	31
Emergency Procurement for the plastic folding tables	Budget Office Suppliers and Stationers	Emergency	20
Deviation to enter into a lease agreement	Mesranet (Pty) Ltd	Single Source	240
Procurement of Training	Nelson Mandela University	Deviation	34
Procurement of Training	National School of Governance	Deviation	698
Procurement of Media Space	SABC Umhlobo Wenene	Deviation	116
Procurement of Media Space	Eastern Cape Community Hub	Deviation	61
Procurement of Media Space	Eastern Cape Community Hub	Deviation	123
Supply and delivery of meals, blankets, mattresses, and dignity packs	Inprint Projects	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Inprint Projects	Emergency	53
Supply and delivery of meals, blankets, mattresses, and dignity packs	Inprint Projects	Emergency	10
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	17



Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	7
Supply and delivery of meals, blankets, mattresses, and dignity packs	Inprint Projects	Emergency	11
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	37
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	17
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	64
Supply and delivery of meals, blankets, mattresses, and dignity packs	Masiqhame Trading	Emergency	58
Supply and delivery of meals, blankets, mattresses, and dignity packs	Masiqhame Trading	Emergency	28
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering	Emergency	15
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering	Emergency	16
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering	Emergency	41
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering	Emergency	13
Supply and delivery of meals, blankets, mattresses, and dignity packs	Inzalo Property Development	Emergency	61
Supply and delivery of meals, blankets, mattresses, and dignity packs	Inzalo Property Development	Emergency	24
Supply and delivery of meals, blankets, mattresses, and dignity packs	Inzalo Property Development	Emergency	54
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	23
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	46
Supply and delivery of meals, blankets, mattresses, and dignity packs	Luchwayito & Zama	Emergency	47
Supply and delivery of meals, blankets, mattresses, and dignity packs	Luchwayito & Zama	Emergency	21
Supply and delivery of meals, blankets, mattresses, and dignity packs	Masiqhame Trading	Emergency	21
Supply and delivery of meals, blankets, mattresses, and dignity packs	Mavula 1	Emergency	204
Supply and delivery of meals, blankets, mattresses, and dignity packs	Mavula 2	Emergency	190



Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Supply and delivery of meals, blankets, mattresses, and dignity packs	Mavula 3	Emergency	134
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	212
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	160
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	207
Supply and delivery of meals, blankets, mattresses, and dignity packs	Inzalo Property Development	Emergency	153
Supply and delivery of meals, blankets, mattresses, and dignity packs	Inzalo Property Development	Emergency	208
Supply and delivery of meals, blankets, mattresses, and dignity packs	Masiqhambe Trading	Emergency	276
Supply and delivery of meals, blankets, mattresses, and dignity packs	Inprint Projects	Emergency	205
Supply and delivery of meals, blankets, mattresses, and dignity packs	Luchwayito & Zama	Emergency	160
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	159
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	32
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	67
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	19
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	15
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	11
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	27
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	21
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	13
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	11
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	24
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	11
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	15



Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	122
Supply and delivery of meals, blankets, mattresses, and dignity packs	Andwekazi Trading	Emergency	83
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering	Emergency	116
Supply and delivery of meals, blankets, mattresses, and dignity packs	Langley's Catering	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Vani and Nyandeni	Emergency	15
Supply and delivery of meals, blankets, mattresses, and dignity packs	We Excell Group	Emergency	19
Supply and delivery of meals, blankets, mattresses, and dignity packs	OKL Creations	Emergency	106
Supply and delivery of meals, blankets, mattresses, and dignity packs	Van Neel Projects	Emergency	125
Supply and delivery of meals, blankets, mattresses, and dignity packs	Luchwayito and Zama	Emergency	125
Procurement of Radio Air Time	Eastern Cape Community Radio Forum	Deviation	130
Publication of bids in local newspapers	Arena Holdings	Deviation	23
Supply and Delivery of VIP toilets and Drinking Water	Banta Trading Enterprise	Emergency	13
Conduct of Investigations at SASSA emanating from Presidential Proclamation R37 of 2019	SIU	Deviation	44 320
Supply and delivery of meals, blankets, mattresses, and dignity packs	Masiqhame Trading	Emergency	50
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	19
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	30
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Excell SV Group	Emergency	95
Supply and delivery of meals, blankets, mattresses, and dignity packs	Jiyana Events and Projects	Emergency	11
Supply and delivery of meals, blankets, mattresses, and dignity packs	Jiyana Events and Projects	Emergency	72



Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Supply and delivery of meals, blankets, mattresses, and dignity packs	Jiyana Events and Projects	Emergency	16
Supply and delivery of meals, blankets, mattresses, and dignity packs	JRM Family	Emergency	40
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Van Nell Projects	Emergency	29
Supply and delivery of meals, blankets, mattresses, and dignity packs	Van Nell Projects	Emergency	42
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nokulunga Catering	Emergency	17
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nokulunga Catering	Emergency	4
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nokulunga Catering	Emergency	31
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nokulunga Catering	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Excell SV Group	Emergency	42
Supply and delivery of meals, blankets, mattresses, and dignity packs	Excell SV Group	Emergency	15
Supply and delivery of meals, blankets, mattresses, and dignity packs	Excell SV Group	Emergency	14
Supply and delivery of meals, blankets, mattresses, and dignity packs	Excell SV Group	Emergency	5
Supply and delivery of meals, blankets, mattresses, and dignity packs	Wordsisters Primary Co-op	Emergency	13
Supply and delivery of meals, blankets, mattresses, and dignity packs	Wordsisters Primary Co-op	Emergency	15
Supply and delivery of meals, blankets, mattresses, and dignity packs	Wordsisters Primary Co-op	Emergency	15
Supply and delivery of meals, blankets, mattresses, and dignity packs	Wordsisters Primary Co-op	Emergency	16
Supply and delivery of meals, blankets, mattresses, and dignity packs	Wordsisters Primary Co-op	Emergency	46
Supply and delivery of meals, blankets, mattresses, and dignity packs	Wordsisters Primary Co-op	Emergency	46
Supply and delivery of meals, blankets, mattresses, and dignity packs	Msakazana Events Man	Emergency	106
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	106
Supply and delivery of meals, blankets, mattresses, and dignity packs	Van Nell Projects	Emergency	95
Supply and delivery of meals, blankets, mattresses, and dignity packs	Isonka Semihla Ngemihla	Emergency	104



Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Supply and delivery of meals, blankets, mattresses, and dignity packs	Imizi Trading	Emergency	78
Supply and delivery of meals, blankets, mattresses, and dignity packs	JRM Family	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Linamandla Business Ent	Emergency	17
Supply and delivery of meals, blankets, mattresses, and dignity packs	Msakazana Events Man	Emergency	150
Supply and delivery of meals, blankets, mattresses, and dignity packs	Imizi Trading	Emergency	56
Supply and delivery of meals, blankets, mattresses, and dignity packs	Isonka Semihla Ngemihla	Emergency	64
Supply and delivery of meals, blankets, mattresses, and dignity packs	Isonka Semihla Ngemihla	Emergency	17
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	17
Support and Maintenance of Oracle Licences	ORACLE	Sole Supplier	2 592
Rand Show Exhibition Space	Dogan Exhibition and Events	Sole Supplier	95
Supply and delivery of meals, blankets, mattresses, and dignity packs	Armco Trading	Emergency	17
Supply and delivery of meals, blankets, mattresses, and dignity packs	Come Again	Emergency	13
Supply and delivery of meals, blankets, mattresses, and dignity packs	Come Again	Emergency	17
Supply and delivery of meals, blankets, mattresses, and dignity packs	Come Again	Emergency	104
Supply and delivery of meals, blankets, mattresses, and dignity packs	Come Again	Emergency	4
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	18
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	4
Supply and delivery of meals, blankets, mattresses, and dignity packs	ARMCO Trading	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nikilitha Catering	Emergency	8
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nikilitha Catering	Emergency	7
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nikilitha Catering	Emergency	17
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nikilitha Catering	Emergency	13
Supply and delivery of meals, blankets, mattresses, and dignity packs	Nikilitha Catering	Emergency	11



Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Supply and delivery of meals, blankets, mattresses, and dignity packs	Mfubesi Projects	Emergency	9
Supply and delivery of meals, blankets, mattresses, and dignity packs	Mfubesi Projects	Emergency	10
Supply and delivery of meals, blankets, mattresses, and dignity packs	JB Catering Services	Emergency	10
Supply and delivery of meals, blankets, mattresses, and dignity packs	JB Catering Services	Emergency	6
Supply and delivery of meals, blankets, mattresses, and dignity packs	JB Catering Services	Emergency	23
Supply and delivery of meals, blankets, mattresses, and dignity packs	JB Catering Services	Emergency	16
Supply and delivery of meals, blankets, mattresses, and dignity packs	JB Catering Services	Emergency	29
Supply and delivery of meals, blankets, mattresses, and dignity packs	Imizi Trading	Emergency	11
Supply and delivery of meals, blankets, mattresses, and dignity packs	Imizi Trading	Emergency	17
Supply and delivery of meals, blankets, mattresses, and dignity packs	Isonka Semihla ngemihla	Emergency	88
Supply and delivery of meals, blankets, mattresses, and dignity packs	Isonka Semihla ngemihla	Emergency	43
Supply and delivery of meals, blankets, mattresses, and dignity packs	Excell SV Group	Emergency	15
Supply and delivery of meals, blankets, mattresses, and dignity packs	Kamtwana	Emergency	13
Total			109 116





