



2018
2019

ANNUAL PERFORMANCE PLAN



the gpaa

Department:
Government Pensions Administration Agency
REPUBLIC OF SOUTH AFRICA

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STATEMENT BY THE ACCOUNTING OFFICER



GPAA IS BUILT ON A SOLID FOUNDATION

The GPAA's primary focus is to deliver on the Service Level Agreements (SLAs) with its two customers, the Government Employees Pension Fund (GEPF) and National Treasury Programme 7 funds and schemes. The Annual Performance Plan for 2018/2019 is aimed at enhancing the value-chain optimisation through increased organisational focus on client-centricity and improving the experience of clients throughout the benefits claiming process.

The new GPAA strategic goals developed during the Strategic Planning Lekgotla, held in May 2017 are as follows:

1. Optimal core services,
2. Valid, accurate and complete contributions,
3. Less than 30-day turnaround time for the payment of benefits, and
4. Well preserved pension funds

The revised strategic goals of the GPAA will drive its new mission "to provide administration services to the GEPF and National Treasury Programme 7" through core business functions, which include the admission of new members, management of contributions and provision of benefits, Communication to members and the maintenance of member and beneficiary data.

The Modernisation Programme remains the vehicle through which the GPAA intends to become a technologically advanced and automated organisation for the benefit of its clients. Through the Modernisation Programme, the GPAA is focused on automating key processes, building a competent workforce, increasing interaction with employer departments and Fund members and paying exit benefits accurately and on time.

The GPAA believes that if it successfully continues with the Modernisation Programme, its approach and practices towards service delivery will greatly improve client experience.



Going forward, clients will reap the benefits of the Modernisation Programme, especially with regard to continuous improvements of its Self-Service platform and business applications, including the Pensioner Case Management (PCM) and Benefits Payment Automation (BPA) intended to streamline the benefits claiming and payment processes. This will relieve our clients from the burden of time and effort in interacting with the GPAA.

However, the Modernisation Programme does have challenges which should be overcome including:

- core business readiness and change management's effectiveness in introducing new technology and systems into the operating environment;
- business testing processes that are prolonged due to unavailability of dedicated staff to modernisation; and
- the open tender procurement and contracting cycles which takes up to six months to complete.

In its eighth year of existence, the GPAA will build on the solid foundations it has laid in becoming a modernised pension fund and benefits administrator through finalising its new operating model and completing its modernisation projects to enable it to improve its service delivery as envisaged.

Ultimately, the GPAA wants to offer a respectable retirement for government employees and other beneficiaries of its administrative services and with a constant reminder of the stakeholders we serve, we believe that our continued diligence will achieve this.

Mr Krishen Sukdev

CHIEF EXECUTIVE OFFICER

Government Pensions Administration Agency
(GPAA)

PART A **STRATEGIC** **OVERVIEW**

1. STRATEGIC FRAMEWORK

The GPAA's strategic frameworks, including its vision, mission, values, strategic goals and objectives were reviewed during the May 2017 Lekgotla. To this end, the new strategic framework is as follows:



1.1 VISION

A client-base that is satisfied, served, valued, dignified, cared for and empowered.

1.2 MISSION

To provide administration services to the Government Employees Pension Fund (GEPF) and National Treasury Programme 7 funds and schemes.

1.3 VALUES

Our values can be summarised as TRICS, amended with an additional value of passion. This is reflected as:

