

*Thursday, 11 May 2023]*

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**PARLIAMENT**  
**OF THE**  
**REPUBLIC OF SOUTH AFRICA**

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**ANNOUNCEMENTS,  
 TABLINGS AND  
 COMMITTEE REPORTS**

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THURSDAY, 11 MAY 2023

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**TABLE OF CONTENTS**

**ANNOUNCEMENTS**

**National Assembly**

1. Introduction of Bills ..... 2

**National Council of Provinces**

1. Chairperson of National Council of Provinces ..... 2

**TABLINGS**

**National Assembly**

1. Speaker..... 2

**COMMITTEE REPORTS**

## National Assembly

1. Social Development ..... 4
- 

# ANNOUNCEMENTS

## National Assembly

### The Speaker

#### 1. Introduction of Bills

##### (1) The Minister of Transport

- (a) **Merchant Shipping Bill** [B12-2023] (National Assembly – proposed sec 75) [Explanatory summary of Bill and prior notice of its introduction published in *Government Gazette* No 47409 of 28 October 2022.]

Introduction and referral to the **Portfolio Committee on Transport** of the National Assembly, as well as referral to the Joint Tagging Mechanism (JTM) for classification in terms of Joint Rule 160.

In terms of Joint Rule 154 written views on the classification of the Bill may be submitted to the JTM. The Bill may only be classified after the expiry of at least three parliamentary working days since introduction.

## National Council of Provinces

### The Chairperson

#### 1. The Chairperson of the National Council of Provinces

- (1) Mr EZ Njadu was elected as the Chairperson for the Select Committee on Health and Social Services, with effect from 09 May
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# TABLINGS

## National Assembly

### 1. The Speaker

- (a) Report of the Public Service Commission (PSC) to the National Assembly in terms of section 196(4)(e) of the Constitution, 1996 read with section 196(6) – 01 April 2021 to 31 March 2022.
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## **COMMITTEE REPORTS**

### **National Assembly**

# **1. REPORT OF THE PORTFOLIO COMMITTEE ON SOCIAL DEVELOPMENT ON THE BUDGET VOTE 19, THE ANNUAL PERFORMANCE PLANS OF THE DEPARTMENT OF SOCIAL DEVELOPMENT AND ITS ENTITIES FOR 2023/24 DATED 10 MAY 2023**

The Portfolio Committee on Social Development having considered and deliberated on the Budget Vote, the Annual Performance Plans of the Department of Social Development (DSD), the South African Social Security Agency (SASSA) and the National Development Agency (NDA) on 3 and 5 May 2023, wishes to report as follows:

## **1. Introduction**

The Committee's mandate as prescribed by the Constitution of South Africa and the Rules of Parliament is to build an oversight process that ensures a quality process of scrutinising and overseeing government's action that is driven by the ideal of realising a better quality of life for all people of South Africa.

As part of conducting its oversight the Committee has a constitutional mandate to scrutinise and thereafter approve the budget of the department and its entities. It also considers the Annual Performance Plans of these institutions. It thereafter, draft a report (the current report) in which it reports of the APPs of the department and its entities as they were presented to it. It then raises its observations and formulate recommendations. As part of scrutinising the budget allocation and APPs the Committee makes use of the budget information contained in the National Treasury's Estimates of National Expenditure (ENE).

This report forms basis from which the Committee debates the budget and APPs of the departments and its entities. This process culminates to the approval of the department's budget.

## **2. Auditor-General review findings**

Prior to the committee receiving presentations of the APPs and SPs from the department and its entities, it received a briefing from the office of the AGSA. The briefing was on the review it conducted on the APPs of the department, SASSA and the NDA. The review focused on the identified Material Irregularities (MIs), Status of Control for the department and SASSA and on 2023/24 Annual Performance Plans. No review on Status of Records was conducted for the NDA.

Review on MIs focused on SASSA and progress report was provided to the Committee. With regard to the R74 million Material Irregularity which was for payment for social services not rendered, it was reported that the investigation was finalised in November 2022. The accounting authority was in the process of implementing the recommendations contained in the investigators' report, and has indicated that this should be finalised by the end of April 2023.

With regard to the R316 million MI which was paid to the service provider for goods and services that were not received, it was reported that the investigation was finalised in November 2022. Based on the further internal legal opinion obtained as required by the investigation report, no further action would be taken against the previous accounting authority because. The prescription period had been met as per section 11 of the Prescription Act 68 of 1969. The courts had already ruled in this matter that the supplier should pay back the overpayment, including interest. This MI is in process of being closed as adequate actions were taken by the Accounting Authority.

Regarding the payment of the R350 Social Relief of Distress (SRD) Grant to ineligible beneficiaries, it was reported that the AGSA was still in the process of evaluating the response of the Accounting Authority.

On the review on the Status of Records, the AGSA made the identified the findings areas of concern:

- **Department of Social Development**

- Financial management: the balance of unauthorised expenditure remains un-cleared in the current financial year. Management should follow up with necessary oversight bodies to ensure that the unauthorised expenditure is cleared.

Some applicants receiving the additional R350 unemployment Special Relief for distress (SRD) grant could be ineligible and thus overpayments could be made, which could result in an increase in the debtors balance. DSD should consult with SASSA in respect of the recovery of all grant debts including the R350 unemployment SRD grant and determine if all debtors are recoverable or should be written off. SASSA did obtain a legal opinion regarding write off of debtors, department must investigate and according to the accounting standards ensure amounts are properly disclosed in the AFS and write off done according to standards and necessary approvals are obtained for the write-offs.

Valuation of grants debtors and debtors' impairment remains a risk in that amounts not recoverable are not properly written off or impaired. The automated system to capture all beneficiary files has not yet been completed and the risk that all necessary information to validate that the beneficiary is entitled to the grant could not be in place or the files are missing.

- Performance management: the majority of the first quarter targets were achieved with the exception of two indicators in welfare services policy development and implementation support (programme 4). The department should monitor this to ensure that there is sufficient capacity to assist the relevant sections to achieve their targets.
- Procurement and contract management: 55 bids, which were planned to be awarded during the period ending December 2022, were not awarded as per the procurement plan.

- Compliance management: during the period under review, the department had not recorded any irregular expenditure based on information provided. The department should continue to prevent possible noncompliance with supply chain management legislation. The department, however, incurred fruitless and wasteful expenditure and should ensure that investigations are conducted timeously and where appropriate, amounts are recovered from officials who were responsible for incurring the fruitless and wasteful expenditure.

Management is however, slow on conducting and finalising investigation of irregular, fruitless and expenditure that took place in the prior years. Effective and appropriate disciplinary steps against any official in the service of the department who made or permitted the irregular, fruitless and wasteful expenditure should be taken as required by section 38(1) (h) of the Public Finance Management Act.

- Humana resources: there are vacancies in key posts, including that of the director-general.
- Financial health: receivables balance recognised on the statement of financial position as at 30 September 2022 remained very high and comprised mainly of grant debtors at more than R1 billion. It was noted that the department was granted approval to write off approximately R500 million of the grant debtors balance provided there are savings to use from the social assistance grant funds. The department should monitor this as impairing the debtors without savings realised would likely result in a net liability position. The department should therefore monitor the systems and policies of grants payments as administered by SASSA to minimise grant debtors balance.

- **South African Social Security Agency**

- Financial management: Staff debtors increased by 25% from the prior year. The agency has the internal control unit to follow up on outstanding staff debtors, however the process appears to be challenging due to processes that involve legal services unit having to refer matters to court. AGSA recommended that debtor's account be

followed up for the purposes of determining the recoverability of all debtors and possible impairment for those considered not recoverable.

Depreciation was calculated incorrectly for assets brought into use during the month due to the system not taking into account the exact period the asset was placed/ brought in use, which is not in line with GRAP 17 and 31 requirements and there was no manual journal passed to correct this. The matter was also reported in the prior year through audit finding. From the follow-ups made during a meeting held on 25 November 2023, AGSA noted that the asset management policy was not amended therefore it is likely that the finding will recur in the current year. It recommended that the accounting officer look into the matter in order to avoid repeat findings.

- *Performance management:* the second quarter performance report was submitted to the Minister after the required 30 days. For indicator no.18 - number of social grants applications approved: the reported achievement is broken into regions. This was not in line with the planned target as per the 2022/23 Annual Performance Plan as the plan only makes reference to the target per quarter and not per region.

The Agency underperformed in its second quarter target to have 57 360 application extended for the Child Support Grant in payment. It only managed to extend 16 486, which represented only 28% achievement rate. It also underperformed on its target 95% new grant applications processed within 5 days. It only managed to process 438 647 applications instead of the targeted 504 032, representing 87% achievement rate. It also did not achieve its target to have biometric solution for users and beneficiaries acquired and implemented. It also did not conduct a customer satisfaction survey as was planned for the second quarter. The reasons provided by management is that allocated budget for this is far less than the cost estimates.

- *Procurement and contract management:* 40 leases of buildings were included in the procurement plan however majority of the procurement has not yet been started as at 31 December 2022.
- *Compliance management:* there has been slow progress in finalising the investigations related to Irregular and Fruitless and wasteful expenditure of backlog

cases. With regard to irregular expenditure, there is a total of 414 cases that are classified as irregular expenditure. Of the 414 cases, five of the cases are current year cases and 409 are backlog. Of the 409 backlog cases, 14 cases have been closed, representing 3% of the backlog cases, while 303 have been submitted to the National Treasury for condonation, representing 74% of the backlog case. Of the 5 current year cases, one case has been finalised, representing 20% of the current year cases.

Regarding fruitless and wasteful expenditure, there is a total of 41 cases that have been classified as Fruitless and Wasteful expenditure. Of the 41 cases, 21 are current year cases and 20 are backlog cases. Of the 21 current year cases, four cases have been disclosed as finalised, representing 20% of the current year cases. Of the 20 backlog cases, four cases have been disclosed as finalised, representing 20% of the backlog cases. The majority (14) of the fruitless and wasteful expenditure (current year) cases resulted from non-utilisation of accommodation and transport services. This may represent poor planning and mismanagement of travel and accommodation events.

- Human resources: as at September 2022, two officials in senior management positions were charged with acts of misconduct for contravention of SCM policies. It has been 5 months since the employees were charged. We therefore recommend that the matter be finalised.
- IT management: management made some progress in addressing previously raised weaknesses. The Disaster Recovery Plan (DRP) was updated to ensure that applicable Recovery Time Objective (RTO) and Recovery Point Objective (RPO) are addressed on the plan. The Business Continuity Framework should be addressed in the DRP.
- Oversight and monitoring: there has been slow progress in respect of implementation of the corrective measures for the audit action plan for the findings issued for the financial year ending 31 March 2022. This was evidenced by the 47% implementation of the planned action as at 31 December 2022.
- Key service delivery matters: the suspension and disruption of the grants payment to beneficiaries was of concern. There had been numerous complaints, public outcry and

media articles on system crashes at the service provider regarding cards being blocked causing beneficiaries not accessing their grants. This impacts negatively on the operation efficiency of SASSA and its service delivery.