3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
Approval to deviate and extend the current lease agreement with Streak Street Investments for a period not exceeding 2 years at 15% of original contract amount	Streak Street Investments	Expansion	11 per annum	0	19
Extension of contract for SASSA WC medical practitioners for disability assessments and deviations for direct sourcing of medical practitioners	Various Doctors	Expansion	8 276	0	6 324
Extension of timelines of Change Management Contract	The Pacific Institute	Expansion	5 659	0	0
Request to approve extension of current co-sourcing of beneficiary records management contract between SASSA and TDW above 15% for a period of 6 months (1/09/2022 to 28/02/2023)	The Document Warehouse	Expansion	480	76 829	76 829
Request for deviation to lease extension agreement for the period of six (06) months with Messrs Omtay Property Holding Trust	Messrs Omtay Property Holding Trust	Expansion	18 526	45 361	5 431
Lease extension for 2 months for the Sekhing, Hebron and Itsoseng Local Offices	KWIKSPACE	Expansion	6 013	0	184
Four (4) months extension	Prosense Technology	Expansion	23 380	0	8 568
Call Centre Extension for 6 months (April to September 2022)	Ison	Expansion	29 498	29 498	29 498
Call Centre Extension for 3 months (Oct to Dec 2022)	Ison	Expansion	29 498	29 498	14 749
Three (3) months extension	Prosense Technology	Expansion	23 380	8 568	6 762
Extension of the Lease Agreement for the service and maintenance contract for the bulk Shredding machine at SASSA Limpopo Region	AZ Trading	Expansion	31 379	82	71
Extension of the current cleaning and sanitation services contract between SASSA Head Office and Staza Cleaning Services (PTY) LTD for a period of one month (1 - 31 October 2022)	Staza Cleaning Services	Expansion	2 678	576	271
Disability assessment by medical practitioners to perform on behalf of SASSA (Free State)	Medical Practitioners	Expansion	57 000	0	2634



Project description	Name of supplier	Contract modification type (Expansion or Variation)	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
One (1) month extension	Prosense Technology	Expansion	23 380	6 762	2 254
Four (4) months extension	Prosense Technology	Expansion	23 380	2 254	9 016
Call Centre Extension for two (2) months (Jan to Feb 2023)	Ison	Expansion	29 497	14 749	9 833
Contract extension for Change Management Survey for SASSA	Pacific Institute South Africa	Expansion	5 659	0	850
Extension of current co-sourcing of beneficiary records management contract between SASSA and TDW above 15% for a period of 6 months (1 September 2022 to 28 February 2023)	The Document Warehouse	Expansion	480 183	76 829	32 000
Extension of parking contract for a period of one (1) month	Diversity Turbine Hall Building (Pty) Ltd	Expansion	918	0	76
Extension of lease agreement for Idutywa Local Office	Ndlovu Property Trust	Expansion	1 899	0	736
Call Centre Extension for two (2) months (March to April 2023)	Ison	Expansion	29 498	9 833	9 833
Extension of parking contract for a period of six (6) months	Diversity Turbine Hall Building (Pty) Ltd	Expansion	918	76	483
Two (2) month expansion for the cleaning services	Pronto Kleen	Expansion	5 727	5 986	2 326
Extension for provision of physical security services	Bokwe Security Services	Expansion	5 548	8 674	7000
Extension of office accommodation	Columbia Falls 80(Pty) Ltd	Expansion	6 069	10 436	54 580
Total			1 113 923	326 010	280 327





PART F: FINANCIAL INFORMATION

Report of the External Auditor

Report of the auditor-general to Parliament on the South African Social Security Agency

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the South African Social Security Agency (Sassa) set out on pages 159 to 195, which comprise the statement of financial position as at 31 March 2023, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Sassa as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matter.

Provision for impairment

7. As disclosed in note 5 to the financial statements, the entity has made an impairment provision of R633 million against a total debt owed by a previous service provider on the social assistance fees. The service provider is currently under the liquidation process.

Contingencies

8. With reference to contingent liabilities of R827 million disclosed in note 26 to the financial statements, the entity is the defendant in various claims and lawsuits and is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Other matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

National Treasury Instruction No. 4 of 2022-23: PFMA Compliance and Reporting Framework

10. On 23 December 2022, the National Treasury issued Instruction No. 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, among others, the disclosure of unauthorised expenditure, irregular



expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in either the annual report or the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 29 to the financial statements of the entity. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the South African Social Security Agency. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

11. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
16. I selected the following programme presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected a programme that measure the entity's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Benefits administration and support	59 - 95	<p>The benefits administration and support programme provides grant administration service and ensures that operations within Sassa are integrated. The programme manages the full function of grant administration from application to approval, as well as beneficiary maintenance.</p> <p>The programme is responsible for the core business of Sassa and ensures implementation of the full value chain of grants administration. The functions relating to this programme cut across all levels within the agency, including day-to-day interface with clients.</p> <p>The continued need for this programme should be seen against the persistently high levels of unemployment, poverty and inequality in the country.</p>

17. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.

18. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

20. The material findings on the performance information of the selected programme are as follows:

Benefits administration and support

21. An achievement of 98.25% was reported against a target of 90% for the indicator percentage of enquiries resolved within stipulated timeframe. However, some supporting evidence was not provided for auditing; and, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.



Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievement's. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of the benefits administration and support programme. Management did not correct the misstatements and I reported material findings in this regard.

Report on compliance with legislation

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.

26. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

29. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R21 million as disclosed in note 29 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by expired lease contract still in use.

Other information in the annual report

30. The accounting authority is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

31. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

32. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
33. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

34. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
35. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
36. Leadership did not exercise adequate oversight over compliance with applicable legislation and performance reporting.
37. Management did not properly review and monitor compliance to prevent non-compliance with procurement legislation.
38. Management did not maintain a system of adequate record keeping to ensure complete and accurate source documentation to support performance reporting.

Material irregularities

39. In accordance with the PAA and the material irregularity regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Material irregularities identified during the audit

40. The material irregularities identified are as follows:

Suspected material irregularity: Alleged fraudulent social grant payments made in Eastern Cape

41. During the 2020-21 financial year, the entity identified two of their officials at an Eastern Cape local office who made false representations in December 2018 in respect of grant application and payments. The said applications gave the impression that some individuals had applied for social grants, which was not the case. Through collusion between these officials, the said applications were duly approved, and payments made. The fraudulent payment of these social grants resulted in a material financial loss of R1.8 million.
42. I notified the accounting authority of the suspected material irregularity on 16 March 2023 and invited a written submission on their actions to address the matter. The accounting authority's response to the notification, received on 2 May 2023, provided a comprehensive account of the circumstances that led to the material irregularity and the steps that had been taken to resolve the suspected material irregularity.
43. The following actions have been taken by the accounting authority to resolve the suspected material irregularity:
- Further losses were prevented when the entity lapsed the grants and stopped payments in February 2021 and the last two grants stopped in January 2022.



- A legal opinion was obtained on 29 April 2023, to confirm whether there are prospects of success in recovery of the funds captured unlawfully from the assets of the dismissed official and the estate of the late official since the investigation was concluded after they had departed from the agency.
- The legal opinion indicated that no further action be taken against the deceased employee as no enquiry was held against him whilst he was alive, and thus no recovery can be made against his estate. With regards to the other individual implicated, the agency was to pursue recovery against that individual only with the inclusion of the Directorate of Priority Crimes Investigation (DPCI) and Asset Forfeiture Unit, provided that investigations were finalised and summons are issued against him.
- The case was under investigation by the DPCI, while the National Prosecution Authority (NPA) directed the investigation process.
- On 12 June 2023, the case docket was submitted to NPA for decision after numerous consultations between NPA, Sassa and the investigating officer.
- On 13 June 2023, the DPCI responded that they will not continue with the case as there were no prospects of successful prosecution.

44. As no further actions can be taken, the suspected material irregularity has been resolved.

Material irregularities in progress

45. I identified another material irregularity during the audit and notified the accounting authority, as required by material irregularity regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the response from the accounting authority. This material irregularity will be included in next year's auditor's report.

Status of previously reported material irregularities

R350 grant payments made to ineligible applicants

46. Between May 2020 and August 2021, the entity made payments to ineligible individuals who were not entitled to the social relief for distress (SRD) covid-19 R350 grant. This was because internal controls were inadequate to perform validations and prevent payments to ineligible persons. This resulted in non-compliance with section 51(1) (a) (i) of the PFMA, as the entity did not maintain effective, efficient and transparent systems of financial and risk management and related internal controls. The non-compliance is likely to result in a material financial loss for Department of Social Development (department) on whose behalf the entity administers the grant.
47. I notified the accounting authority of the material irregularity on 4 October 2021 and invited a written submission on their actions to address the matter. The accounting authority's response to the notification, on 8 November 2021, disagreed on the non-compliance with section 51(1)(a)(i) of the PFMA, arguing that the entity had taken adequate actions to prevent payments to ineligible applicants, based on the best data available to them before payments were made.
48. On 16 May 2022, I received a further submission from the accounting authority detailing steps that were being taken to address the material irregularity. Based on an assessment of the accounting authority's submission, I concluded that appropriate action is not being taken to fully address the material irregularity.
49. I recommended that the accounting authority should take the following actions to address the material irregularity by 29 January 2023
- a. Reasonable steps should be taken to implement internal controls to prevent and detect payments to ineligible beneficiaries. These should include verifying the applicants against the latest available databases, maintaining an audit trail of verifications that were performed and cancelling further payments to ineligible beneficiaries.