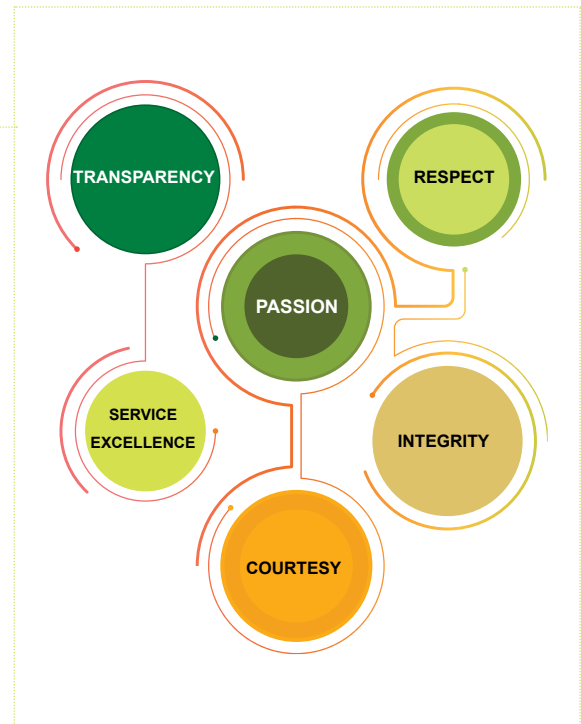


Figure 1: Values

Transparency

We undertake to be open and accountable for effective decision-making in our engagements with all of our stakeholders.

Respect

We are committed to treating everyone with dignity, equality and trust.

Integrity

We act fairly, ethically and openly in all we do.

Courtesy

We treat our stakeholders and clients with consideration, compassion and kindness.

Service excellence

We commit to giving our clients quality service

Passion

We serve our clients with passion and understanding.

1. STRATEGIC FRAMEWORK (continued)

STRATEGIC OUTCOME ORIENTED GOALS AND OBJECTIVES

The following table provides a summary of the new strategic goals and objectives:

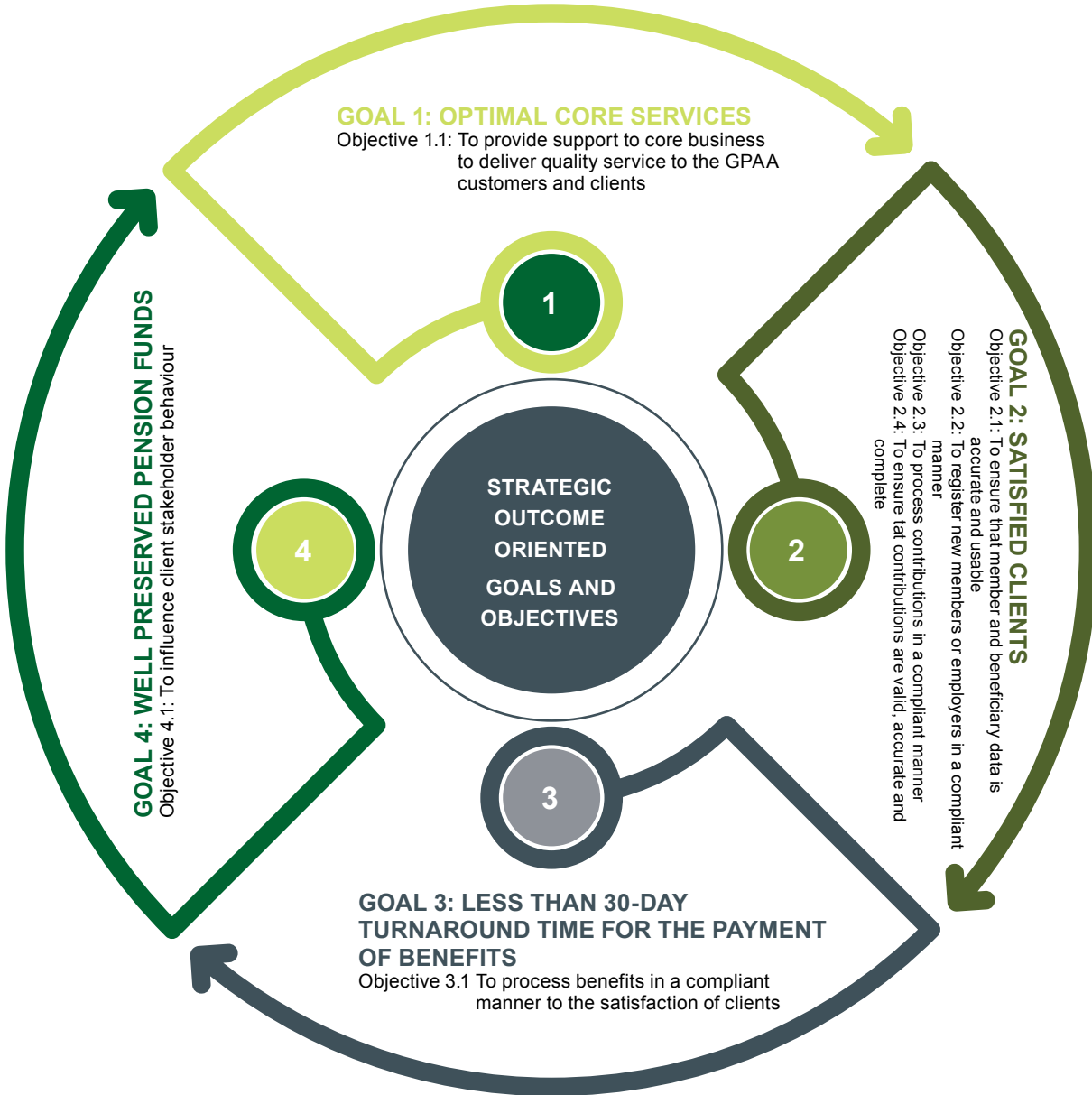


Figure 2: Strategic Outcome Orientated Goals and Objectives

2. UPDATED SITUATIONAL ANALYSIS

2.1 PERFORMANCE DELIVERY ENVIRONMENT – EXTERNAL FACTORS

After the review of literature, the GPAA has taken into consideration the lessons learned on Modernisation based on the local and international public sector sphere, Retirement reforms, current developments within the SA retirement reform, key perspectives of the proposed reform: National Treasury and Parliament, Defined benefit and contribution pension systems and Political Directives. The situational analysis thus elaborates on how best the GPAA customised the lessons learned to ensure optimal performance of its internal environment. Below are the specifics:

2.1.1 Modernisation within the local and international public sector sphere

The 2008 National Framework for Sustainable Development (NDP) states that a country's long-term economic performance and ecologic footprint requires innovative technologies and processes to increase productivity, use less energy and fewer resources, and reduce waste. According to Boyle and Roberts (2012), the survival of all major financial institutions will require attention to modernisation challenges of core systems over the next five to ten years.

The challenges will be driven by a combination of "operational risks, competitive pressure, regulatory pressure, rising Information Technology (IT) costs and the loss of IT and business agility". The GPAA Modernisation Programme serves as a vehicle to becoming a sustainable organisation that is aligned with the Constitution, NDP, Batho Pele principles and the Service Charter. The implementation of the Modernisation Programme aims to transform the organisation's operational effectiveness and efficiency, stakeholder management, and governance to improve service delivery.

International governments, specifically in Norway, Brazil and Canada, have implemented successful modernisation projects that transformed their public sector

pension administration into innovative, client-driven systems. The government organisations conducted gap analyses of their pension administrations and identified their clients' needs so as to respond adequately and improve their public pension administration. They were able to develop efficient and economical systems for public sector employees by instituting change management within their organisations and for the public. Internally, the administrations centralised their systems and business processes and further, trained their staff on these systems. External change management processes included creating more public awareness about pensions to their clients. By centralising their systems' processes, the Canadian Public Works and Government Services created a system that was able to administer multiple pension systems (PWGSC, 2014). In the case of the Norwegian public pension project, their administration was able to reduce its pension application process from three months to less than one day by using the pension portal (Accenture, 2012).