- *Fraud risk indicators:* grants being paid to ineligible beneficiaries remains a fraud indicator in the current year. AGSA encouraged SASSA to continue with investigations in determination of ineligible beneficiaries across all the local and regional offices, determine the root causes for these possible fraudulent grant payments and implement controls to prevent further losses in this regard. Fraud registers are not properly completed which makes it very difficult to see if cases have been investigated and what the outcome was of the cases. Payments are still made to some ineligible beneficiaries and most of the cases have been closed as beneficiaries could not be traced to recover the money.

The AGSA also found that there was a culture shift in that SASSA has made the following commitments to implement consequence management:

- Timely finalisation of long outstanding cases.
- Proper systems in place to ensure that cases referred are being investigated timely and by properly skilled personnel.
- Consequence management to be implemented for all impacted officials as recommended in the various investigation reports, and acceleration of the investigation process of financial misconduct cases in order to implement consequence management in time.
- Follow up with National Treasury on the condonment of those finalised cases. • SASSA H/O Investigation unit to ensure that all grant fraud cases done by provinces has been properly investigated and necessary actions taken as per the investigation report has been implemented.

Effective implementation of the above commitments will result in the reduction of irregular, fruitless and wasteful expenditure, mitigation and prevention of further losses on grants payments and procurement.

Findings on the APPs were all addressed by the management of the department, SASSA and the NDA.

## 2.1 COMMITTEE DELIBERATIONS

- The Committee highlighted that in 2021/22 AGSA found that the Department had poor record keeping. It then wanted to know if AGSA made any findings for the 2022/23 financial year? AGSA explained that it found that there were actions taken by Department but it did not conduct detailed testing and verification to determine whether indeed all the records are in place. It however explained to the Committee that this finding related to the early childhood development function, which resulted in the Department not obtaining a clean audit. The function was since transferred to the Department of Basic Education in April 2022.
- It again noted with concern the recurring finding of vacancies in critical positions within the Department. AGSA agreed with the Committee and noted that key positions such as that of Director-General and Chief Financial Officer have been vacant for a number of years. It reported that this was one of the findings that it raised with the Minister.
- The Committee reiterated its concern over AGSA's finding and concern over the slow pace of investigation on cases of financial misconduct and non-compliance. The AGSA agreed with the Committee that this remains a matter of concern and it is a focus area that it is looking into and has been engaging with the Accounting Authority in terms of finalising the investigations and institute consequence management in line with the recommendations of the investigative reports. This is the reason it had obtained commitments from SASSA CEO to indicate how SASSA will deal with the backlog cases and implement necessary consequence management. Once AGSA has finalised the audit reports it will report back to the Committee on whether there were any improvements in terms of finalisation of the investigations.
- The Committee expressed a concern that social grants payments are still made to ineligible beneficiaries due to outdated databases used by SASSA to validate SRD grant payments. It then wanted to know if AGSA had observed any improvements in the quality of the databases? AGSA reported that it had seen a significant improvement in some of the databases and also taking into account the

implementation of the means test. This has resulted in the reduction in the number of ineligible payments.

- The Committee also raised concerns over the closure of Post Office branches and the impact this will have on the social grants payments. The AGSA reported it is closely monitoring this through its team that is auditing the Post Bank to determine if there is any mitigation plan put in place to ensure that beneficiaries receive their grants. The outcomes will be reported to the Committee at a later stage.

### **3. THE DEPARTMENT OF SOCIAL DEVELOPMENT ANNUAL PERFORMANCE PLAN (2023/2024)**

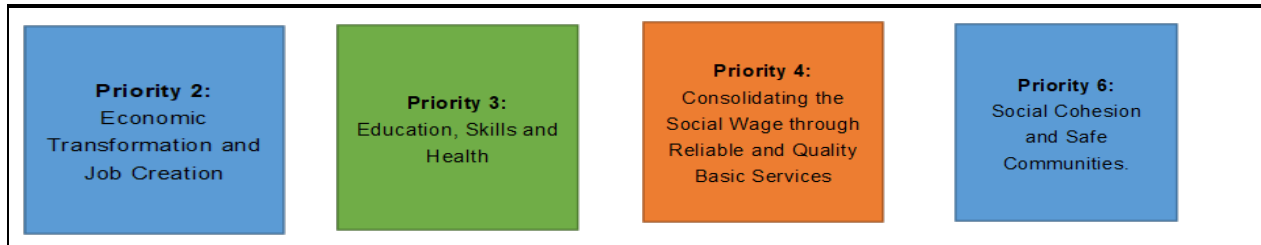
#### **3.1 The mandate and policy priorities of the department for 2022/23 and 2023/24**

The mandate of the Department of Social Development is to provide social protection services and lead Government efforts to forge partnerships through which vulnerable individuals, groups, and communities become capable and self-reliant participants in their own development. This is to be achieved while giving effect to the right of everyone to have access to: (a) health care services, including reproductive health care; (b) sufficient food and water; and (c) social security, including if they are unable to support themselves and their dependents, appropriate social assistance, as stated in Section 27 (1) (2) of the Constitution of the Republic of South Africa (the, Constitution), 1996. This mandate places the Department at the centre of government's initiatives to improve the quality of life for all persons in the country.

The policy priorities of the Department should be in line with the aspirations of the NDP, MTSF, SDGs, AU Agenda 2063, and 2022 SONA policy imperatives. Thus the 2023/24 APP of the Department is premised on Government's priorities as espoused in the MTSF, and build towards the attainment of the NDP aspirations. The MTSF has identified seven (7) priorities to be undertaken during 2019 - 2024 electoral cycle in order to put South Africa on a positive trajectory towards the achievement of the 2030 vision.

Although four (4) of the seven (7) priorities relate to the work of the Department, Priority 4 (consolidating the social wage through reliable and quality basic services) has a direct bearing on its work. The four (4) priorities are highlighted in Figure 1:

**Figure 1: selected MTSF 2019-24 priorities related to Social Development sector**



Therefore, the Department has a direct responsibility of ensuring that priority 4 is delivered in a manner that will benefit the communities in South Africa, as outlined in the 2023/24 policy priorities, through:

- Implement the Gender-Based Violence and Femicide National Strategic Plan;
- Improve the optimisation of social welfare services;
- Optimise the social security legislative framework and develop appropriate norms and standards for service delivery;
- Strengthen the non-profit organisations legislative framework and thereby contribute to addressing some dimensions of increased monitoring activities that are being conducted by the Financial Action Task Force;
- Promote vibrant and sustainable communities; and
- Improved livelihood strategies and economic participation.

South Africa is party to several international goals and regional standards and therefore has an obligation to fulfil their aspirations. The aspirations articulated in these international and regional frameworks resonate with those found in the NDP, MTSF, and the statutory and policy mandate of the Department.

Gender-Based Violence (GBV) is one of the priorities identified by Government and SDGs. The Department seeks to address GBV through the implementation of the National Strategic Plan (NSP) to eradicate GBVF. The United Nations (UN) emphasizes that gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous

and sustainable world. Similarly, Agenda 2063 (African Union) aspires for a continent in which all forms of violence and discrimination (social, economic, political) against women and girls would have been eliminated, and they would fully enjoy all their human rights by the year 2063. This means an end to all harmful social practices and barriers to accessing quality health and education for women and girls. South Africa's National Strategic Plan (NSP) on GBVF, highlights economic empowerment as a key area of concern that must be addressed.

According to 2023 SONA, in January 2022, the President signed into law three key pieces of legislation that afford greater protection to survivors of gender-based violence and ensure that perpetrators are no longer able to use legislative loopholes to evade prosecution. As a result, Government will focus on improving the accessibility and functioning of Sexual Offences Courts and expand the network of Thuthuzela Care Centres.

SONA 2023 also highlighted that one of the key aspect of the National Strategic Plan on Gender-Based Violence and Femicide (GBVF) is the economic empowerment of women. Government has been determined to direct at least 40 per cent of public procurement to women-owned businesses. SONA has also sought to establish an enabling environment to support women entrepreneurs and trained more than 3 400 women-owned enterprises to prepare them to take up procurement opportunities. However, it is not explicit as to how this will benefit women who are GBV survivors who are not working, or have stopped doing business for the purpose of recovering from the trauma. The Committee will have to follow up with relevant departments on how to link survivors of GBV to also take up procurement opportunities.

SONA also called for a continuation of monitoring the implementation of the Intersectoral Protocol on Management of Violence against Children, Child Abuse and exploitation by stakeholders. The policy was developed by the Department of Social Development and it aims to provide guidance to the social sector and will also inform various models to the provision of psychosocial services in different settings. Over the MTEF period, the Department intends to capacitate stakeholders in GBVF hotspots districts on the provision of psychosocial services policy and intersectoral policy on sheltering in implementing the National Strategic Plan on Gender Based Violence and Femicide (NSP of GBVF).

The SDGs place strong emphasis upon values such as human dignity, equality, empowerment, and self-reliance, which are also among the core values and principles of the work of the Department. Agenda 2063 aspires to a high standard of living, quality of life and well-being for all citizens. The Department's priority of improving the optimisation of social welfare services through increased access, is thus aligned to both international and regional framework aspirations.

Research shows that social grants continue to be a major anti-poverty tool, providing income support to millions of poor households. The NDP supports social security reforms that are being considered by Government, including mandatory retirement contributions. It emphasises the need for social protection of the working age population, including enhancing public employment programmes such as the Expanded Public Works Programme (EPWP). SONA 2023 stated that it is the responsibility of the State to provide a minimum level of protection below which no South African will fall. Currently in South Africa, more than 25 million people receive some form of income support. In addition, around 60 per cent of Government budget is spent on what is known as the social wage, providing various forms of support, basic services and assistance to households and individuals to combat poverty and hunger.

In support of this work and to counter the rising cost of living, Government will continue the Social Relief of Distress (SRD) Grant, which currently reaches around 7.8 million people. On the other side it should be noted that the discontinuation of the COVID-19 Social Relief of Distress Grant after 2023/24 will lead to a reduction in the total number of grant beneficiaries from an estimated 26.6 million in 2022/23 to 19.6 million in 2025/26.

The President also mentioned that work is underway to develop a mechanism for targeted basic income support for the most vulnerable, within the fiscal constraints. SONA 2023 assures that this will build on the innovation the Government have introduced through the SRD Grant. This includes linking the data across Government departments to make sure that the Government reaches all those who are in need.