- b. Appropriate action should be taken to recover payments made to ineligible beneficiaries that were working for the state at the time of applying for the grant. The recovery process should not be unduly delayed.
 - c. Appropriate action should be taken to obtain legal advice on the process to be followed to recover monies paid to ineligible beneficiaries who are not employed by the state. Based on the legal advice, the feasibility and cost effectiveness of recovering the money should be determined and, if it is determined that such recovery is feasible and cost effective, then such money should be recovered from the ineligible beneficiaries who are not employed by the state.
50. I evaluated the accounting authority's response and substantiating documentation received on 30 January 2023 on the implementation of the recommendations. As some of the actions taken to address the material irregularity are still in progress and not yet completed, I granted the accounting authority an additional six months up to 25 October 2023 to implement the recommendations.
51. In a progress report provided during June 2023 on the implementation of the recommendations, the accounting authority reported on the progress being made with the actions to implement the recommendations, as follows:
- a. An amount of R138 million has been recovered from 211 890 ineligible beneficiaries and the process is on-going in making further recoveries;
 - b. Fraud investigations by the Fusion Centre is continuing and a number of criminal convictions have been secured. The investigations into criminal action are on-going and further convictions are expected;
 - c. Impactful engagements with oversight structures and role players in the various provinces to identify ineligible beneficiaries and to sign acknowledgments of debt with government employees that benefitted ineligibly from the grant continues; and
 - d. The amendment to legislation continues to add value in ensuring that grants are only paid to eligible beneficiaries.
52. The accounting authority is committed in taking reasonable steps to implement the recommendation and I will continue to monitor the progress with the implementation of recommendations that is due by revised implementation date of 25 October 2023.

Payment of social assistance fees for services not rendered

53. In April 2018, the entity made a payment of social assistance fees to a service provider in relation to grant payments to beneficiaries. The service provider was not entitled to the fees because the entity had made the relevant grant payments directly to the beneficiaries' bank accounts. The payment for services not rendered to the entity resulted in non-compliance with section 50(1) (a) of the PFMA, as the accounting authority did not act in the best interests of the entity. The non-compliance resulted in a material financial loss of R74 million for the entity.
54. I notified the accounting authority of the material irregularity on 23 August 2021 and invited a written submission on their actions to address the matter. The accounting authority responded to the notification on 30 September 2021 and provided a comprehensive account of the circumstances that led to the material irregularity, steps taken to address the material irregularity, and recourse to recover the financial loss incurred.
55. On 7 December 2021, a private firm was appointed through the National Treasury to conduct a forensic investigation into the entity's undue payments to the service provider in 2018. The final investigation report was submitted to the chief executive officer on 12 July 2022 for discussion and finalisation of the recommendations. The recommendations from the investigation were that the entity:
- a. follows the process contemplated in the framework for determination, investigation, quantification and recovery of fruitless and wasteful expenditure.
 - b. issues letters of demand for recovery of the fruitless and wasteful expenditure, once the value thereof has been quantified and allocated between the responsible officials.



- c. considers obtaining specific legal advice on whether disciplinary action can be taken against officials for failure to act with due care and skill in communicating to the service provider that payment would continue to be made to them in respect of direct payments effected by the entity during February and March 2018; and in approving and/or releasing payment to the service provider for services that were not delivered by the supplier
 - d. considers providing training to its employees on the PFMA as well as on Sassa's procurement policies and procedures.
56. A legal firm was appointed on 24 January 2023 to act as advisors on the management of irregular, fruitless and wasteful expenditure; conduct, review and analyse at least three investigation reports which included the above forensic report. Part of its scope was to determine whether there was any financial prejudice or loss to the entity, and the extent thereof; and if there was financial loss, the culpability of the respective service provider, officials involved in the transaction and to determine whether or not the implicated officials should be subjected to corrected disciplinary process.
57. The report from the legal firm, which was issued on 13 April 2023, provided comprehensive feedback on their work done and confirmed that disciplinary actions can be taken against officials still employed by the entity. On 14 May 2023, the accounting authority approved the report for implementation.
58. The entity has appointed a presiding officer in July 2023, to preside/ chair the disciplinary process.
59. The entity continues to provide training to its employees on the PFMA and on its procurement policies and procedures.
60. I will follow-up on the implementation of the remaining actions of the investigation report and the legal opinion during my next audit.

Overpayment of R316 million to a service provider

61. During June 2014, the entity made a payment of R316 million to a service provider that was appointed to administer grant payments at the time. The payment was made as part of a variation to the service level agreement with the service provider. However, this variation was concluded contrary to the entity's supply chain management policy as no prior approval had been sought or given from the bid adjudication committee. The courts later confirmed that the variation in question was not necessary as the additional services referred to were covered by the existing service level agreement with service provider. This meant that the service provider was not entitled to the additional payment of R316 million. The payment for services not rendered resulted in non-compliance with section 51(1) (c) of the PFMA and is likely to result in a financial loss of R316 million to the entity as the service provider is currently under liquidation.
62. I notified the accounting authority of the material irregularity on 4 October 2021 and invited a written submission on their actions to address the matter. The accounting authority responded to the notification on 8 November 2021 and provided a comprehensive account of the circumstances that led to the material irregularity, steps taken to address the material irregularity, and recourse to recover the financial loss incurred.
63. On 9 February 2022, a private firm was appointed through the National Treasury to conduct a forensic investigation into the payment of R316 million to the service provider in 2014-15.
64. The final investigation report was submitted in December 2022. The recommendations of the investigation report indicated that the entity considers obtaining legal advice regarding any possible actions that can be taken against any former employee in their role in the approval of the services and the payment thereof, taking into account the law of prescription.
65. Legal advice was obtained on 12 December 2022, which indicated that no action can be taken against the former officials.
66. The liquidation process to recover the overpayment from the service provider is still in progress, therefore the material irregularity is considered resolved.

Other reports

67. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
68. The Special Investigation Unit (SIU) probed the procurement of goods, works and services in three provinces. The investigation was in terms of Proclamation R37 of 2019- as published in government gazette No. 2577, and it commenced on 1 October 2019 and is still underway. A new focus area of the investigation was included as per Proclamation R78 of 2022, as published in government gazette No. 47055. In terms of the proclamation, the SIU will investigate the procurement of blankets by the KwaZulu-Natal regional office between April 2016 and September 2016, medical goods procured within the Gauteng region during the same period and a cleaning tender, and refurbishment of the entity's offices in the Eastern Cape. The investigation is still in progress.
69. The Acting Public Protector (APP) investigated allegations of maladministration, improper or suspected improper conduct by functionaries of the entity with regard to the appointment of service providers. The investigation was concluded, and a final report was submitted on 30 September 2022. The report included remedial actions and recommendations that the accounting authority is to implement. The entity is in the process of implementing the APP's recommendations as complemented by the appointed service provider's legal advice in respect of this matter.
70. The APP investigated allegations of improper conduct and maladministration relating to the failure by the entity to cancel the Social Relief for Distress (SRD) grant as requested by a complainant. The investigation was conducted in terms of section 182 of the Constitution and section 6 and 7 of the Public Protector Act (PPA). The investigation was concluded on 1 June 2023 and the report submitted to the entity on 8 June 2023. The outcome of the investigation was that although the allegation could be substantiated, the position was rectified as the SRD grant was cancelled and that the conduct of the entity does not constitute improper conduct as envisaged by section 182(1) of the Constitution and maladministration in terms of section 6(4)(a)(i) of the PPA. The complainant was advised in a report dated 11 May 2023 that the APP intends to close the investigation as the position is rectified.
71. The entity's fraud and compliance unit conducted various investigations related to fraud and corruption as well as non-compliance with procurement and contract management legislation. Twenty (20) cases, all relating to grant fraud, were referred to the South African Police Service (SAPS) during the year for investigation. As at the date of this report, one (1) case was finalised and the person was found guilty and convicted, the rest of the cases are still pending/under investigation by SAPS.