In an effort to improve the South African pension administration services, the GPAA is in the process of re-engineering its processes by learning from, and instituting key lessons, specifically:

- Using developmental approaches to align initiatives with regulations;
- Understanding and responding adequately to clients' specific needs;
- Partnering with government and private organisations and/or banks from the onset of the project to ensure skills transfer and training;
- Engaging in change management efforts;
- Introducing comprehensive "one-stop" tools to enable pension self-service solutions, viewing of benefits and automating application processes;
- Coordinating critical departments to fast-track pension applications and benefits payment processes; and

2. UPDATED SITUATIONAL ANALYSIS (continued)

- Validating pension data for public servants to reduce fraud and corruption and create greater fiscal space.

2.1.2 Retirement reforms

The proposed South African retirement reform emanates from an international policy agenda which focuses on two critical issues: 1) addressing structural challenges in the retirement industry and 2) reducing unsustainable dependencies that impact socio-economic stability (Department of General Accounts, 1998; NT, 2013). Globally, there is a concern that pension systems are not able to sustain the aged (NT, 2012). In fact, many countries face growing poverty levels which specifically affect citizens during their retirement. In South Africa, figures from 2012 noted that roughly 6% of the aged could sustain a comfortable lifestyle. This puts pressure on government to sustain the aged (NT, 2012).

Like most African countries, South Africa faces challenges of high unemployment rates amongst the economically active population. For the population that is employed, the employment is in the informal sector which does not contribute to the public retirement fund. For example, in Nigeria's working population of about 60 million, only 5% contribute towards a retirement savings account. In Kenya, approximately 75% of its population is in the informal sector (Irungu, 2015).

Social security is a basic human right enshrined in the SA Constitution, the 'Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights' (Park & Estrada, 2013, p. 1). As such, the South African government has worked towards reforming its pension system to improve social security coverage for more than 10 years. Through the Department of Social Development and the National Treasury, the Legislature and the Executive are some of the primary policy makers shaping the SA retirement reforms. The government is supported by retirement

fund administrators and trustees, the Actuarial Society and research organisations, such as the Taylor Commission. The Commission produced the Taylor report: Inquiry into a Comprehensive System of Social Security for South Africa (2002) which helped to shape pension reforms and serves as the basis for a number of policy decisions related to the retirement reform.

The National Planning Commission (NPC) (2011), through the National Development Plan, proposed a number of options to balance the dependency ratio and maintain contributions to pension savings. Some proposals included discouraging early retirement, encouraging flexibility in retirement arrangements and promoting participation by older people in the labour market. Alternative proposals were also considered, including the possibility of encouraging early retirement by deactivating older people in the labour market and increasing youth participation, introducing mandatory savings, and developing mechanisms to cover risks associated with informal employment (NPC, 2011).

Current developments within the SA retirement reform

In March 2016, changes to the Taxation Amendment Act required provident fund members to purchase an annuity with two-thirds of retirement assets at the time of retirement. This action was envisioned to align tax and annuitisation treatment across all retirement funds. One of the main adversaries of the amended act included The Congress of South African Trade Unions (COSATU). COSATU argued that there was no proper consultation on the reform and that Government, as well as Parliament, did not communicate the legislative changes adequately. Critics of the amendment stated that the lack of communication and consultation had created panic amongst public servants.

Although public servants were not affected directly by the proposed changes, they however feared losing their savings. This

fear resulted in approximately 85 000 resignations between 2013 and 2014 in the public sector in general. According to Mirrian (2016), a number of public servants held the same views as COSATU and this further motivated provident funds as their preferred structure. Certain aspects of the Taxation Amendment Act, such as the harmonisation of the tax for provident funds, have been implemented, however, annuitizing provident funds will continue until March 2018. The two-year delay allows for further consultations at the National Economic Development and Labour Council (NEDLAC) and with other stakeholders.