Lastly, the existing social grants are increased to cushion the poor against rising inflation. Furthermore, DSD has indicated in its 2023/24 APP that, the extension of the Special COVID-19 SRD Grant of R350, has provided Government with an opportunity to press

further on social security reforms including the possibility of a Basic Income Support for the missing middle, the people in the age cohort, 18-59 that are without income.

This is in line with the aspirations of the SDGs and the AU Agenda 2063, particularly SDG 1.3 which calls for the implementation of appropriate social protection systems and measures for all, including floor. Further, it calls for the achievement of substantial coverage for the poor and the vulnerable by 2030. The AU Agenda 2063 pays much attention to social protection by encouraging Member States to implement various policies and treaties. For some time, the AU has been elaborating an Additional Protocol to the African Charter on Human and Peoples' Rights on the Rights of Citizens to Social Protection and Social Security, which, once ratified, will become a legally binding instrument. Similarly, the NDP commits to achieving a defined social protection floor and defines social protection as mechanisms used by the government to protect the most vulnerable in society and ensure that all citizens live above the 'social floor'.

MTSF agenda for social protection considers how to progressively realise rights, mitigate current patterns of inequality, prevent further deprivation, as well as, contribute to the economic and social transformation agenda. For social protection to play its expected developmental role, there is a need to consider new policy instruments and re-envision how the different policy instruments can interact and contribute to the betterment of poor citizens. In alignment with this, the DSD APP 2023/24 indicate that:

*“The loss of jobs and loss of elderly caregivers have necessitated review of some social security measures. This will be the inaugural year where an extended child support grant will be implemented. This implementation closely follows the implementation of the social relief of distress grant paid to beneficiaries between 18 years and 35. This grant is necessitated by the high number of youth that is not in education, employment and training (known as the NEET).”*

SONA 2023 acknowledged the rising cost of living that is deepening poverty and inequality in South Africa. Non-profit organisations (NPOs) are crucial links in the chain of actions needed to end poverty and create economically productive opportunities for all citizens. The NDP advocates that social welfare services be expanded, funding for non-profit organisations (NPOs) reviewed, and more education and training expanded for social service practitioners.

The Department's APP for 2023/24 states that the strategy for reaching the target populations involves partnership with an extensive network of NPOs which serve as the main service delivery agents at provincial and local level. This means that the NPOs remain the core-implementing partners in the Department's service provision continuum. The Non-Profit Organisation sub-programme has a total budget of R132.5 million over the MTEF period.

#### 4. BUDGET ANALYSIS FOR 2023/24

**Table 1: Overall DSD Budget per programme 2023/2024**

Programme  R million	Budget		Nominal Increase / Decrease in 2023/24	Real Increase / Decrease in 2023/24	Nominal Percent change in 2023/24	Real Percent change in 2023/24
	2022/23	2023/24				
Programme 1: Administration	513,7	426,4	-87,1	- 107,0	-16,96%	-20,8%
Programme 2: Social Assistance	239 132,6	253 841,8	14 709,2	2852,0	6,15%	1,1%
Programme 3: Social Security Policy and Administration	7532,8	8086,5	553,7	176,0	7,35%	2,3%
Programme 4: Welfare Services Policy Development and Implementation Support	313,5	312,8	-0,7	- 15,3	-0,22%	-4,8%
Programme 5: Social Policy and Integrated Service Delivery	362,3	312,8	-0,7	-17,6	-0,19%	-4,8%
<b>TOTAL</b>	<b>247 884,9</b>	<b>263 029,3</b>	<b>15174,4</b>	<b>2888,0</b>	<b>6,1%</b>	<b>1,1%</b>

The DSD's overall budget for 2023/24 is, R263.0 billion, compared to a second adjustment of R247.9 billion for the 2022/23 financial year. This represents a nominal increase of 6.1 per cent, and real increase of 1.17 per cent. Over the medium term, the Department's expenditure is set to decrease to R258.0 billion by 2025/26.

The DSD vote is dominated by the *Social Assistance* programme, which constitutes 96.5 per cent of the overall departmental budget. *Social Assistance* growth from the previous year, stays above inflation (6.15 per cent nominal and 1.19 per cent real). In 2023/24, nearly 19 million beneficiaries received social grants. This figure is projected to decrease from an estimated 26.6 million in 2022/23 to 19.6 million in 2025/26. This is because of the discontinuation of the COVID-19 SRD Grant after 2023/24.

The following main programmes decline in real terms from the previous financial year:

- *Administration* (20.8 per cent);
- *Social Welfare Policy development and Implementation Support* (4.8 per cent);
- *Social Policy and Integrated Service Delivery* (4.8 per cent).

## 5. BUDGET ANALYSIS AND TARGETS PER PROGRAMME

### 5.1 Programme 1: Administration

The purpose of this programme is to provide leadership, management and support to the department and the social sector.

**Table 2: Administration Programme**

Programme  R million	Budget		Nominal change in 2023/24 (Rand value)	Real change in 2023/24 (Rand value)	Nominal Percent change in 2023/24	Real Percent change in 2023/24
	2022/23	2023/24				
Ministry	44,4	44,0	- 0,4	- 2,5	-0,90%	-5,53%
Department Management	74,8	74,1	-0,7	-4,2	-0,94%	-5,56%
Corporate Management	170,9	169,5	-1,4	- 9,3	-0,82%	-5,45%
Finance	160,4	76,0	-84,4	-88,0	-52,62%	-54,83%
Internal Audit	17,0	16,7	-0,3	- 1,1	-1,76%	-6,35%
Office Accommodation	46,1	46,3	0,2	-2,0	0,43%	-4,26%
<b>TOTAL</b>	<b>513,7</b>	<b>426,6</b>	<b>-87,1</b>	<b>- 107,0</b>	<b>-17,0%</b>	<b>-20,83%</b>

The Administration programme voted allocation for 2023/24 totals R426.6 million, as compared to R513.7 million in the previous year (2022/23). This reflects a 17.0 per cent nominal decrease, and when taking into account the inflationary effect the programme budget declines in real term with –20.83 per cent. The Ministry sub-programme declines both in nominal and real terms from the previous year.

The *compensation of employees*’ allocation decrease from R217.2 million (2022/23) to R212.9 million (2023/24). Additionally, goods and services allocation also decreases from R 290.7 million in 2022/23 to R207.8 million in 2023/24 financial year. Programme 1 increased its allocation in *machinery and equipment* from R2.7 million in the previous

financial year to R2.8 million. Audit costs: External allocation has also increased from R17.7 to R17.8 million.

Under this programme, DSD set a total of ten performance targets for the 2023/24 financial year. The critical targets set under this programme are as follows:

<b>Sub-Programme</b>	<b>Output Indicators</b>	<b>2023/24 set target</b>
<i>Monitoring and Evaluation</i>	Electronic M&E System for the Social Development Sector implemented	Roll out the Electronic System for Social Development to 1 Province.  Develop the Social Welfare Index
<i>Legal Service</i>	SASSA Amendment Act approved	Submit the Draft SASSA Amendment Bill to Cabinet for approval to introduce the Bill to Parliament.  Submit National Development Agency (NDA) Amendment Bill to Cabinet for approval to solicit public comments.  Submit the Victim Support Services (VSS) Bill to Cabinet for approval to introduce to Parliament
<i>Entity Governance and Oversight Framework implemented</i>	Entity Governance and Oversight Framework implemented	Implement the Entity Governance and Oversight Framework
<i>Stakeholder Management and Donor Coordination</i>	Stakeholder and donor management strategy implemented	Implement the Stakeholder and Donor Management Strategy
<i>Human Capital Management</i>	Government-Wide strategy for the employment of Social Service Professionals approved	Submit the Government Wide strategy for employment of social service professionals to Cabinet for approval
<i>Finance</i>	Audit opinion on Annual Financial Statement (AFS)	Obtain Unqualified Audit opinion
<i>Information Management Systems and Technology</i>	National Integrated Social Protection Information System (NISPIS) implemented	Implement (NISPIS)

## **5.2 Programme 2: Social Assistance**

The purpose of this programme is to ensure the provision of social assistance to eligible beneficiaries in terms of the Social Assistance Act (No.13 of 2004) and its regulations. The programme consists of payments made to beneficiaries for the provision of social grants as administered and paid by SASSA on behalf of the Department.

The following table depicts the budget for all grant types, including social relief of distress.

**Table 3: Social Assistance Programme**

Programme R million	Budget		Nominal change in 2023/24 (Rand value)	Real change in 2023/24 (Rand value)	Nominal Percent change in 2023/24	Real Percent change in 2023/24
	2022/23	2023/24				
Old Age	92 145,8	99 104,0	6 958,2	2 328,9	7,5%	2,5%
War Veterans	1,0	0,4	- 0,6	- 0,6	-60,0%	-61,8%
Disability	24 703,9	26 800,8	-2 096,9	845,0	8,4%	3,4%
Foster Care	4 057,1	3 791,1	-266,0	- 443,1	-6,5%	-10,9%
Care Dependency	3 874,8	4 091,7	216,9	25,8	5,6%	0,6%
Child Support	77 224,4	81 877,6	4 653,2	828,6	6,0%	1,0%
Grant-in-Aid	1 900,9	2 106,6	205,7	107,3	10,8%	5,6%
Social Relief of Distress	35 224,8	36 069,7	844,9	- 840,0	2,4%	-2,3%
<b>TOTAL</b>	<b>239 132,6</b>	<b>253 841,8</b>	<b>14 709,2</b>	<b>2 852,0</b>	<b>6,2%</b>	<b>1,1%</b>

Social Assistance increases from R239.1 billion in 2022/23, reaching R253.8 billion currently. The focus is on providing income support to socially vulnerable groups such as the elderly, persons with disabilities, and caregivers of children. The 2023/24 allocation to the programme stays above inflation, representing a real increase of 1.1 per cent.

Expenditure under this programme is dominated by the *Old Age* and *Child Support* grants, which are allocated R99.1 billion and R81.9 billion, respectively. Both grant-types record above-inflation increases, i.e. 2.5 per cent and 2.0 per cent real growth, respectively. The strongest growth in expenditure is projected for the *Grant-in-Aid* (i.e. 5.6 per cent real growth). *Grant-in-Aid* is an additional grant to recipients of the Old Age, Disability or War Veterans grants, who require regular care from another person due to their physical or mental status. In the year under review, the disability grant allocation increases by 8.4 in nominal terms and 3.4 in real terms. While Care dependency grant increases by 5.6 in nominal terms and 0.6 in real terms. The *Social Relief of Distress* grant provides temporary income support (R350), food parcels and other forms of relief to people experiencing undue hardship.