Pretoria

31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected [programmes/ objectives/ development priorities] and on the entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause an entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Annexure to the auditor's report

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c'); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b);
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 8.2.1; 8.2.2 Treasury Regulation 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A6.2(e);16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1 16A9; 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); TR 16A 9.2(a) (iii) Treasury Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Treasury Regulation 31.1.2(c') Treasury Regulation 31.2.1; 31.2.5; 31.2.7(a) Treasury Regulation 31.3.3 Treasury Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c') Treasury Regulation 33.1.1; 33.1.3
Public service regulation	Public service regulation 13(c);18; 18 (1) and (2);
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2



Annexure to the auditor's report

Legislation	Sections or regulations
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4 (c)-(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Par. 4.3.2; 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1 Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1



2. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Index

The reports and statements set out below comprise the Annual financial statements presented to the parliament:

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The Annual financial statements set out on page 159 - 195, which have been prepared on the going concern basis, were approved by the accounting authority on May 31, 2023 and were signed on its behalf by:

Ms B.J. Memela-Khambula

Accounting Authority

Date: 31 July 2023



Statement of Financial Position as at March 31, 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Current Assets			
Inventories	3	19,035,476	18,641,613
Receivables from exchange transactions	4	13,394,224	11,122,402
Prepayments	6	3,522,514	2,941,153
Short-term portion on concessionary loan granted		-	1,011,764
Cash and cash equivalents	7	1,913,324,729	2,146,714,540
		1,949,276,943	2,180,431,472
Non-Current Assets			
Property, plant and equipment	8	875,330,792	716,098,925
Intangible assets	9	68,163,506	69,408,353
		943,494,298	785,507,278
Total Assets		2,892,771,241	2,965,938,750
Liabilities			
Current Liabilities			
Finance lease obligation	10	223,888	370,903
Operating lease liability	11	15,680,693	16,276,658
Payables from exchange transactions	12	748,254,348	371,700,143
Provisions	13	218,905,762	239,360,701
		983,064,691	627,708,405
Non-Current Liabilities			
Finance lease obligation	10	115,559	-
Total Liabilities		983,180,250	627,708,405
Net Assets		1,909,591,473	2,338,230,345
Accumulated surplus		1,909,591,477	2,338,230,360
Total Net Assets		1,909,591,477	2,338,230,360

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022
Revenue			
Revenue from exchange transactions			
Miscellaneous other revenue	14	65,888,843	39,146,591
Interest on Concessionary loan		283	3,874,608
Finance Income	17	1,233,159	1,543,565
Total revenue from exchange transactions		67,122,285	44,564,764
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies		7,415,579,000	7,963,901,000
Service in kind		-	21,370,399
Total revenue from non-exchange transactions	15	7,415,579,000	7,985,271,399
Total revenue		7,482,701,285	8,029,836,163
Expenditure			
Employee related costs	18	3,373,846,857	3,181,677,993
Depreciation and amortisation	8	84,097,888	101,850,602
Finance costs	19	26,923	49,701
Debt Impairment		2,416,310	5,931,155
Social Assistance Service fee	21	1,624,678,011	1,977,839,791
Repairs and maintenance		25,437,211	25,533,370
General Expenses	20	2,022,025,060	1,933,026,364
Total expenditure		7,132,528,260	7,225,908,976
Surplus for the year from continuing operations		350,173,025	803,927,187
Loss on disposal of assets and liabilities		(4,504,637)	(7,179,247)
Social benefit		-	24,240,722
Surplus for the year		345,668,388	820,988,662



Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	2,051,052,774	2,051,052,774
Balance at April 1, 2021	2,051,052,774	2,051,052,774
Changes in net assets		
Surplus for the year	820,988,661	820,988,661
Surplus surrendered	(533,811,075)	(533,811,075)
Total changes	287,177,586	287,177,586
Opening balance as previously reported	2,338,230,360	2,338,230,360
Balance at April 1, 2022	2,338,230,360	2,338,230,360
Changes in net assets		
Surplus for the year	345,668,388	345,668,388
Surplus surrendered	(774,307,271)	(774,307,271)
Total changes	(428,638,883)	(428,638,883)
Balance at March 31, 2023	1,909,591,477	1,909,591,477

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Receipts			
Cash receipts		7,476,779,711	8,019,532,532
Payments			
Cash paid to suppliers and employees		(6,690,447,299)	(7,282,617,627)
Net cash flows from operating activities	24	786,332,413	736,914,905
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(246,073,336)	(101,868,585)
Purchase of other intangible assets	9	(5,911,185)	(1,791,489)
Proceeds from sale of other asset		5,394,496	2,830,423
Interest Income		1,233,159	1,543,565
Net cash flows from investing activities		(245,356,866)	(99,286,086)
Cash flows from financing activities			
Cash surplus surrendered to National Treasury		(774,307,271)	(533,811,075)
Finance lease payments		(31,456)	(646,426)
Finance costs		(26,923)	(49,701)
Net cash flows from financing activities		(774,365,650)	(534,507,202)
Net increase/(decrease) in cash and cash equivalents		(233,390,103)	103,121,617
Cash and cash equivalents at the beginning of the year		2,146,714,540	2,043,593,209
Cash and cash equivalents at the end of the year	7	1,913,324,437	2,146,714,540



Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Ref.
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Miscellaneous other revenue	-	-	-	65,888,843	65,888,843	
Financial instruments - Fee income	-	-	-	283	283	
Interest received - investment	-	-	-	1,233,159	1,233,159	
Total revenue from exchange transactions	-	-	-	67,122,285	67,122,285	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	7,415,579,000	-	7,415,579,000	7,415,579,000	-	
Expenditure						
Personnel	(3,384,862,041)	-	(3,384,862,041)	(3,373,846,857)	11,015,184	
Finance costs	-	-	-	(26,923)	(26,923)	
Repairs and maintenance	(33,589,860)	-	(33,589,860)	(25,437,211)	8,152,649	
Social assistance service fee	(1,360,257,074)	-	(1,360,257,074)	(1,624,678,011)	(264,420,937)	
Capital expenditure	(77,536,247)	-	(77,536,247)	-	77,536,247	
Administrative Expenses	(2,643,041,778)	83,710,000	(2,559,331,778)	(2,022,025,060)	537,306,718	
Total expenditure	(7,499,287,000)	83,710,000	(7,415,577,000)	(7,046,014,062)	369,562,938	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	436,687,223	436,687,223	31

Accounting Policies

1. Presentation of Annual Financial Statements

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed.

These accounting policies are consistent with the previous period. Comparative information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in

the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables loans and other receivables

In determining whether an impairment loss should be recorded in surplus or deficit, the provincial entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discontinued at the effective interest rate, computed at initial cognition.

Accrued expenses

Accrued expenses are liabilities to pay for goods and services received or supplied but have not yet been invoices or formally agreed with the supplier, including amounts due to employees. Accrued expenses are recognised when they are measurable in the accounting period in which those transactions events or conditions occur.



Accounting Policies

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Useful lives of waste and water network and other assets

The entity re-assesses the useful lives and residual values of property, plant and equipment on an annual basis. In re-assessing the useful lives and residual values of property, plant and equipment management considers the condition and use of the individual assets, to determine the remaining period over which the asset can and will be used.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's

deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Accounting Policies

Item	Depreciation method	Average useful life
Buildings	Straight-line	20 - 50 years
Leasehold property	Straight-line	Lesser of the useful life or the lease agreement term
Machinery and equipment	Straight-line	2 - 17 years
Furniture and fixtures	Straight-line	5 - 17 years
Motor vehicles	Straight-line	4 - 10 years
Office equipment	Straight-line	5 - 17 years
IT equipment	Straight-line	3 - 10 years
Leasehold improvements	Straight-line	Lesser of the useful life or the lease agreement term
Communication equipment	Straight-line	2 - 17 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss

arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 8).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 8).

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.



Accounting Policies

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, internally generated	Straight-line	3 - 20 years
Computer software, other	Straight-line	3 - 20 years

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 9).

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of

Accounting Policies

allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or

- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or



Accounting Policies

- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or;
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-Exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The carrying amounts of those inventories are recognised as an expense in the period in which the goods are distributed, or related services are rendered. The amount of any write-down of inventories to current replacement cost

Accounting Policies

and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.12 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.



Accounting Policies

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 26.

1.13 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognized contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.14 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments.

1.15 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity. When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the

amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Accounting Policies

Government grants

An inflow of resources from a non-exchange transactions other than services rendered, that meet the definition of an asset is recognised as an asset when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the amount of the revenue can be measured reliably.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying agencies in accordance with an agreed program may not be sufficient evidence of the probability of the flow.

Revenue is then only recognised once evidence of the probability of the flow becomes available.

Conditions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no condition on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Services in-kind

The entity recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in-kind received during the reporting period.

1.16 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including

- a. this Act; or
- b. the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act.
- c. any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is accounted for in line with the National Treasury Instruction Notes and compliance reporting frameworks applicable in the year of reporting.

Recognition

Irregular expenditure is incurred when the resulting transaction is recognized in the financial records of the public entity in accordance with the relevant Accounting Framework. The entity will only record irregular expenditure when a transaction is recognised as expenditure in the Statement of Financial Performance in accordance with the Generally Recognised Accounting Practice (GRAP).

Disclosures are required in term of the National Treasury Regulations 9.1.5 and 28.2.1, as a note to the annual financial statement in respect of irregular expenditure incurred by the entity. Irregular expenditure is disclosed in the notes to the financial statements when confirmed.

1.18 Budget information

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements. Refer to note 31.



Accounting Policies

Comparative information is not required.