Key perspectives of the proposed reform: National Treasury and Parliament

The South African retirement reforms have been postponed until March 2018 as certain stakeholders indicated disapproval of the annuitizing of provident funds. The delay was to allow for further consultations at NEDLAC and with other stakeholders. COSATU argued that government did not adequately consult and acted unilaterally. The union stated that government does not have the right to independently decide how and when workers should spend their hard earned savings (Visser, 2016). The assertion of non-consultation by COSATU was however, refuted by two Labour Federations in NEDLAC, who argued that there were about 40 consultations (Marrian, 2016).

The then Finance Minister appealed for workers' participation in the consultation processes. Over the next two years, a new proposal will be developed and government plans to launch a communication campaign to emphasise the balance between savings and the expenditure needs of the state. Throughout the reform, National Treasury has ascertained that it will maintain key principles related to saving, harmonising pension and provident funds, and accommodating the needs of workers. Furthermore, National Treasury's role will also be to prevent the 'arbitrage abuse by high income earners of the provident fund regime' (Ensor, 2016).

The National Treasury promised the release of the social reform paper in 2016 (Ensor, 2016) and a discussion paper titled: "Comprehensive social security in South Africa", which was prepared by the Interdepartmental Task Team on Social Security and Retirement Reform (IDTT) and released in December 2016 and is under discussion. Some of the proposals made in the document will have an impact on the GEPF and the organisational needs to acquaint itself with the proposed changes, as well as position itself strategically to ensure it contributes and plans accordingly.

2.1.3 Defined benefit and defined contribution pension systems

Across the public and private sectors, there is a persistent need to assess pension risks and identify applicable mitigation strategies. The GPAA therefore, is continually exploring alternative pension systems and management techniques to ensure a reduction of administration, financial and investment risks.

In conventional models, Defined Benefit (DB) funds place significant risk on the retirement fund or employer. DB funds are regarded as overgenerous and not sustainable as a result of the slump in wage growth, increased life expectancy, static retirement ages, political uncertainties and the increase in the dependency ratio, therefore creating a fiscal drag in government's general expenditure (Mitchell & Smetters, 2003; Woolner, 2009; World Pension Summit, 2014). However, DB funds continue to be an appealing option due to the limited financial and technical knowledge required to plan adequately for retirement.

Unlike hybrid or defined contribution (DC) funds, the standardised investment of DB funds do not require the member to fully understand factors such as, savings rates, portfolio choice, capital market risk or mortality trends. In DC or hybrid funds, the employer and employee have a shared responsibility to make informed decisions based on the aforementioned factors.

2. UPDATED SITUATIONAL ANALYSIS (continued)

A hybrid plan promotes retirement security through combined benefits and savings rates, but as previously mentioned, DC funds require a considerable understanding of the financial and investment sector. If managed professionally, DC funds have the potential for lower fees, pooled investment and appropriate asset allocation and also access to lifetime income in the form of annuities.

As retirement reforms are proposing compulsory and mandatory contributions, the organisation could be fast tracking its thinking about whether it aims to create a different system of contribution and invest in pension administration that is able to administer multiple pension systems. With the proposal of a social security fund, the organisation should ensure that it contributes in the consultations and has representation as it has been indicated that the GEPF will be one of the Funds that will be impacted by the social security and retirement reforms.

2.1.4 Political directives

The Medium Term Strategic Framework (MTSF) 2014 – 2019 adopted fourteen (14) priority outcomes. The capacity and developmental commitment of the state is prioritised in the National Development Plan (NDP) and the Department of Public Services and Administration (DPSA) provides guidelines for policy and the implementation of these priorities.

The DPSA develops policies and guidelines which are aimed at ensuring that public services are responsive to citizens' needs by enhancing system integration, improving mechanisms of service-delivery, developing human capital and improving governance. To this effect, the DPSA has identified a number of focus areas which serve as the main strategic indicators to determine whether public service is fulfilling their mandate. The focus areas seek to ensure that the sector is free from corruption, impacts positively on the lives of the citizens and the economy at large, and provides accessible and timely services performed by skilled public servants.