Most of the social grants experience above-inflation increases for 2023/24, with the exception of the following declines:

- *War Veterans* (61.8 per cent);
- *Foster Care* (10.9 per cent); and
- *Social Relief of Distress* (2.3 per cent).

The below inflation changes indicated for the three grants types listed above, is linked to projected numbers for the 2023/24 financial year. Only one target is planned for 2023/24 financial year under this programme:

Sub-Programme	Output Indicators	2023/24 set target
<i>Social Assistance</i>	Monthly payment of social grant beneficiaries as administered and paid by SASSA on behalf of DSD	Transfer R253 billion to SASSA for administration and payment of social grants to beneficiaries on behalf of DSD

### 5.3 Programme 3: Social Security Policy and Administration

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

**Table 4: Social Security Policy and Administration Programme**

Programme	Budget		Nominal change in 2023/24 (Rand value)	Real change in 2023/24 (Rand value)	Nominal Percent change in 2023/24	Real Percent change in 2023/24
	2022/23	2023/24				
<b>R million</b>						
Social Security Policy Development	70,2	69,4	-0,8	-4,0	-1,1%	-5,7%
Appeals Adjudication	41,4	41,1	-0,3	-2,2	-0,7%	-5,3%
Social Grants Administration	7 343,6	7 898,0	554,4	185,5	7,5%	-2,5%
Social Grants Fraud Investigations	72,0	72,3	0,3	-3,1	0,4%	-4,2%
Programme Management	5,7	5,6	-0,1	-0,4	-1,7%	-6,3%
<b>TOTAL</b>	<b>7 532,8</b>	<b>8 086,5</b>	<b>553,7</b>	<b>176,0</b>	<b>7,0%</b>	<b>2,3%</b>

The budget for Social Security Policy and Administration programme increases from R7.5 billion in 2022/23 to R8.1 billion in 2023/24 financial year. This represents an increase both in nominal (7.4 per cent) and real terms (2.3 per cent). In this voted allocation of this programme, *Social Grants Administration* sub-programme, increases in nominal terms (7.5 per cent), but decreases in real terms (2.5 per cent). Appeals and Adjudication sub-programmes shows a nominal decrease of R300 thousand, and a real decrease of R2.2 million in the 2023/24 financial year.

A total of 7 (Seven) targets had been planned by the Department for 2023/24 financial year (April 2023-March 2024). Some of the critical targets that are set under this programme are as follows:

<b>Sub-Programme</b>	<b>Output Indicators</b>	<b>2023/24 Set Target</b>
Social Security	Policy on Integrating Children's Grant Beneficiaries with Government Services approved	A draft policy on integrating children's grant beneficiaries with government services submitted to Technical Working Committees for consideration
<b>Sub-Programme</b>	<b>Outcome</b>	<b>2023/24 Set Target</b>
Social Security	Reduced levels of poverty, inequality, vulnerability and social ills	A draft policy on income support for 18- to 59-year-olds submitted to Technical Working Committees
Social Security	Functional, efficient and integrated sector	Produce an Audit Report on Disability Grant Medical Review Processes.

#### **5.4 Programme 4: Welfare Services Policy Development and Implementation Support**

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

**Table 5: Welfare Services Policy Development and Implementation Support Programme**

<b>Programme</b>	<b>Budget</b>		<b>Nominal change in 2023/24 (Rand value)</b>	<b>Real change in 2023/24 (Rand value)</b>	<b>Nominal Percent change in 2023/24</b>	<b>Real Percent change in 2023/24</b>
	<b>2022/23</b>	<b>2023/24</b>				
<b>R million</b>						
Service Standards	31,5	31.2	-0.3	- 1.8	-0.9%	-5.5%
Substance Abuse	20.9	20.8	- 0.1	- 1.1	-0.4%	-5.1%
Older Persons	19.3	19.2	-0,1	- 1.0	-0.5 %	-5.1%
People with Disabilities	13.7	13.7	0.0	- 0,6	0.0%	-4.6 %
Children	80.1	79.2	-0.9	-4.6	-1.1%	-5.7%
Families	10.7	10.6	0.1	-0.6	-0.9%	-5.5%
Social Crime Prevention and Victim Empowerment	76.6	69,6	-0.7	-2.9	0.9%	-3.8%
Youth	12.7	77.3	- 0,1	- 0.7	-0.7%	-5.4%
HIV and AIDS	43.1	12.6	0.3	-1.7	0.7%	-4.0%
Social Worker Scholarships	0.0	43.4	0.0	0.0	0.0%	0.0-%
Programme Management	4.8	0.0	0,0	-0.2	0.0%	-4.6%
<b>TOTAL</b>	<b>313.5</b>	<b>312.8</b>	<b>- 0.7</b>	<b>- 15.3</b>	<b>-0.2%</b>	<b>-4.8%</b>

Programme 4's voted allocation decreases from R313.5 billion in 2022/23 to R312.8 billion in 2023/24, which denotes a nominal decrease of 2.0 per cent, and a real decrease of 4.8 per cent. This decline is driven by reductions in allocations to the *Project management* and *HIV*

and AIDS sub-programmes; these declines in real terms with 4.6 per cent and 4.0 per cent, respectively. The voted allocations to the Older Persons and People with Disabilities sub-programmes are both below inflation; i.e. declining by 5.1 per cent and 4.6 per cent, respectively. Over the medium term, the programme's budget shows declines by average rate of 1.1 per cent.

According to the Department's APP, a total number of 25 targets are planned for 2023/24 within this programme. Some of the critical targets that are set under this programme are as follows:

<b>Sub-Programme</b>	<b>Outcome</b>	<b>2023/24 Set Target</b>
Children's Legislation and Families	Empowered, resilient individuals, families and sustainable communities	Capacitate 30% of the sector workforce on the Children's Act
Children's Services	Empowered, resilient individuals, families and sustainable communities	Monitor the Implementation Guidelines for Community Based Prevention and Early Intervention Services to vulnerable children in nine provinces  Monitor the implementation of the Intersectoral Protocol on the Prevention and Management of Violence Against Children, Child Abuse, Neglect and Exploitation in nine provinces.  Monitor the implementation of the programme of action on foster care in all provinces.
Professional Social Services and Older Persons	Empowered, resilient individuals, families and sustainable communities	Submit the monitoring and Evaluation Framework for Social Service Professions Act, 1978 to (HSDS) for approval
<i>Sub-programme: Social Crime Prevention and Anti-Substance Abuse</i>	Reduced levels of poverty, inequality, vulnerability and social ills.	Implement the DSD Anti-Gangsterism Strategy in nine high risk districts with parents and school going children  Capacitate 15 Gender-Based Violence and Femicide (GBVF) hotspot districts on the provision of psychosocial services policy and Intersectoral Policy on Sheltering Services in implementing the National Strategic Plan (NSP)
<i>Services for people with disabilities</i>	Empowered, resilient individuals, families and sustainable communities	Capacitate two provinces on the Guidelines on Respite Care Services for Families of Children and Persons with Disabilities.

Sub-Programme	Outcome	2023/24 Set Target
		Conduct research to map Social Development Services supporting independent living within the community for persons with disabilities.
<i>HIV and AIDS</i>	Empowered, resilient individuals, families and sustainable communities	DSD will capacitate 8 provinces on Social and Behaviour Change (SBC) programmes. Monitor the implementation of the Universal Treatment Curriculum (UTC) in twelve Public Treatment Centres.
<i>Office on the Rights of the Child</i>	National Plan of Action for Children (NPAC) developed	Develop the 5th Draft NPAC document

### 5.5 Programme 5: Social Policy and Integrated Service Delivery

The purpose of this programme is to support community development and promote evidence-based policymaking in the department and the social development sector.

**Table 6: Social Policy and Integrated Service Delivery Programme**

Programme	Budget		Nominal change in 2023/24 (Rand value)	Real change in 2023/24 (Rand value)	Nominal Percent change in 2023/24	Real Percent change in 2023/24
	2022/23	2023/24				
<b>R million</b>						
Social Policy Research and Development	6.7	6.6	-0.1	-0.4	-1.4%	-6.09%
Special Project and Innovation	12.5	12.4	-0.1	-0.7	-0.8%	-5.4%
Population Policy Promotion	39.5	39.1	-0.4	-2.2	-1.0%	-5.6%
Registration and Monitoring of No-profit Organisations	42.8	42.3	-0.5	-2.5	-1.1%	-5.7%
Substance Abuse Advisory Services and Oversight	7.1	7.1	0.0	-0.3	0.0%	-4.6%
Community Development	30.4	30.1	-0.3	- 0.7	-0.9%	-5.6%
National Development Agency	219.3	220.1	0.8	- 9.5	0.3%	-4.3%
Programme Management	4.0	3.9	-0.1	-0.3	-2.5%	-7.0%
<b>TOTAL</b>	<b>362.3</b>	<b>361.6</b>	<b>-0.7</b>	<b>-17.6</b>	<b>-0.2%</b>	<b>-4.8%</b>

The allocation for Programme 5 decreases from R362.3 million to R361.6 million, denoting a nominal decrease of 0.2 per cent (translating to a 4.8 per cent real decrease). The *National Development Agency* (NDA), an entity of the Department, is located within this programme. The NDA sub-programme budget increases by under R1 million. The transfer to NDA slightly from R219.3 million in 2022/23, to R 220.1 million in 2023/24 financial year. This shows a nominal increase of 0.3 per

cent, but a 4.3 per cent in real terms. Over the medium term, the programme's budget shows an average growth rate of 3.1 per cent.

Total number of targets set in this programme are 20 (twenty) as per the APP (2023/24).

The critical targets that are planned under this programme are as follows:

<b>Sub-Programme</b>	<b>Output Indicators</b>	<b>2023/24 Set Targets</b>
Special Projects and Innovation	Number of Expanded Public Works Programme (EPWP) work opportunities created through Social Sector EPWP Programmes.	Create 178 120 EPWP work opportunities through Social Sector EPWP Programmes
Population and Development	Implementation of the Framework on integration of Population.  Government Sexual and Reproductive Justice Strategy approved	Monitor implementation of the framework on integration of Population Policy  Submit the Government Sexual and Reproductive Justice Strategy to the Minister to approve its submission to Cabinet
Community Mobilisation and Empowerment	Implementation evaluation on the training for Community Development Practitioners (CDPs) on Community Development Practice and Methodologies conducted  Participation of DSD Sector in the Districts Development	Conduct an implementation evaluation of the training of (Community Development Practitioners) CDPs on Community Development Practice and Methodologies in three provinces.  Monitor participation on the District Development Model ((DDM) in nine (9) Provinces.
Non Profit Organisations (NPOs)	Reduced levels of poverty, inequality, vulnerability and social ills	Register 100% qualifying applications received within two months in compliance with Section 13(2) of the NPO Act Process 80% of reports within two months of receipt.
Poverty Alleviation, Sustainable Livelihood and Food Security	Reduced levels of poverty, inequality, vulnerability and social ills	Develop an annual report on the implementation of the National Food and Nutrition Security Plan. Link 30 000 social protection beneficiaries to sustainable livelihood opportunities.  Conduct a Design Evaluation on Linking Social Protection Beneficiaries to Sustainable Livelihoods Opportunities

## 6. COMMITTEE DELIBERATIONS

- The Committee noted that it should engage the Department on the issue of long standing vacancies in critical positions in the Department, specifically the Director-General position.
- It also needs to engage the social development portfolio on the prioritisation of consequence management.
- It noted that it has been four months since the Children's Amendment Act (No 17 of 2020) was enacted but the Regulations have not been finalised. It wanted to know when will they be finalised and presented to the Committee?