1.19 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships

on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

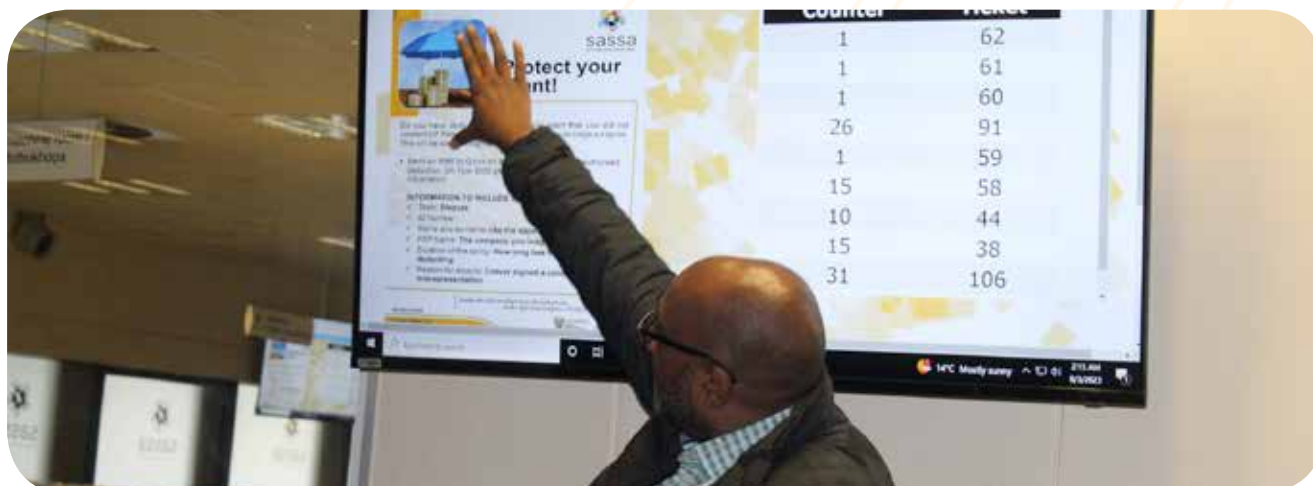
1.20 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.



Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after April 1, 2023 or later periods:

GRAP 25 (as revised): Employee Benefits

Background

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits (IAS® 19) were more appropriate. Specifically, the Board:

- Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise.
- Required the recognition of past service costs in the year that a plan is amended, rather than on the basis of whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14®) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum

Funding Requirements and their Interaction (IGRAP 7).

Key amendments to GRAP 25

The Board agreed to align GRAP 25 with IPSAS 39, but that local issues and the local environment need to be considered. As a result of this decision, there are areas where GRAP 25 departs from the requirements of IPSAS 39. The Board's decisions to depart are explained in the basis for conclusions.

The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25.

The effective date of these revisions have not yet been set.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 104 (as revised): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued



Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the revisions is not yet set by the Minister of Finance.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

3. Inventories

Stationery and consumables	18,212,056	17,253,675
Postage/franking machine	823,420	1,387,938
	19,035,476	18,641,613

4. Receivables from exchange transactions

Staff debtors	5,611,456	5,657,050
Other debtors	1,088,091	232,582
Inter-departmental claims	6,694,677	5,232,770
	13,394,224	11,122,402

Trade and other receivables pledged as security

Trade and other receivables were not pledged as security for financial liability.

Fair value of trade and other receivables

Trade and other receivables	24,508,061	18,830,163
Provision for doubtful debts	(11,113,837)	(7,707,761)
	13,394,224	11,122,402

Reconciliation of provision for impairment of trade and other receivables

Opening balance	7,707,761	2,412,390
Provision for impairment	2,416,310	5,931,155
Amounts written off as uncollectible	989,766	(635,784)
	11,113,837	7,707,761

5. Receivables from non-exchange transactions

Fair value of receivables from non-exchange transactions

Other receivables from non-exchange transactions	632,894,722	632,894,722
Provision for Impairment	(632,894,722)	(632,894,722)

Notes to the Annual Financial Statements

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Credit quality of receivables from non-exchange transactions

On 15 June 2012 SASSA and Cash Paymaster Services (Pty) Ltd (CPS) entered into a Variation Agreement which resulted into a payment made in June 2014 to CPS in the sum of R316,447,361. Corruption Watch made an application to the High Court to review this decision by SASSA and CPS.

On 23 March 2018, the High Court ruled in favour of Corruption Watch and ordered CPS to repay R316,447,361 to SASSA with interest from June 2014 to date of payment. The interest was calculated at the then applicable prescribed rate of 15.5% from 4 June 2014, this being the date on which payment was made and thus CPS owes SASSA R632,894,722 inclusive of interest as at the end of March 2021.

CPS is currently placed under liquidation and therefore, the recoverable amount can only be determined at the conclusion of the liquidation process

These events provide evidence that the impairment occurred after initial recognition of the assets:

Receivable resulting from court judgement impaired

As of March 31, 2023, other receivables resulting from court judgment of R 632,894,722 (2022: R632,894,722 -) were impaired and provided for.

The amount of the provision as at 31 March, 2023 is R 632,894,722

The ageing of these loans is as follows:

Over 12 months	632,894,722	632,894,722
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6. Prepayments

Opening balance	2,941,153	2,588,991
Amount realised as an expense	(18,372,782)	(6,840,098)
Increased for the period	18,954,143	7,191,415
	3,522,514	2,940,308

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	55	105,000
Bank balances	1,913,324,674	2,146,609,540
	1,913,324,729	2,146,714,540

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

The vast majority of the entity's funds are not held within a commercial bank; therefore, the entity is not exposed to credit risk.



Notes to the Annual Financial Statements

8. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	519,500	-	519,500	519,500	-	519,500
Buildings	265,389,247	(81,801,729)	183,587,518	264,892,180	(72,222,993)	192,669,187
Leasehold property	859,816	(632,510)	227,306	859,816	(540,011)	319,805
Furniture and fixtures	187,656,453	(111,182,485)	76,473,968	185,660,808	(107,835,080)	77,825,728
Motor vehicles	527,379,385	(216,250,609)	311,128,776	392,133,363	(220,548,604)	171,584,759
Office equipment	6,848,331	(4,609,163)	2,239,168	6,910,880	(4,709,052)	2,201,828
IT equipment	567,740,347	(345,360,270)	222,380,077	545,498,150	(333,140,633)	212,357,517
Leasehold improvements	1,776,850	(1,462,044)	314,806	1,874,539	(1,561,348)	313,191
Machinery and equipment	131,820,119	(66,028,272)	65,791,365	108,522,396	(63,773,552)	44,748,844
Communication equipment	20,288,423	(7,620,115)	12,668,308	22,788,950	(9,230,384)	13,558,566
Total	1,710,278,471	(834,947,197)	875,331,274	1,529,660,582	(813,561,657)	716,098,925

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	519,500	-	-	-	-	519,500
Buildings	192,669,187	771,173	(187,028)	-	(9,665,814)	183,587,518
Leasehold property	319,805	-	-	-	(92,499)	227,306
Furniture and fixtures	77,825,728	7,607,271	(1,478,838)	-	(7,480,193)	76,473,968
Motor vehicles	171,584,759	159,094,930	(5,503,817)	-	(14,047,096)	311,128,776
Office equipment	2,201,828	412,676	(71,756)	-	(303,580)	2,239,168
IT equipment	212,357,517	50,477,356	(1,817,151)	(170,147)	(38,467,498)	222,380,077
Finance lease assets	313,191	457,103	(10,417)	-	(445,071)	314,806
Machinery and equipment	44,748,364	26,844,972	(481,985)	159,735	(5,479,721)	65,791,365
Communication equipment	13,558,566	407,854	(348,140)	10,412	(960,384)	12,668,308
	716,098,445	246,073,335	(9,899,132)	-	(76,941,856)	875,331,274

Notes to the Annual Financial Statements

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	519,500	-	-	-	-	519,500
Buildings	200,176,802	2,863,824	(686,250)	-	(9,685,189)	192,669,187
Leasehold property	117,611	445,017	-	-	(242,823)	319,805
Furniture and fixtures	84,065,552	3,890,732	(1,509,257)	-	(8,621,299)	77,825,728
Motor vehicles	190,124,895	15,958,435	(4,397,908)	-	(30,100,663)	171,584,759
Office equipment	2,570,718	8,068	(17,635)	-	(359,323)	2,201,828
IT equipment	178,863,200	73,248,584	(1,832,705)	(116)	(37,921,446)	212,357,517
Leasehold improvements	940,534	-	(8,419)	-	(618,924)	313,191
Other property, plant and equipment	46,690,345	5,372,925	(1,134,318)	14,405	(6,194,993)	44,748,364
Communication equipment	14,941,967	81,000	(419,540)	(14,289)	(1,030,572)	13,558,566
	719,011,604	101,868,585	(10,006,032)	-	(94,775,232)	716,098,445

Assets subject to finance lease (Net carrying amount)

Leasehold property	227,306	319,805
Leasehold improvements	314,806	313,191
	542,112	632,996

Details of properties

Property 1

Land- Limpopo
Region: Portion
4 of ERF 655
Warmbaths-
Purchase price: 13
May 2016

519,500	519,500
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Notes to the Annual Financial Statements

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8. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2023

	Opening balance	Movement	Total
Buildings	8,871,249	713,798	9,585,047
Office Furniture	-	296,976	296,976
IT equipment	8,685,400	(8,497,400)	188,000
Machinery and equipment	-	590,091	590,091
	17,556,649	(6,896,535)	10,660,114

Reconciliation of Work-in-Progress 2022

	Opening balance	Movement	Total
Dithakong local office	3,358,589	246,935	3,605,524
Churchill local office	2,564,034	226,910	2,790,944
Battharos local office	1,164,717	1,310,064	2,474,781
7 x Servers	-	8,685,400	8,685,400
	7,087,340	10,469,309	17,556,649

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Contracted services	20,604,141	21,198,363
General expenses	4,833,070	5,088,639
	25,437,211	26,287,002

Notes to the Annual Financial Statements

9. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, internally generated	149,031,831	(80,868,325)	68,163,506	143,120,646	(73,712,293)	69,408,353

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	69,408,353	5,911,185	(7,156,032)	68,163,506

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	74,695,873	1,791,489	(3,640)	(7,075,369)	69,408,353

Intangible assets in the process of being constructed or developed

	Opening balance	Movement	Total
Software License	-	5,911,185	5,911,185



Notes to the Annual Financial Statements

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10. Finance lease obligation

Minimum lease payments due

- within one year	246,882	382,184
- in second to fifth year inclusive	120,722	-
	367,604	382,184
less: future finance charges	(28,157)	(11,282)
Present value of minimum lease payments	339,447	370,902

Present value of minimum lease payments due

- within one year	223,888	370,902
- in second to fifth year inclusive	115,559	-
	339,447	370,902

Non-current liabilities

Current liabilities

115,559	-
223,888	370,903
339,447	370,903

The average lease term is between 2-5 years and the average effective borrowing rate is linked to the prime rate as determined by the South African Reserve Bank. Interest rates are fixed at the contract date. All the leases have fixed repayment terms. No arrangements have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.