Key actions for the 2014 – 2019 administration as articulated in the MTSF intends to advance the institutionalisation of long-term planning; forge a disciplined, people-centred and professional public service; and empower citizens to play a greater role in development and building an ethical public service (DPME). The GPAA's objectives are aligned to the MTSF's Outcome 12, an efficient, effective and development oriented public service. The GPAA builds on this outcome in its annual performance plan through articulating its strategic framework to support the MTSF outcomes.

The GPAA also adheres to government's over-arching service delivery goals which include the Batho Pele principles of consultation, service standards, access, courtesy, information, openness and transparency, redress and value for money. In line with these principles, improved processes afford our clients with information, empowerment and accessibility to services. Such improvements increase clients' confidence, preparedness and decision making, and further increase their trust in the organisation.

Policies, Principles and guiding acts

The administration of GEPF pension benefits by the GPAA is governed by the Government Employees Pension Law of 1996, as amended (GEP Law). The GPAA aims to align its benefits administration to industry best practice and the Pension Funds Act (PFA) 24 of 1956, where applicable. Pension fund administration is guided and regulated by the Pension Funds Act and the Financial Services Board (NT, 2014). The Pension Funds Act 24 of 1956 was developed for the registration, regulation, incorporation and dissolution of pension funds and incidental matters. Rules regarding benefits for the public sector are regulated by the Public Service Coordinating Bargaining Council (PSCBC) and other bargaining structures such as the National Economic Development Advisory Council (NEDLAC) (NT, 2014).

The Financial Services Board (FSB) includes legislation that covers the regulation of finances in the country which, in turn, impacts the GPAA as a financial institution that administers the payment of pensions and other benefits to its members and beneficiaries. The Financial Institutions Act 28 of 2001 and the Financial Services Board Act 97 of 1990 are legislations within the FSB.

These Acts provide for and consolidate laws relating to investment, safe custody and administration of funds, and also address the establishment of a board to supervise compliance and regulation of financial institutions. In line with these policies, principles and guiding acts, it needs to be understood how the GPAA culture feeds into service delivery in achieving Outcome 12. Technological and process changes – together with human interfaces – affect

the future planning and strategies of the organisation. The GPAA's future-proofing and alignment with current developments advances the organisation to become the preferred, responsive and value-add pension administrator.

2.2 ORGANISATIONAL ENVIRONMENT – INTERNAL FACTORS

The GPAA's Organisational Environment organised to ensure the actualisation of its goals and objectives is detailed below:

2.2.1 Organisational structure

The structure of the GPAA's Annual Performance Plan is directed by the GPAA CEO and consists of two Programmes, namely Support Services and Benefits Administration. Support Services and Benefits Administration are supported by eight Sub-programmes as depicted in the figure below:

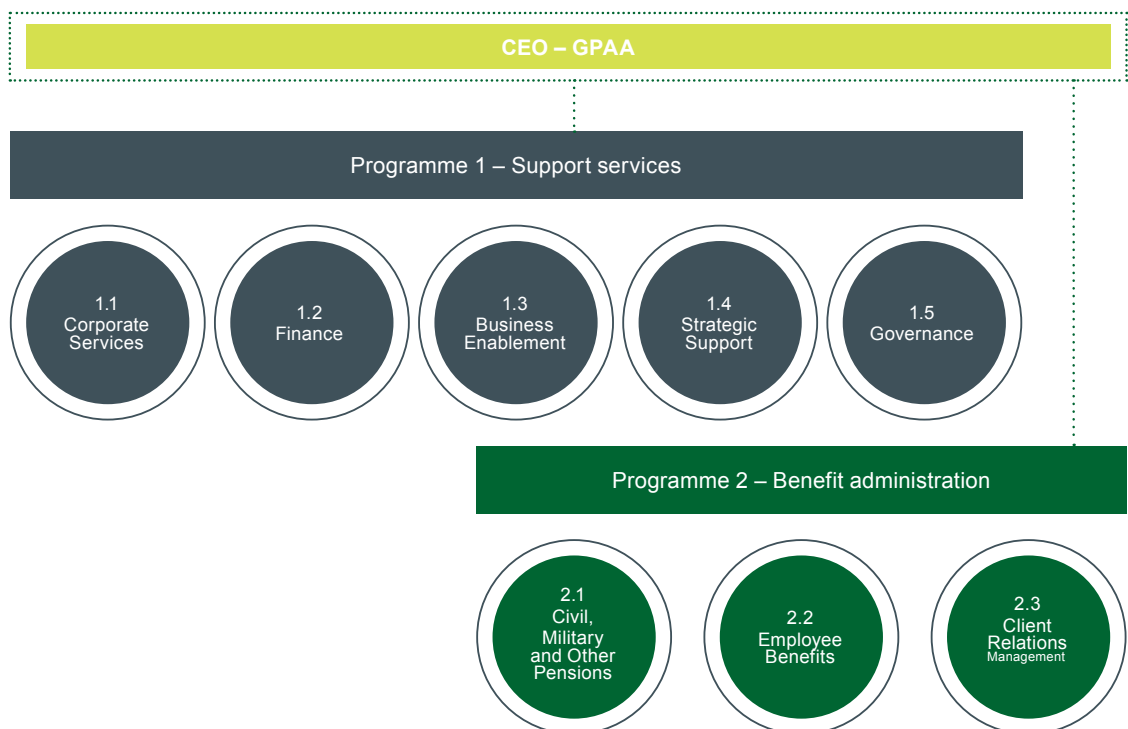


Figure 3: Organisational programme structure

2. UPDATED SITUATIONAL ANALYSIS (continued)

The GPAA is headed by its Chief Executive Officer and has an approved structure of 1 026 posts. As at 1 April 2017, the GPAA structure had 1 183 positions, of which 733 were permanent and 450 were contract positions.

The GPAA has undertaken a process of developing the new structure and the next milestone is to obtain approval of the organisational structure and implement the human capital management project which will direct the focus on transitioning people from the current structure to the restructured organisational structure. As more and more business processes at the GPAA become automated, people will be re-skilled and redeployed to enhance the GPAA's client facing functions. The implementation of the new structure is envisaged by 31 March 2018.

2.2.2 The GPAA's transformation journey

The GPAA's pledge to incorporation of people with disabilities accommodation, non-racisms and women empowerment in employment is perpetuated by its values; to this date, the GPAA's employment equity demographics are as follows:

Employment Equity Demographic to date

Permanent

Occupational bands

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	3	1	1	0	2	0	0	1	8
Senior management	10	0	1	3	5	0	0	1	20
Professionally qualified and experienced specialists and mid-management	87	6	5	12	81	7	3	26	227
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	147	9	3	7	328	25	9	56	584
Semi-skilled and discretionary decision making	39	1	0	0	35	3	0	4	82
Unskilled and defined decision making	5	0	0	0	23	0	0	0	28
Total	291	17	10	22	474	35	12	88	949
Employees with disabilities	5	1		2	5			1	14

Table 1: Employment equity demographics to date

Contract

Occupational bands

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	2	0	0	0	0	0	2
Senior Management	2	0	0	3	1	0	0	3	9
Professionally qualified and experienced specialists and mid-management	6	0	0	0	3	0	0	1	10
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	43	0	1	0	59	3	0	6	112
Semi-skilled and discretionary decision making	37	0	0	0	50	0	0	0	87
Unskilled and defined decision making	0	0	0	0	2	0	0	0	2
Total	88	0	3	3	115	3	0	10	222
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 2: Employment equity demographics to date

Going forward, the GPAA aims to implement the 8 PRINCIPLE ACTION PLANS, the actualisation of which will accelerate accommodation of people with disabilities, gender equality and non-racism. To promote this equality in the public service workplace, the GPAA holds initiatives with the aim of actualising the following:

I. Transformation for non-sexism

Promoting and protecting human dignity and human rights of women, people with disability and all racial groups.