The Department responded that it had drafted the Regulations and it was waiting for approval from the Minister for them to be finalised. Once finalised they will be forwarded and presented to the Committee.

- The Committee wanted to know if there were any targets set in the APP on the training of social workers on foster care services?

The Department reported that it had set a target to train 30% of social workers for the current financial year. It has also included the training of social workers on the implementation of CSG Top Up in its Operational Plan.

- It welcomed the detailed presentation on the approved sector plan for the employment of social service professionals. It however, wanted to know what will happen if National Treasury declines application for funding? Is there a plan to ensure that social service professionals are absorbed by other government departments? If funds are approved by National Treasury will they be ringfenced when they are allocated to provincial departments? Is there still a plan to approach private sector for the employment of social workers?

The Department explained that the bid it presented to the Committee was specifically for the social development portfolio, that is provincial and national departments. It has been consulted extensively with the provincial departments. The funding once approved and allocated provincial departments will be ringfenced. The provincial CFOs and Premiers will also ensure that the funds are spent for their purposes. The engagements with private sector and other sector departments are continuing.

- The Committee raised a concern over the planned budgets cuts in the funding of the NPOs by the KwaZulu-Natal and Gauteng provincial departments. It wanted to know what interventions has the Department put in place to address this crisis in these provinces?

The Department explained that in 2018 it requested National Treasury to conduct a peer review on NPO funding. The review identified that DSD is underfunded by over R12 billion at that time, and out of that R9.2 billion was for NPO funding. Over the years since then a number of provinces cut their funding. With regard to the two provinces the Minister and the department have intervened and the budget have been reviewed. The Committee should acknowledge that the Department is operating within serious budget constraints. Because of that there are various disparities between provinces when it comes to NPO funding. This is similar to the situation of employment of social workers. The Department needs more funding in order to fund the NPOs and deal with the scourge of the social ills.

- The Committee reiterated its concern over the rise in teenage pregnancy, substance and drug abuse, gangsterism, Gender based violence and femicide. It felt that it has not conducted effective oversight on the Department's programmes to address these social ills to assess their impact and progress made. It was concerned that these programmes are not visible on the ground.

The Department explained that it can present detailed information and impact of these programmes to the Committee. Substance abuse is an intersectoral matter and when coordination is not working as expected it makes it difficult for these programmes to have the desired impact. It conducted a study with the Human Science Research Council, which identified that alcohol is the biggest substance that is abused, then followed by drugs. The Department of Trade and Industry is mainly responsible for intervention on sale of alcohol. This Department has been in the process of amending the Liquor Act for some years now. The study further found that the mixture of heroin and cannabis is the biggest problem in South Africa.

It also found that drugs are trafficked into the country through sea ports and so the Department of Transport and the South African Police Service have to come up with intervention strategies. It continues to engage with these departments but the challenge has

been that these departments are not submitting their plans to the Central Drug Authority (CDA) as per the requirement of the Prevention of and Treatment of Substance Abuse Act. They are not even represented in the CDA.

With regard to gender based violence, the Department has been working with civil society and its main role is to ensure that social workers are trained on relevant legislation. For instance, it has trained them on the provisions of the recently enacted Domestic Violence Amendment Act and Sexual Offences Amendment Act.

## **7. THE SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA) ANNUAL PERFORMANCE PLAN 2023/2024**

The mandate for South African Social Security Agency (SASSA) is to ensure the provision of comprehensive social security services against vulnerability and poverty within the constitutional and legislative framework.

SASSA's work for the Medium Term Expenditure Framework (MTEF) period is streamlined towards achieving the four outcomes as identified and detailed in its strategic plan 2019 – 2024. These outcomes include:

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

For 2023/24 financial year, SASSA has prioritised the following interventions:

- Business Process Reengineering
- Digitisation and automation of business processes to position SASSA within the developing technological topography.
- Strengthening the management of SASSA's payment partnerships in order to ensure that social grants beneficiaries receive their grants at the right time and place.
- Build management capacity for efficient and effective organisational environment.
- Improve organisational efficiency and governance.

## 7.1. BUDGET ANALYSIS FOR 2023/24 FINANCIAL YEAR

**Table 6: overall appropriation of SASS 2022/23, 2023/24 and 2024/25**

Programme	Budget			Nominal Rand change	Real Rand change	Nominal % change	Real %change
	R million	2022/23	2023/24	2024/25	2022/23-2023/24	2022/23-2023/24	2022/23-2023/24
Programme 1: Administration	2 929 641.0	2 985 423.0	3 119 337.0	55 782.0	- 83 670.6	1.90 per cent	-2.86 per cent
Programme 2: Benefit Admin &	4 575 040.0	4 590 474.0	4 796 788.0	15 434.0	-198 992.3	0.34 per cent	-4.35 per cent
<b>TOTAL</b>	<b>7 504 681.0</b>	<b>7 575 897.0</b>	<b>7 916 125.0</b>	<b>71 216.0</b>	<b>-282 662.9</b>	<b>0.95 per cent</b>	<b>-3.77 per cent</b>

Table 6 above indicates that SASSA receives an allocation of R7. 575 billion for 2023/24 financial year, which shows a nominal budget change of R71. 216 million or 0.957%. When the inflation is considered, SASSA budget further declines by R282. 662 million or 3.77%.

SASSA received an addition R400 000 for the administration of the SRD grant. This increased the total budget of SASSA to R7. 970 billion for 2023/24 financial year. Out of this budget R199 276 million (3 per cent) is allocated for Post Bank service fees. A total of R130. 132 is allocated for bank charges. In essence, apart from the R400 million, the increase to the baseline year-on-year is 1%, meaning that the Agency will operate within a budget which is almost equal to the previous financial year, amidst rising prices of goods and services.

A total of R4. 297 million was allocated for *Good and Services*, with Cash Handling Fees accounting for the largest allocation, R1. 391 million, followed by the Property Cost, R574. 681 thousand and ICT Services, R475. 933 thousand.

With regard to *Capital Expenditure*, a total of R64. 942 million was allocated and this included R29. 004 million for alternative energy, R14. 638 million for improvement of office accommodation, R15 million for computers and laptops and R6.3 million for electronic queue management system.

Over the medium term, the spending priorities of SASSA include:

- Compensation of employees accounts for an estimated 46% or R10.5 billion of the agency's budget over the medium term.
- The agency plans to implement a fully automated grant application process (these include: e-application, scanning supporting documents, digital signatures and electronic files) over the MTEF period at an estimated cost of R128 million.
- The biometric data of an estimated 21 million beneficiaries that was captured by payment contractors between 2012 and 2018 has been migrated to the agency's new system and is expected to be fully rolled out in 2021/22. This is expected to ensure that no transaction processed are repudiated. An estimated R68 million will be spent on the system over the MTEF period.
- The agency's new operating model, emanating from its 2020-2025 strategic plan, proposes clustering its nine (9) regions into three (3). The high-level structure review will continue at an estimated cost of R40 million over the MTEF period, ensuring that the agency is structured to be fit for purpose, with modernised systems that improve operational efficiency and reduce the growth in the wage bill and executive management.

## **7.2 BUDGET ANALYSIS PER PROGRAMME**

As shown in Table 6 above, Programme 1: administration shows a minimal budget increase from R2.929 billion in 2022/23 to R2 985 billion in 2023/24 financial year, representing a nominal budget increase of 1.90% (-R83.670 million or -2.86% when the inflation is considered). Thus there is no significant change in the budget allocation of this Programme despite the planned significant targets including among others implementation of the Business Process Re-Engineering as it is shown in section 4 below. This is despite, SASSA reported in its Annual Performance Plan, that this Programme's compensation of employees will increase from R1. 114 995 billion in 2022/23 to R1. 182,686 billion in 2024/25. The increase in compensation of employees is expected to accommodate the outcomes of the planned initiatives, such the Business Process Reengineering Programme.

Programme 2: benefits administration support also receives a minimal allocation of R4.590 billion in 2023/24, from R4.575 billion allocated in 2022/23 financial year. This illustrates a nominal budget change of R15.434 million or 0.34%. When the inflation is considered, this programme's budget changed by R-198.992 million or -4.35% for 2023/24 financial year.

In the next MTEF, the compensation of employees for this Programme will increase from R2. 431.509 billion in 2022/23 to R2.547.041 billion in 2024/25. The increase in compensation of employees is expected to accommodate the outcomes of the planned initiatives, such as automation and the review of business processes.

### 7.3 PROGRAMME PERFORMANCE ANALYSIS

Programme	2022/23 Targets	2023/24 Targets
Administration	17	17
Benefits admin & support	13	12
<b>Total targets</b>	<b>30</b>	<b>29</b>

As can be seen on the table above, SASSA has set itself to achieve 29 performance targets for 2023/24, which is one target short compared to the previous year. In 2022/23, it had set a target to process 100% COVID-19 special relief grant applications. For 2023/24 and 2024/25 financial years this target has not been set.

Below is the analysis of the performance targets per programme:

#### a. Programme 1: Administration

The Administration Programme provides leadership, as well as management and support services. In line with the outcome based planning, the programme's work will contribute towards the realisation of the three SASSA outcomes, namely, economic transformation, improved customer experience and improved organisational efficiency. Over the medium term, SASSA's critical interventions for this programme will include:

- Linking social grant beneficiaries to developmental opportunities through existing relationship among the DSD and NSFAS.

- Modernisation of business processes to position SASSA within the developing technological topography.
- Utilise SASSA database as a strategic asset to improve decision making and effective integration with other government institutions.
- Consider various options towards migration from legacy system to modern solutions.
- Improve organisational efficiency and governance.
- Intensify the fight against fraud and corruption.