The agency did not default on any interest or capital portions on any of the finance leases. None of the terms attached the finance leases were renegotiated in the period under review.

The agency's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 9

11. Operating lease

Contractual payments	(109,701,711)	(147,620,754)
Straight-line basis expense	125,382,404	163,897,412
	15,680,693	16,276,658
Within one year	113,376,566	107,912,859
In second to fifth year inclusive	314,517,383	176,416,077
Later than five years	1,110,725	2,457,043
	429,004,674	286,785,979

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments have been recognised as an operating lease liability

Operating lease payments represent rentals payable by the Agency for certain of its office properties and equipment. Leases are negotiated for periods ranging from 12 months to 120 months. The leases escalate on average between 5% and 10%. The operating lease liability at the end of the period 31 March 2023: R 15,680,693 (2022: R16 276 658)

Notes to the Annual Financial Statements

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12. Payables from exchange transactions

Trade payables	66,710,307	70,288,132
Inter-departmental claims	3,594,714	35,756
Payroll-Third party	534,811	18,206
Accrued service bonus	96,829,492	95,079,767
Accrued expense	575,008,150	204,595,576
Operating lease payables- Office building	5,576,874	1,682,706
	748,254,348	371,700,143

Fair value of trade and other payables

Trade payables	66,710,307	70,288,132
Inter-departmental claims	3,594,714	35,756
Payroll thirty-party	534,811	18,206
Accrued service bonus	96,829,492	95,079,767
Accrued expenses	575,008,150	204,595,576
Operating lease payables-Office buildings	5,576,874	1,682,706
	748,254,348	371,700,143

13. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Total
Provision for legal fees	1,312,882	125,738	(1,312,882)	125,738
Provision for shared services and other third-party	12,128,464	3,683,808	(2,158,849)	13,653,423
Provision for leave pay	225,919,355	730,429	(21,523,183)	205,126,601
	239,360,701	4,539,975	(24,994,914)	218,905,762

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Provision for legal fees	4,575,516	1,610,075	(4,872,709)	1,312,882
Provision for shared services and other third-party	9,945,912	8,473,859	(6,291,307)	12,128,464
Provision for leave pay	344,167,050	141,938,376	(260,186,071)	225,919,355
Provision for performance bonus	15,872,871	-	(15,872,871)	-
	374,561,349	152,022,310	(287,222,958)	239,360,701



Notes to the Annual Financial Statements

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13. Provisions (continued)

The provision for performance bonus represents the estimated liability in respect of performance bonus to be paid out.

The provision for leave pay includes both capped and uncapped leave entitlement to employees. The agency policy rate used in the calculation for the provision for leave pay is the same for both capped and uncapped entitled leave.

The provision for shared services and other third-party represents shared services and other third-party incurred by the agency still outstanding at year end.

14. Revenue from exchange transactions

Sale of waste paper and others	28,128	30,110
Commission received	44,402	53,645
Rental income – parking	487,668	433,728
Recovery of debts and other revenue	8,706,350	5,907,929
Skills development refund	5,015,966	3,256,244
Contractual penalties	51,606,329	29,143,547
Other revenue	-	321,388
	65,888,843	39,146,591

15. Revenue from non-exchange transactions

Operating grants

Government grant	7,415,579,000	7,963,901,000
Service in kind	-	21,370,399
	7,415,579,000	7,985,271,399

Service in kind - GovChat

SASSA received service in kind for the current year and the rand value of the service could not be quantified due to the fact that GovChat is currently undergoing business rescue and we have no access to the leadership that can provide reliable figures for the value of the service. For the previous year (2022), the value of the free service was R13 125 744 provided by GovChat through the provision of a digital application and engagement platform to facilitate the flow of information and receipt of grants in relation to the Covid-19 grant initiative. In terms of the agreement entered into with GovChat the services are rendered free of charge.

Service in kind - Finmark Trust

SASSA received service in kind to the value of (2022) R8 244 655 provided by Finmark Trust, where they provide d research on investment options that will build and strengthen the capacity of the Agency to reduce cost and enhance implementation of alternative payment options that end users or beneficiaries would have through interoperable digital payment platforms.

Notes to the Annual Financial Statements

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15. Revenue from non-exchange transactions (continued)

Service in kind - Office accommodation

SASSA receives services in kind on various terms and conditions; it occupies office accommodation and parking bays buildings free of rental mostly on inherited arrangements by the DSD and its stakeholders (property owners). Hence most of these buildings are owned by the National & Provincial Government, District and Local Municipalities, Department of Health, Department of Education, and tribal authorities. The DSD and the stakeholders had these arrangements to provide multi-government services at a common point, to form a strong relationship with local authorities, community-based organisations, tribal authorities and other government departments.

The relationship is mutually beneficial to both parties involved; it reduces the vandalism of buildings that would otherwise remain vacant; it provides regular maintenance and ensures that Government-owned building values do not deteriorate. On the other hand, it has benefited the SASSA financially.

The nature of the relationship between SASSA and the Stakeholders' is not comparable to the market offerings, and the fair value of services in-kind received cannot be measured reliably

Service in kind – Means Test

SASSA received service in kind from Post Bank and Capitec where means tests were provided free of charge to the Agency by the two banks in processing payments of grants to the grant recipients. The Agency is not in a position to provide a reliable estimate due to the terms and conditions entered into with the banks.

16. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Operating lease charges

Lease rentals on operating lease

- Straight-lining of operating leases

Loss on disposal of assets

Motor vehicle expenses

Security

Cellphone, telephone and fax expenses

Travel -local

Computer expenses

Consulting and professional fees

Amortisation - intangible assets

Depreciation on property, plant and equipment

Employee costs

125,382,404

163,882,271

4,504,637

7,179,247

70,250,008

50,404,459

332,502,666

312,984,430

16,649,858

16,184,438

87,212,133

53,969,583

405,656,934

453,027,391

243,180,977

241,043,796

7,156,032

7,075,370

76,941,856

94,775,232

3,373,846,857

3,181,677,993



Notes to the Annual Financial Statements

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17. Interest revenue

Bank interest received	42,592	38,641
Interest on other receivables	1,190,567	1,504,924
	1,233,159	1,543,565

18. Personnel costs

Basic	2,264,059,623	2,206,175,437
Bonus	188,224,994	174,905,983
Medical aid - company contributions	255,238,296	244,877,801
Bargain Council	227,591	233,306
Defined contribution plans	293,789,820	285,865,916
Overtime payments	11,917,023	10,278,175
Housing benefits and allowances	135,592,946	131,684,634
Serviced based remuneration	3,278,887	4,111,159
Circumstantial compensation	3,083,527	5,126,255
Non pensionable benefits	221,292,441	217,175,082
Leave	(2,858,291)	(98,755,755)
	3,373,846,857	3,181,677,993

The leave line item discloses a leave credit of R 2,858,291 (2022: R98,755,755). Employees accumulated many abnormal leave days during the 2019 and 2020 Covid-19 lockdown, and the DPSA extended the utilisation expiry date for vacation leave for all public servants from 30 June 2021 to 31 December 2021. The employees took most of the leave days during 2022 and 2023 financial year, which resulted in a reversal of provision, hence the leave credit included in personnel cost.

19. Finance costs

Finance charge incurred on finance leases	26,923	49,701
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Notes to the Annual Financial Statements

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20. General expenses

Advertising	13,850,893	20,288,864
Auditors remuneration	28,905,809	28,764,051
Bank charges	9,128,398	11,991,298
Cleaning	112,233,314	115,402,776
Computer expenses	405,656,934	453,027,391
Consulting and professional fees	243,180,977	241,043,796
Consumables	3,576,123	2,514,552
Entertainment	2,552,898	1,685,028
Straight -lining on operating lease	125,382,404	163,882,271
Medical expenses	105,220,241	89,462,911
Motor vehicle expenses	70,250,008	50,404,459
Postage and courier	28,156,640	32,607,855
Printing and stationery	56,941,047	50,339,417
Security	332,502,666	312,984,430
Telephone and fax	16,649,858	16,184,438
Training	13,859,804	9,434,548
Travel – local	87,212,133	53,969,583
Travel – overseas	1,705,948	497,613
Refuse	145,000	295,000
Other administrative expenses	2,524,130	3,832,745
Assets expensed	4,466,915	4,623,323
Utilities -Municipal services	79,078,053	58,763,459
Uniforms	634,725	2,585,852
Communication licenses	2,834,902	1,164,306
Resettlement cost	7,522,410	4,117,171
Skills development levy	26,161,805	25,760,044
Rentals	220,601,636	163,751,518
Venue expenses	13,264,044	5,456,711
Staff bursaries	7,825,345	8,190,954
	2,022,025,060	1,933,026,364



Notes to the Annual Financial Statements

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21. Social assistance service fees

Social Assistance service fee	1,034,056,507	1,347,894,954
Grant payment bank charges	284,243,306	251,611,486
Covid-19 unemployment service fees and bank charges	306,378,198	378,333,350
	1,624,678,011	1,977,839,790

Covid-19 Unemployment grant service fees

South African Post Office service fees	161,938,664	210,550,202
Bank charges and service fees	144,439,534	167,783,148
	306,378,198	378,333,350

22. Taxation

No provision has been made for 2023 tax as the Agency is exempted from income tax in terms of section 10(1) (cA) (i) of the Tax Act, 1962.