Outcomes	Annual performance targets
Improved customer experience	Integrated Communication and Marketing Programmes implemented to improve customer communication, organisational reputation and communication on strategic interventions.
Improved organisational efficiency	<ul style="list-style-type: none"> <li>• 5% of social assistance debts recovered and/or submitted for write off</li> <li>• 75% of financial misconduct cases finalised within 120 days (current).</li> <li>• 95% of financial misconduct cases finalised (backlog).</li> <li>• 90% of reported fraud and corruption cases investigated and finalised.</li> <li>• 70% labour relations cases finalised.</li> <li>• 90% of vacant funded posts filled</li> <li>• Office accommodation improvement strategy developed and implemented in 36 local offices focusing on: physical accessibility, branding, dignity services and network connectivity.</li> <li>• Reviewed business processes implemented.</li> <li>• 90% of vacant funded posts filled.</li> <li>• Implementation of the approved organisational structures.</li> <li>• Integration of new technology with legacy system: implementation of the payment solution.</li> <li>• System interfaces implemented to improve validation of applications for social assistance.</li> <li>• Suspected fraud detected and referred to relevant stakeholders (e.g. Grant Administration, SAPO, and Banks) for corrective action.</li> </ul>
Economic transformation	<ul style="list-style-type: none"> <li>• Report on procurement spent through SMME and Cooperatives on goods and services budget.</li> </ul>

## b. Programme 2: Benefits Administration and Support

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.

This programme is responsible for the core business of SASSA and ensures the implementation of the full value chain of grants administration. The functions relating to this programme cut across all levels within the Agency, including the day-to-day interface with clients. Over the medium term, SASSA's critical interventions for this programme will include:

- Increase the number of grants in payment including grant-in-aid to an estimated 18.8 million at the end of March 2022.
- Reduce the turnaround time for processing social grant applications from 10 days to 5 days and gradually to 1 day at the end of the MTSF period.
- Improve time spent in resolving customers' enquiries and disputes.
- Strengthen the management of SASSA's payment partnerships in order to ensure that social grants beneficiaries receive their correct grants at the right time and place.
- Explore the possible value that can be added to the SASSA beneficiaries using the available economies of scale and the improvements in the payment landscape.

Outcomes	Annual performance targets
Reduced levels of poverty	<ul style="list-style-type: none"> <li>• 1 300 000 social grant applications approved.</li> <li>• 19 240 507 grants in payment including Grant-in Aid at a cost of R212 270 billion.</li> <li>• 238 500 applications for the extended CSG in payment (CSG Top Up for Orphans).</li> <li>• 80% eligible children below the age of 1 in receipt of children's grants.</li> <li>• 100% of reported disasters responded to within 48 hours.</li> </ul>
Improved Organisational efficiency	<ul style="list-style-type: none"> <li>• 95% of new grant applications taken through face to face interaction processed within 5 days.</li> <li>• 80% of online applications processed within 5 days.</li> <li>• Beneficiary biometrics rolled out in all local offices for new applications.</li> </ul>

Improved customer experience	<ul style="list-style-type: none"> <li>• 90% of customer enquiries resolved within 5 days.</li> <li>• 60% of customer disputes resolved within 14 days.</li> <li>• Service delivery improvement plan implemented.</li> <li>• Queue Management system implemented in 200 local offices.</li> </ul>
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## 8. COMMITTEE DELIBERATIONS

- The Committee sought clarity on what is entailed in the target to improve customer satisfaction.

SASSA explained that the target includes improving the turnaround time to process queries, addressing challenges that have been experienced with the transition from South African Post Office to Postbank as well as challenges brought by ESKOM loadshedding. The challenges relating to the expiring of SASSA Gold payment cards has been resolved by the South African Reserve Bank granting an extension of the expiry dates to 31 December 2023. SASSA will ensure that Postbank meets this deadline.

- The Committee also wanted to know the criteria that will be used to identify local offices that will receive alternative power supply, tools of trade, network connectivity, dignity services and physical accessibility.

SASSA explained that criteria will be based on the availability of the budget, volume of beneficiaries a particular local office services, geographical spread between local offices and the procurement plan of the Department of Public Works and Infrastructure. Offices whose contracts are coming to an end will be excluded. The new requirement is that new offices that will be procured will have to have with alternative energy supply.

- It reiterated its concern that the reported breakdown of the total number of social grants in payment does not provide a breakdown report of the Child Support Grant - Top Up (CSG-Top Up).

SASSA assured the Committee that this will be done in the future reports.

- The Committee reiterated its concern over the high rental costs (property lease costs) even though a number of these offices are not in good condition. It also noted that AGSA found that 40 leases of buildings were included in the procurement plan however majority of the procurement had not yet been started as at 31 December 2022 and this may lead to irregular expenditure.

SASSA explained that these building are included in its demand plan but they are procured by the Department of Public Works and Infrastructure. The AGSA was concerned that there was no movement with the Department's procurement plan and this may possible result in irregular expenditure.

- The Committee reiterated its concern over the high vacancy rate and wanted to know if there were any plans to capacitate SASSA, especially at local office level?

SASSA explained that due to budget constraints it has not been able to fill some of the vacant posts. With National Treasury not funding the 7.3% salary increase for public servants it had to use funds from its already constrained budget. It has however, prioritised filling critical vacancies that fall within service delivery. It has also implemented rotation of staff plan and reviewed the span of control at management level.

- The Committee reiterated its concern about the persistent long queues at local offices and wanted to know how effective was the queue management system, particularly with the rolling out of high levels of electricity loadshedding. It urged SASSA to expedite the rolling out of alternative power supply.

SASSA reported that the queue management system was rolled to 23 local offices - 4 in the Eastern Cape, 5 in Free State, 2 in Gauteng, 2 in KwaZulu-Natal, 2 in Limpopo, 2 in Mpumalanga, 2 in Northern Cape, 3 in North West, 2 were planned for the Western Cape.

- The Committee wanted to know progress made in the implementation of the biometric system and whether the issues raised by the labour union were addressed?

SASSA reported that the system will be rolled out by the end of the year. It had experienced delays in the procurement process. Not all the issues that were raised by the labour union were resolved.

- Considering the increases in teenage pregnancy in South Africa, the Committee wanted to know what would SASSA attribute the gradual decrease in the Foster Care Grant (FCG) and in the Child Support Grant (CSG)?

SASSA explained that the decrease is largely due to the implementation of the CSG Top Up. It was not certain why there has been a decrease in CSG but a review that was conducted and it was found that a lot of beneficiaries that were receiving the grant were employed and falling outside the income threshold.

- The Committee wanted to know what considerations have been made in order to ensure that the issues that have been affecting SAPO do not affect SASSA achieving its targets? It was concerned about the recent event where beneficiaries had to sleep over at a SAPO branch office because Postbank ran out of cash. It wanted to know if there are no preventative plans to ensure that this does not happen? It also wanted to know if there is any possibility of insourcing payment system as a possible solution to the continuous challenges with Post Bank and Post Offices? It also raised a concern over the lack of awareness by the beneficiaries on the option of cardless transactions.

SASSA acknowledged that financial challenges at SAPO is one of the big risks for SASSA. It has observed high number of beneficiaries who have migrated to other banks. The running of cash by Postbank was against the terms of the service level agreement; however, the challenge also involves the amount of cash security company delivers.

SASSA explained that Postbank introduced cardless transactions which were used in the payment of SRD grant and now will be rolled out to other social grants. Cardless transactions are viewed as a better option to try and reduce the volumes of numbers for gold cards that have expiring dates but it is an option that cannot be used by everyone. They can probably be more user friendly to CSG beneficiaries.

- The Committee further wanted to know what interventions will SASSA make in order to ensure that the target on 5% procurement from women owned SMMEs will be implemented? In what sectors would these be in?

SASSA reported that it reviewed its Supply Chain Management policy to include specific goals prioritising black women owned businesses, youth and people with disabilities. This will be monitored over the medium term.

- It also wanted to know what interventions will SASSA make to ensure that the 95% target for processing of COVID-19 SRD grants is achieved?

SASSA explained that without system challenges it normally achieves 99%. It also shifted payment dates by one day to accommodate beneficiaries who changed their bank details from Postbank to other banks.

- It sought clarity on what the private call centre is used for when social grant applications are done online?

SASSA explained that the online system has no human interaction and people do not always understand reasons that are given when their applications are declined, hence the need for a call centre. There are 4 000 staff engaging with clients at local offices for other grants. The call centre then assists with clients making enquiries for the SRD grant.

- The Committee reiterated its concern over the shortage of assessment doctors for the disability grants. It continues to be a serious problem. Are there any plans to address this?

SASSA reported that it has an open tender to all the doctors. There are some regions where there is a shortage of doctors and regional offices make use of doctors from other regions. There are proposals to amend the regulations to use other medical professionals such as Occupational Therapists. The shortage of medical personnel is nationwide challenge.

- The Committee wanted to know the status of the service level agreement between SASSA and Post bank? Was it finalised by 31 March 2023 as it was earlier reported to the Committee?

SASSA reported that the agreement has not been finalised because of different views on the transaction rates and budget implications. This also involves yearly price increase framework the banks implement. The current agreement that was ceded by SAPO to Post bank remains in place until the new agreement is finalised.

## **8. NATIONAL DEVELOPMENT AGENCY (NDA) ANNUAL PERFORMANCE PLAN 2023/2024**

The NDA is classified as a public entity under Schedule 3A of the *Public Finance Management Act (Act No. 1 of 1999)*. It was established in November 1998 by the *National Development Agency Act (Act No. 108 of 1998)*, as the government's response to the challenge of poverty and its causes in South Africa. The NDA reports to Parliament through the Department of Social Development (DSD). It plays a critical role in contributing towards shifting the country from the scourge of poverty towards the total eradication of poverty. The NDA's vision is "developing a society free from poverty", with a mission of coordinating and integrating developmental interventions that are provided to the poor who rely on social security grants as their only source of livelihood. This vision and mission require all developmental interventions provided by government institutions, the private sector and civil society organisations (CSOs) to have a coordination and integration mechanism.

The NDA through the Turnaround Strategy has prioritised the following key priorities over the next five (5) years:

- Amendment of the NDA Act
- Review of service delivery model to focus on poverty reduction targeting those trapped in the poverty cycle.
- Redefining the target audience for NDA development programmes.
- Redefining the active role to be played by CSOs and capacity strengthening of these CSOs.

- Review and alignment of the NDA model, including its cost drivers.
- Strengthening NDA institutional capacity, capabilities and skills required to deliver on the mandate of poverty eradication.
- Diversify NDA development funding sources.

There is a dire and urgent need to eliminate poverty and all its causes, perpetuated by a lack of access to gainful economic activities at all levels of the active economic population groups in South Africa. The worst affected are particularly black women, youth and those living with disabilities. The NDA, a state poverty eradication institution, is tasked by its mandate to effectively respond to people who are severely affected by poverty, lack of access and means for generating sustainable income through self-help projects.

## **8.1 NDA LEGISLATIVE AND POLICY PRIORITIES**

The NDA priorities for the 2023/24 financial year have to be aligned to key international and national frameworks. These frameworks include National Development Plan (NDP), the Medium-Term Strategic Framework (MTSF) 2019 - 2024, and the Sustainable Development Goals (SDGs).

The NDP, the MTSF, Sector Plans and the United Nations (UN) SDGs guide the functions of the NDA. The NDP aims to eliminate poverty and reduce inequality by 2030. The NDP aspires to:

- Reduce the proportion of persons living below the lower-bound poverty lines from 39% (in 2009) to zero by 2030.
- Reduce income inequality from 0,7 in 2010 to 0,6 by 2030.
- The share of income going to the bottom 40 per cent of income earners should rise from 6% to 10% by 2030.
- Reduce poverty-induced hunger to 0% by 2030.

The NDP Vision 2030 has a long-term perspective to eliminate poverty and reduce inequality by 2030. Accordingly, South Africa can realise its goal of eliminating poverty and reduction of inequality by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and

partnerships throughout society. In the attainment of the NDP aspirational goals, the MTSF identifies priorities to be undertaken during the 5-year implementation plan (2019-2024)

The NDA has adopted MTSF which focuses on Civil Society Organisations (CSOs) in the most deprived and prioritised districts in South Africa, and its main contribution is towards building the capacity of these organisations. In that regard, the strategy is based on the NDA integrating its work with the social development sector, municipalities, and other public and private agencies that work with communities and CSOs.

The strategic direction of the NDA is in line with, and will contribute to, the NDP approach of eliminating poverty and reducing inequality by 2030. The NDP position is that South Africa has the potential and capacity to eliminate and reduce inequality over the next two decades. For this to happen, it avers that there should be a shift from passive communities receiving services from the state to a situation that systematically includes the socially and economically excluded, where people are active champions of their development. Thus, the role of the NDA within the social development sector is to provide developmental programmes and projects that support and provide a continuum for poverty relief for the social grant beneficiaries, including self-help developmental interventions that bring income to these individuals and families.

As stated earlier, the NDA was established to eliminate poverty and its causes; this speaks to the SDG's aspirations. The SDGs, otherwise known as the Global Goals, is a global agenda consisting of 17 goals aimed at ending poverty, protecting the planet and ensuring that humanity enjoys peace and prosperity. The SDGs recognise that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development.

## **8.2. BUDGET ANALYSIS FOR 2022/23 FINANCIAL YEAR**

As a Schedule 3A entity, the NDA's main source of funding for the NDA is through a transfer from the Department of Social Development, located under Programme 5: Social Policy and Integrated Service Delivery. The mandate of the NDA is realised through three (3) budgeted programmes, namely:

- Governance and Administration,
- Civil Society Organisation Development, and
- Research.

Table 7 below provides the budget allocation of the NDA for the 2023/24 financial year and estimates over the medium term.

As a Schedule 3A entity, about 90% of the NDA revenue is a transfer from the DSD, and 10% is derived from third-party donors and other income, which includes unconditional grants that the organisation receives and interest on bank balances.

**Table 7: Appropriation for the NDA for the 2022/23 and 2023/24 financial year**

Programme	Budget		Nominal increase / Decrease in 2023/24	Real Increase / Decrease in 2023/24	Nominal Percent change in 2023/24	Real Percent change in 2023/24
	R million	2022/23				
Programme 1: Governance and Administration	57 912 646,0	46 035 445,0	-11 877 201,0	-14 027 569,7	-20,51 per cent	-24,22 per cent
Programme 2: CSO Development	67 876 659,0	18 141 800,0	-49 734 859,0	-50 582 283,4	-73,27 per cent	-74,52 per cent
Programme 3: Development M & Research	6 930 548,0	4 018 159,0	-2 912 389,0	-3 100 081,8	-42,02 per cent	-44,73 per cent
Employee Costs	145 075 828,0	154 004 222,0	8 928 394,0	1 734 679,1	6,15 per cent	1,20 per cent
<b>TOTAL</b>	<b>277 795 681,0</b>	<b>222 199 626,0</b>	<b>-55 596 055,0</b>	<b>-65 975 255,8</b>	<b>-20,0 per cent</b>	<b>-23,75 per cent</b>

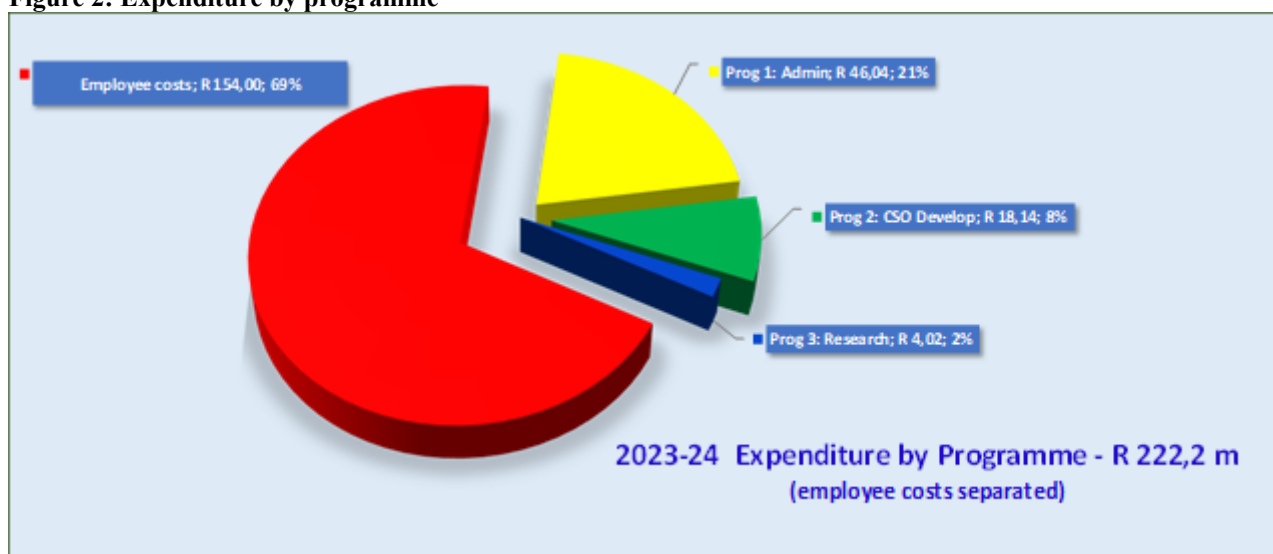
The NDA received a budget allocation of R222.2 million for the 2023/24 financial year, down from a revised budget allocation of R277.7 million in the 2022/23 financial year. This shows a nominal decrease in the rand value of R55.5 million, or a -20.0% nominal change from the previous financial year.

While budget allocation for all three main programmes decline significantly in 2023/24, the most significant change is recorded for Programme 2, i.e. -72.3% nominal change. This is the programme tasked with the NDA's core function, i.e. granting funds to civil society organisations to implement development projects in poor communities.

### 8.3 BUDGET AND ANNUAL PERFORMANCE TARGETS PER PROGRAMME

Figure 2 below provides a breakdown of the budget per programme per main operational function and employee cost. Employee costs consume the largest share of the Agency's total budget with a value of R154.0 million (or 69.31%). The budget for employee costs shows 6.2% nominal growth, which is an above-inflation increase. Real growth (taking into account the inflationary effect) is 1.2%.

**Figure 2: Expenditure by programme**



Programme 2: Civil Society Organisation Development's budget for its operations (excluding employee costs) has been reduced from an adjusted R67.8 million in 2022/23 to R18.1 million (which is 8% of the total budget of the Agency). The NDA reports that the programme's budget has decreased year-on-year, mainly due to the volunteer programme budget of R30 million, allocated in the 2021/22 financial year and rolled over in its entirety by National Treasury to the 2022/23 financial year.

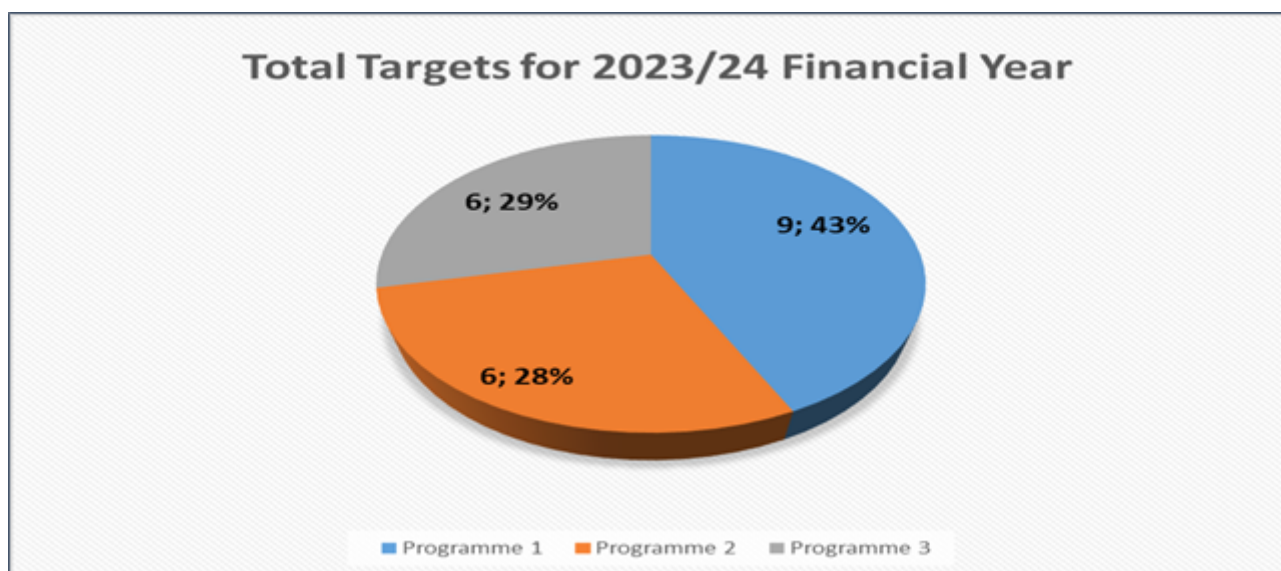
Programme 1: Governance and Administration is allocated R46 million, comprising 21% of the Agency's total budget. This programme's budget shows a nominal decrease in rand value of R11.8 million. Its adjusted budget for the previous financial year was R57.9 million and has shrunk to R46.0 million in 2023/24. The NDA reports that the programme's budget has decreased by 21% year-on-year, mainly due to the 21/22 budget rollover into the 22/23 financial year for contractual commitments such as the *turnaround strategy, upgrade of the*

*financial system to Business Central, forensic investigations, and the digitisation – information technology (IT) roadmap project.*

Programme 3: Research is only allocated R4 million, comprising 2% of the total budget of the Agency. This programme's budget shows a nominal decrease of 42% from the previous year. The NDA reports that the programme's budget has decreased year-on-year mainly due to the rollover of the 21/22 budget into the 22/23 financial year for committed research and evaluation studies.