23. Auditors' remuneration

Audit fees	28,905,809	28,764,051
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24. Cash generated from operations

Surplus	345,668,388	820,988,662
Adjustments for:		
Depreciation and amortisation	84,097,888	101,850,602
Loss on disposal of assets	4,504,637	7,179,247
Recovered from concessionary credit notes	1,011,764	156,715,666
Social benefit	-	(24,240,722)
Finance costs - Finance leases	26,923	49,701
Finance income	(1,233,159)	(1,543,565)
Interest applied on concessionary loan	(283)	(3,874,610)
Movements in operating lease assets and accruals	(595,965)	(8,173,802)
Movements in provisions	(20,454,939)	(135,200,648)
Changes in working capital:		
Inventories	(393,863)	3,400,514
Receivables from exchange transactions	(2,271,822)	1,045,698
Prepayments	(581,361)	(351,317)
Payables from exchange transactions	376,554,205	(180,930,521)
	786,332,413	736,914,905

Notes to the Annual Financial Statements

Figures in Rand

2023

2022

25. Commitments

Authorised operational expenditure

Already contracted for but not provided for

• estimated within one year	1,291,492,928	1,160,035,320
• estimated in second to fifth year	426,561,920	1,377,326,574
	1,718,054,848	2,537,361,894

Total operational commitments

Already contracted for but not provided for

1,718,054,848	2,534,527,439
---------------	---------------

Total commitments

Total commitments

Authorised capital expenditure	10,034,166	22,018,836
Authorised operational expenditure	1,718,054,848	2,534,527,439
	1,728,089,014	2,556,546,275

26. Contingencies

26.1 Contingent Liabilities

Various Claims	60,303,715	23,285,570
Upgrade of salary levels	238,343,987	230,284,046
CPS Outstanding invoices	358,196,928	358,196,928
Azande Consulting	170,000,000	170,000,000
	826,844,630	781,766,544

Various claims include

Labour related claims	22,565,872	15,800,518
Motor vehicle claims	1,329,770	1,229,964
Grant deduction claims	20,570	14,606
Contractual claims	30,952,831	4,040,482
Wrongful arrest	2,200,000	2,200,000
Delictual claim	3,234,672	-
	60,303,715	23,285,570

Wrongful arrest

The plaintiff is an employee of SASSA, who is, in the alternative to his claim against Minister of Police, also incorrectly suing the MEC for Health and Social Development for the damages suffered as a result of the arrest effected by the police on charges of stolen vehicle.



Notes to the Annual Financial Statements

26. Contingencies (continued)

Upgrade of salary levels

Various directives were developed by the Department of Public Service and Administration (DPSA) outlining the implementation of the terms of Resolution 3 of 2009 and Resolution 1 of 2012. The Agency followed a prescribed phased approach to upgrade posts centered on the said directives and communicate by DPSA. All incumbents (core and support) on salary level 9 and 11 that were appointed before 31 July 2012, were automatically upgraded to salary level 10 and 12 respectively. Incumbents performing the support functions that were appointed from 01 August 2012 had to be consulted and their respective posts that they are occupying were downgraded to 9 and 11. This downgrade did not affect the incumbents as it did not apply retrospectively (only applicable on new appointments to the posts). The incumbents performing core functions were upgraded based on the outcomes of a job evaluation process.

The implementation of the said directives resulted in numerous labour disputes regarding salary disparities within the entire public service. The matter was previously before the Labour Court, and SASSA implemented the outcome accordingly. Incumbents in core were upgraded from salary level 9 and 11 to salary level 10 and 12 respectively at the local office tier only, based on the outcome of the job evaluation process that was conducted during 2016.

Azande consulting cc

Azande is claiming R170 000 000.00 (R 170 million) for an alleged termination of the contract it concluded with SASSA for the provisioning of Integrated Community Registration Outreach

A contingent liability was raised to cover for the outstanding incumbents (as at 01 August 2012), who were not upgraded as they are not within the core business. This contingency is disclosed pending the outcome of the Labour Court matter for the review and set aside of the arbitration award issued by CCMA on 9 June 2021 against SASSA. SASSA has also lodged a counter review application to have the arbitration award set aside and the entire claim dismissed.

Programme (ICROP) services. SASSA's stance is that the contract was not terminated but suspended in order to investigate the allegations that Azande has misrepresented

its experience regarding the provision of action research services for the SASSA's North West Regional Office. It transpired that such services were not rendered as Azande claimed.

SASSA is defending this matter and has amended its court papers to include a counter-claim for reimbursement of all monies paid to Azande in terms of the contract in issue. The State Attorney has applied for trial date and awaiting allocation by the court.

National Treasury – retention of surplus for the year

The entity realized operating surplus for the year under review. According to section 53(3) of the public Finance Management Act, 1999 (PFMA), public entities may not accumulate surpluses unless by the prior written approval of the National Treasury has been obtained. SASSA has expressed an intention to apply for the retention of cash surplus amounting to at least R 345,668,388.

In the event that National Treasury does not approve, SASSA will have to surrender the cash surplus. National treasury retention of surplus for the year.

26.2 Contingent Asset

As at 31 May 2023, the Agency was an applicant relating to close protection services that were determined to be fruitless and wasteful as they and we wanted to recover the costs. On the 8 June 2023, in the High Court in Pretoria it was ordered that the former Minister of the Department of Social Development, former Chief Executive Officer, and the employee of Department of Social Development must repay the Agency for the costs incurred for the close protection. The total costs that they were ordered to repay are to the value of R3,499,606 including interest from the date of payment to the service provider. The matter was taken on appeal on the 29 June 2023.

27. Risk management

Financial risk management

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Notes to the Annual Financial Statements

Figures in Rand

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27. Risk management (continued)

All the payable balances reflected at year end are payable within 30 days.

Credit risk

The entity does not sell any goods or charge money for its services. Debtors relate to employees that have loans with the agency. Management evaluate credit risk relating to debtors on an ongoing basis.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2023	2022
Receivables	13,391,663	11,122,402
Concessionary loan granted to SAPO Ltd	-	1,011,764

28. Going concern

We draw attention to the fact that at March 31, 2023, the entity had an accumulated surplus (deficit) of R1,909,591,477 and that the entity's total assets exceed its liabilities by R1,909,591,477.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

29. Fruitless and wasteful expenditure, Irregular expenditure and damages and losses

Consolidated disclosure note	2022-2023	2021-2022
Irregular expenditure	20,814,047	47,769,598
Fruitless and wasteful expenditure	122,669	237,190
Closing balance	20,936,716	48,006,788

Damages, theft and losses	2022-2023	2021-2022
Damages, theft and losses	1,991,189	4,628,978

30. Financial instruments disclosure

Categories of financial instruments

2023

Financial assets

	At amortised cost	Total
Receivables before impairment	13,394,224	13,394,224
Impaired receivable	(2,416,310)	(2,416,310)
Cash and cash equivalents	1,913,324,674	1,913,324,674
	1,924,302,588	1,924,302,588



Notes to the Annual Financial Statements

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Financial liabilities

30. Financial instruments disclosure (continued)

	At amortised cost	Total
Trade and other payables from exchange transactions	748,254,348	748,254,348

2022

Financial assets

	At amortised cost	Total
Loans to economic entities	1,011,764	1,011,764
Receivables before impairment	16,051,306	16,051,306
Impaired receivables	(5,931,155)	(5,931,155)
Cash and cash equivalents	2,146,714,540	2,146,714,540
	2,157,846,455	2,157,846,455

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	371,700,143	371,700,143

31. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus with the surplus in the statement of financial performance:

Net surplus per the statement of financial performance	345,668,388	820,938,961
Adjusted for:		
Depreciation and amortisation	84,097,888	101,850,601
Debt Impairments	2,416,310	5,931,155
Loss on disposal of assets	4,504,637	7,179,247
Social benefits	-	(24,240,721)
Net surplus per approved budget	436,687,223	911,659,243

	Operating activities	Investing activities	Financing activities	Total
Actual amount on comparable basis	178,101,970	258,612,176	(26,923)	436,687,223
Basis difference	608,230,443	(503,969,042)	(774,338,727)	(670,077,326)
	786,332,413	(245,356,866)	(774,365,650)	(233,390,103)

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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The following are the highlights of the operating circumstances which had an impact on the agency's financial performance:

The budget was adjusted by an amount of R83,710,000 as a result of SASSA taking over a toll-free line from the Department of Social Development which was previously paid for by the Department. The Department made a request to have the expenditure they incurred 2022/23 reimbursed. The National Treasury adjusted SASSA's budget accordingly.

SASSA obtained approval to retain a cash surplus from the 2021/22 financial year amounting of R755,821,266. This means that expenditure should have been on the total allocated budget plus the retained cash surplus amount. However, the level of spending shows that the retained cash surplus was not utilised, even though a part of the spending can be attributed to the surplus in particular on bank charges within goods and services and payment for capital assets as these items overspent as a result of a portion of their allocation having been funded from the surplus. The graph below depicts the expenditure pattern on compensation of employees from April 2022 to March 2023. Expenditure on goods and services reached 95%, which was 5% lower than the expected level of spending.

Expenditure on social assistance fees is influenced by the payment channel beneficiaries utilize to receive their social benefits. In this regard, the majority of the beneficiaries opted to use the National Payment System comprising of banks auto teller machines (ATMs) and merchants' point of sale (POS). These are the least costly payment channels compared to cash pay points and over-the-counter payment channels. Thus the underspending.

The Agency sought to procure the services of debt collectors in order to deal with its debt book, but however the procurement process could not be concluded as planned and this contributed to the underspending, as the funds were not spent.

Since the in sourcing of fraud investigations, cost efficiencies were realised, as the earmarked allocation for fraud investigations was not fully utilised. Expenditure on medical assessments reached 96% as projected assessments and/or doctors' claims were less than projected.

Procurement of new Records Management Centre contract not finalised due non-responsive bids and this led to the under spending on outsourced services.

The cost of utilisation of fleet was lower than expected due to efficiencies. The main cost driver on fleet is fuel.

Expenditure on travel reached 76% mainly because travel was minimised by the virtual meetings instead of convening physical meetings.

32. Related parties

Relationships

Inter-governmental trading	South African Post Office Limited
----------------------------	-----------------------------------

SASSA is a government agency set up to ensure the efficient and effective management, administration and payment of social assistance. Section 4(2)(a) of the SASSA Act, (Act No. 9 of 2004) requires the Agency to: "with the concurrence of the Minister enter into an agreement with any persons to ensure effective payments to beneficiaries" In order to give effect to this section of the SASSA Act, SASSA has entered into an agreement with the South African Post Office.

SASSA gave notice; in the government gazette dated 11 May 2018; that the method of payment determined by SASSA is the payment of social grants through an integrated social grant payment system, into the special disbursement accounts held with the South African Post Office, in line with the Implementation Protocol signed on 17 November 2017 and the Services Agreement signed on 08 December 2017.

In the current year the South African Post Office ceded its contract to Postbank from the 1 October 2022. The related party figures emanating from transaction with both entities are disclosed as follows:



Notes to the Annual Financial Statements

Figures in Rand

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32. Related parties (continued)

Related party balances

Statement of Financial Position

Loan accounts - Owing (to) by related parties

South African Post Office Limited

-

1,011,764

In terms of transitional agreement between SAPO and SASSA; SASSA made an advance payment to SAPO in the amount of R541 000 003 for SAPO infrastructure development. This amount (R541million) shall be repaid through 10% (ten percent) deduction from the service charges payable to SAPO under each monthly invoice

issued to SASSA pursuant this agreement as from 01 October 2018, until such time that the advance payment is repaid in full.

The balance of the loan as at 31 March 2023 is R0 having recovered R1,011,764 through 10% deduction from invoices payable to SAPO during the period under review.

Amounts included in Trade receivable (Trade Payable) regarding related parties

South African Post Office Limited

(108,628,400)

Post Bank

(425,152,294)

Statement of Financial Performance

Administration fees paid to (receive from related parties)

South African Post Office Limited

28,796,887

29,143,546

Post Bank (Penalties)

22,809,443

-

Notes to the Annual Financial Statements

32. Related parties (continued)

Remuneration of management

Executive management

2023

	Basic salary	Service Bonuses	Performance Bonus	Car Allowances	Other benefits	Total
Name						
Ms TBJ Memela-Khambula(CEO)	1,855,000	154,583	-	72,000	881,997	2,963,580
Mr TJ Chauke (CFO)	1,075,187	89,590	102,844	24,000	623,594	1,915,215
Ms DE Dunkerly (EM-Policy Implementation)	98,510	-	-	-	45,242	143,752
Mr SW Jabavu (Acting REM KZN)	459,274	-	-	55,000	112,126	626,400
Mr AS Mahlangu (Acting REM WC)	1,305,289	108,774	107,018	108,000	417,097	2,046,178
Mr BB Maqetuka (Suspended effective 01 Feb 2021)	1,075,187	89,599	-	239,640	407,892	1,812,318
Mr MT Matlou (REM-MP, FS,& KZN)	1,199,587	99,966	-	156,000	329,242	1,784,795
Mr Z Mpetla (Acting REM-EC, WC)	917,157	71,515	-	60,000	530,500	1,579,172
Ms EZ Mvulane (REM-GP, LP & NW)	998,053	83,171	-	108,000	738,176	1,927,400
Ms CTH Mzobe REM-KZN)	649,555	-	-	105,000	138,332	892,887
Ms R Ramokgopa (EM-Strategy)	1,254,385	104,532	-	80,000	385,636	1,824,553
Mr MB Tsosane (Acting REM-NC & FS)	1,027,084	70,458	-	60,000	604,460	1,762,002
Mr Van Vrede BI (EM-Policy Implementation Support	874,911	-	-	55,000	565,010	1,494,921
Ms A Bester (Acting REM -WC)	699,955	-	-	18,750	413,055	1,131,760
	13,489,134	872,188	209,862	1,141,390	6,192,359	21,904,933



Notes to the Annual Financial Statements

2022

Name	Emoluments	Service Bonus	Car Allowances	Other benefits	Total
Ms TBJ Memela-Khambula(CEO)	1,855,000	154,583	72,000	856,666	2,938,249
Mr. TJ Chauke (CFO)	1,043,870	86,989	24,000	723,283	1,878,142
Ms DE Dunkerly (EM-Policy Implementation)	1,199,333	99,824	50,000	1,076,978	2,426,135
Mr SW Jabavu (Acting REM KZN)	830,506	85,975	99,000	208,528	1,224,009
Mr. AS Mahlangu (Acting REM WC)	1,267,270	105,606	108,000	405,735	1,886,611
Mr JC Makondo (Acting CIO)	615,653	-	76,500	294,341	986,494
Mr BB Maqetuka (REM-WC,NC &EC)	1,043,871	86,989	239,640	389,624	1,760,124
Mr MT Matlou (REM-MP, FS,& KZN)	1,181,603	98,467	156,000	320,700	1,756,770
Mr Z Mpeta (Acting REM-EC)	845,316	70,443	60,000	498,969	1,474,728
Ms EZ Mvulane (REM-GP, LP & NW)	983,097	81,925	108,000	683,565	1,856,587
Ms R Ramokgopa (EM-Strategy)	1,217,849	101,487	80,000	446,401	1,845,737
Mr MB Tsosane (Acting REM-NC)	966,029	69,402	60,000	715,917	1,811,348
	13,049,397	1,041,690	1,133,140	6,620,707	21,844,934

	2023	2022
Emoluments	13,489,134	13,049,397
Service bonus	872,188	1,041,690
Performance bonus	209,862	-
Car allowance	1,141,390	1,133,140
Other benefits	6,192,359	6,620,707
	21,904,933	21,844,934

SASSA is governed by a team of executive members who are appointed in concurrence with the Minister of the Department of Social Development. These executive members, together with the CEO are responsible for planning, directing, and controlling the activities of the entity. During the year, the above emoluments were paid to these members of management.

These emoluments have been included in note 18 Personnel costs.

Other related parties

Due to the entity being a National Public entity, all other entities within the national sphere of government are deemed to be related parties. Most notably, the entity is related to the Department of Social Development, the Minister being the entity's Executive Authority. The entity and National Development entity are schedule 3A public entities under Department of Social Development.

The entity receives from, and is dependent on the Department of Social Development for funding, and this

has been disclosed as grant revenue received in note 15.

The entity holds nine bank accounts with First National Bank on behalf of the department of social development. These bank accounts are used as a facility to accept cash payments from debtors whereas cash payments cannot be made directly to the paymaster general account or South African Reserve Bank; which is the official Government banker. The transactions in these bank accounts are swept (transferred) on a daily basis to the paymaster general accounts with a two days turnaround time. These amounts are disclosed in the annual financial statements of the Department of Social Development.

The following funds also fall under the Executive Authority of the Department of Social Development:

- State President Fund;
- Social Relief Fund;
- Refugee Relief Fund; and
- Disaster Relief Fund



[COVID-19 SRD: Updating of bank details

It is recommended that clients open their own bank accounts with an institution of their choice as it will assist them to take ownership of their funds and collection.

[*paying the right social grant, to the right person,
at the right time and place. NJALO!*]

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[Social grant increases

Grant Type	Amount as at 01 October 2022	Amount increase from 01 April 2023	Amount from 01 April 2023	Amount increase from 01 October 2023	Amount from 01 October 2023
Old Age (Below 75 years)	1 990	90	2 080	10	2 090
Old Age (Above 75 years)	2 010	90	2 100	10	2 110
War Veterans	2 010	90	2 100	10	2 110
Disability	1 990	90	2 080	10	2 090
Foster Child	1 070	50	1 120	10	1 130
Care Dependency	1 990	90	2 080	10	2 090
Child Support	480	20	500	10	510
Top-Up to CSG	240	10	250	0	250
Grant In Aid	480	20	500	10	510

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NOTES

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Handwriting practice lines consisting of horizontal dashed lines and a solid orange line, with a large orange scribble on the right side.



NOTES

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