#### 8.4 PROGRAMME PERFORMANCE ANALYSIS

Figure 3: targets for 2023/24



The NDA has a total of 21 targets for the 2023/24 financial year. The majority of annual performance targets of the NDA for 2023/24 are located within Programme 1.

#### Programme 1: Governance and Administration

This programme promotes and maintains organisational excellence and sustainability through effective and efficient administration.

Adjusted budget	Medium-term expenditure estimates		
	2023/24	2024/25	2025/26
R57.9 million	R46 million	R48.5 million	R51.2 million

This programme is responsible for interfacing with the Board through the Company Secretariat function, strategy implementation and monitoring, sound financial management, internal audit and human capital management, creating an enabling operational environment through agile ICT systems and promoting and protecting the NDA brand.

For 2023/24, the NDA intends to submit 90% of cumulative irregular, fruitless, and wasteful expenditure report for condonation, while about 95% of invoices will be paid within 30 days of receipt.

The NDA commits to resolving 80% of prior year audit findings. It will also implement 80% of preferential procurement targets for designated groups as per the supply chain management (SCM) policy. It also plans to deploy the electronic grant funding assessment and review tool, as well as prioritising the implementation of cyber security corrective measures (Phase 1). In addition to the outlined performance targets, the NDA will:

- Review and approve 12 Human Resources Policies,
- Conduct 12 staff training interventions, and
- Profile 9 NDA projects.

## **Programme 2: CSO Development**

This programme designs and implements programmes and projects that respond to poverty eradication through sustainable livelihood. It uses a combination of interventions to support efforts to eradicate poverty in poor communities. The key intervention target is to support those people who have no means of creating gainful income from economic activities to support their sustainable livelihood to escape poverty. The programme will use the District Development Model (DDM) model architecture and mechanisms to deploy its development interventions to poor households using CSOs as a vehicle for delivering developmental projects to poor communities.

Adjusted budget	Medium-term expenditure estimates		
2022/23	2023/24	2024/25	2025/26

R67.8 million	R18.1 million ↓	R18.6 million ↑	R19 million ↑
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In its 2023/24 Annual Performance Plan (APP), the NDA indicates that it intends to mobilise resources i.e. to raise R50 million to fund CSOs. However, the Committee should note that the NDA managed to mobilise R35 million during the previous financial year to fund CSOs.

Therefore, Parliament may enquire how the NDA plans to surpass the amount that was raised in the 2022/23 financial year.

The key annual performance targets for the programme include the following:

Output Indicators	Annual Target
NDA Resource Mobilization Strategy for Poverty Eradication approved by the Board.	Board Approved NDA Resource Mobilisation Strategy for poverty eradication projects.
Rand value of resources raised for funding of CSOs.	Raise R50 million for funding of CSOs
The number of poverty eradication CSOs funded by the NDA.	100 poverty eradication CSOs funded
The number of beneficiaries participating in income generation projects.	3000 beneficiaries participating in income generation projects
Number of CSOs capacitated with skills to implement poverty eradication projects.	About 2500 CSOs capacitated with skills to implement poverty eradication projects
The number of beneficiaries capacitated with skills to implement poverty eradication projects.	5000 beneficiaries capacitated with skills to implement poverty eradication projects

### Programme 3: Research

This programme is responsible for conducting evidence-based research and evaluations to inform debates and engagement on development policy and generating information on best practices for improving the NDA development programme interventions. The outcome serves to inform national development policy debates and engagements on issues relating to development and poverty eradication in general.

Adjusted budget	Medium-term expenditure estimates		
2022/23	2023/24	2024/25	2025/26
R6.9 million	R4 million	R4.1 million	R4.3 million

Key annual performance targets under the programme include:

Output Indicators	Annual Target
Number of research publications produced to provide a basis for development policy.	Three (3) research publications were produced to provide a basis for Development Policy (The three research studies are focused on three developmental priority areas: Economic transformation

	and job creation; the Effect of quality of education, skills and social behaviour; and the creation of enabling environment for the CSOs)
Number of policy briefs submitted to relevant stakeholders	Three (3) policy briefs will be submitted to relevant stakeholders. (The policy brief forms the bases of policy engagements, dialogues and debates that the unit should have with external stakeholders).
Number of dialogues held with relevant stakeholders	Two (2) dialogues will be held with relevant stakeholders. (The Research Division under Knowledge Management Sub-Unit will host 2 Dialogues to debate development policies. These Webinars will be drawn from the research reports that will be produced by the Research Unit).
Number of evaluations conducted to inform programme design and implementation	Three (3) evaluations will be conducted to inform programme design and implementation. (The monitoring and evaluation Unit will conduct 3 evaluation studies focusing on three areas: The capacity Programme of the NDA; the Due Diligence processes of the Grant Funding Process; and the evaluation of the DDM Pilot Project. The results of these evaluations will assist in improving the design and implementation of the NDA-funded programmes and projects).
Approved multi-year evaluation plan	Multi-year evaluation plan approved. (This plan will enable the M&E unit and the Agency in general to conduct well-coordinated evaluation work. The Plan will be used to plan for the evaluation studies as well assist in planning and budgeting for the future evaluation studies of the Agency).
Concept document on Economic pathways out of Poverty approved	Approved Concept Document on economic pathways out of poverty

## 9. COMMITTEE DELIBERATIONS

- The Committee wanted to know the reasons for the delay in the funding and approval of the turnaround strategy and appointment of the CEO.

The NDA explained that the strategy changes the perspective with regard to the core mandate of the NDA to move from focusing on funding of CSOs to focus on specific people who are trapped in poverty. In April 2023, the NDA signed an agreement with the German Apex Body (DGRV) to define the pathways of taking people out of poverty so that donors can be approached with a clear concept. The NDA is also in the process of reviewing its structure and skills capacity.

The turnaround strategy was developed when there was no board and a permanent CEO. A workshop was held where the turnaround strategy was presented to the board. The board has also concluded the recruitment process of the CEO position. It will consider the selection report on 11 May 2023. The view of the board is that the turnaround strategy must be implemented by a permanent CEO. This will give ownership of the turnaround

strategy by both board and the NDA executive. The turnaround strategy will also eliminate the areas of duplications, such as skills development, which is the responsibility of the Department of Higher Education and Training, SITAs and TVET colleges. The NDA will only work in partnership with these institutions.

- The Committee sought clarity if the NDA is still going to fill all vacancies even though compensation of employees accounts for 90% of the total budget, which leaves only 10% for the implementation of the core mandate of the NDA, which it implements through Programme 2. It is concerning that this Programme continues to underfunded.

The NDA acknowledged that it is also concerned about the high staff costs versus service delivery costs. It will be embarking on an organisational review that will look at reducing the costs of compensation of employees. The plan that has been budgeted aims to fill critical vacancies such as CEO and other critical vacancies in the provinces. In all, the NDA has 323 vacancies and 107 positions were funded for the current financial year.

- The Committee reiterated its request for a list of organisations that the NDA has supported as well as poverty eradication projects.

The NDA undertook to provide the Committee with a detailed report on the list of organisations funded, nature of support provided and impact assessment.

## 10. RECOMMENDATIONS

As it can be noted in the deliberations, some of the concerns raised by the Committee were raised before and recommendations were made on them in the previous Budget Vote reports. This indicates lack of progress in the implementation of those recommendations. For the purpose of the current reporting process, those recommendations will be reiterated with tight time frames.

Having considered the strategic plans and the annual performance plans of the department and its entities the Committee makes the following recommendations:

### 10.1 Department of Social Development

- The Minister should ensure that the Department within three (3) months from the adoption of Budget Vote 19 by the National Assembly fills the vacancies in critical positions, particularly that of the Director-General and the Chief Financial Officer.
- The Minister should also ensure that the Department within two (2) months from the adoption of Budget Vote 19 by the National Assembly finalizes the Regulations to implement the Children's Amendment Act (No. 17 of 2020) and submit them to the Committee for consideration.
- The Minister should ensure that within the 2023/24 financial year the Department addresses inconsistencies in NPO funding across provincial departments through the implementation of the DSD Sector Finding Policy. The Committee notes the Department's report that an additional R9.2 billion in funding for NPOs is needed to fill an estimated 71 percent funding gap. It recommends that a similar bid to that of the employment of social service professionals should be made to National Treasury for the funding of NPOs. In instances where provincial departments have not utilized allocated budgets, the Minister to ensure that the provincial departments obtain approval from National Treasury to utilize these funds for funding of the NPOs.
- The Minister should ensure that the Department capacitates and strengthens the work of the Central Drug Authority (CDA) so that it can implement its legislative mandate and fully implement the 2019 – 2024 National Drug Master Plan. Particular focus should be given on improving coordination, integration and reporting to the CDA by sector department on their programmes and interventions against drug and substance abuse.

### **10.2 South African Social Security Agency (SASSA)**

- The Minister should ensure that within the 2023/24 financial year that SASSA and Postbank put in place measures to eliminate all the persistent challenges in the payment of social grants. Most importantly, that Postbank meets the South African Reserve Bank deadline of renewing expired SASSA Gold cards by 31 December 2023. The two institutions should also be assisted at an inter-ministerial level. It is a serious concern that the most vulnerable population of the country keeps on being subjected to the hardship brought about by these challenges.
- In relation to the aforementioned, the Minister should ensure that within six months from the adoption of Budget Vote 19 by the National Assembly SASSA and Postbank finalise their Service Level Agreement and submit it to the Portfolio Committee for consideration.
- The Minister should ensure that SASSA within the 2023/24 financial year amends Regulations that regulate the use of medical doctors to conduct assessments for the disability grant applications to expand it to other qualifying medical professionals.
- The Minister should also ensure that SASSA within the current financial year implements the beneficiary biometric system working in collaboration with the labour union.

### **10.3 National Development Agency (NDA)**

- The Minister should ensure that the NDA within 2023/24 financial year the turnaround strategy is finalised and approved by the Board and implemented. The Minister should also ensure that the NDA expedites the appointment of the CEO so that the turnaround strategy can be approved and implemented.
- The Minister should also ensure that within six months from the adoption of the Budget Vote 19 by the National Assembly the NDA submits the long awaited report on the list of organisations it supports to the Portfolio Committee. The report should also include nature of the support provided and an impact assessment.

Report to be considered.