II. Establishing a policy environment

The full implementation of national policies and implementation guidelines on women's empowerment, gender equality, non-racism, and accommodating people with disabilities and through the development of departmental and sector-specific guidelines and standard operating procedures.

2. UPDATED SITUATIONAL ANALYSIS (continued)

III. Meeting equity targets

Ensuring women's full participation in decision making through the employment of 51% women at all levels of SMS.

Ensuring equalisation of opportunities by putting in place disability responsive recruitment, selection and retention strategies and ensuring adherence to affirmative action measures.

Providing black economic empowerment.

IV. Creating an enabling environment

Putting in place departmental and sector Gender and Disability Mainstreaming, adequate institutional mechanisms and dedicated gender and non – racist units.

V. Mainstreaming gender non racism

Incorporating gender, non-racial and disability perspectives into all work of the Department

VI. Empowerment

Capacity development for women's advancement, integration of people living with Disabilities, gender equality and adhering to demographic quotas for business management.

VII. Providing adequate human, physical and financial resources

Availing adequate human, physical and financial resources for advancing gender equality, non-racism, people living with disabilities accommodation.

VIII. Accountability, reporting, monitoring and evaluation

Ensuring full responsibility, ownership for and reporting on advancing gender equality, people with disability accommodation and non-racism within the Public Service.

2.2.3 Overview of programmes

The following section provides an overview of the programmes:

Programme 1: Support services

Programme 1 comprises five sub-programmes and administers the business and governance affairs of the GPAA. Support Services (Corporate, Financial, Business Enablement, Strategic Support and Government) works to support the core business of Programme 2.

Sub-programme 1.1: Corporate services

The business units within Corporate Services support the provision, coordination, management and oversight of primary services and functionality of the GPAA. The sub-programme consists of Employee Relations, Individual Performance Management, Recruitment, Training and Development, Physical Security and Facilities Management.

Sub-programme 1.2: Financial services

Financial Services manages the financial resources available to administer pensions and other benefits. In this regard, the sub-programme adheres to financial policies, applies relevant frameworks for record keeping, and maintains sufficient cash flow levels for operational activities. Financial Services is also responsible for preparing financial statements for the organisation and for use by stakeholders.

Sub-programme 1.3: Business enablement

Business Enablement provides the GPAA with enabling technologies and other capabilities to deliver on its mandate. Through the Modernisation Programme, Business Enablement works towards providing clients and customers with secure access to the organisation's services. The sub-programme is currently in the process of automating its core business processes and expanding its electronic outreach.

Sub-programme 1.4: Strategic support

Strategic Support consists of Strategy, Policy, Information Management and Analytics, Corporate Monitoring and Evaluation and the Communication units. The Office of the CEO and the business units that fall within it serve to plan, direct and support the organisation.

Sub-programme 1.5: Governance

The Governance sub-programme is responsible for ensuring that issues of accountability, transparency, compliance, adhering to the rule of law, responsiveness, effectiveness and efficiency are built into policies and procedures governing the GPAA. The sub-programme consists of the Internal Audit, Legal and Advisory Services, Enterprise-wide Risk Management as well as the Forensic and Fraud Prevention Management business units.

Programme 2: Benefits administration

Benefits Administration consists of three sub-programmes that administer a range of benefits and is responsible for managing client relationships.

Sub-programme 2.1: Special, Military and other benefits (National Treasury)

This sub-programme administers Special, Military and Other Benefits administers funds on behalf of National Treasury Programme 7. The sub-programme provides for the payment of non-contributory pensions to the beneficiaries of various public sector bodies. Non-contributory pensions are funded by National Treasury and are required to operate in terms of different statutes, collective bargaining agreements and other commitments.

Military Pensions, Post-Retirement Medical Subsidy, Special Pensions and Injury on Duty (IOD) payments are also administered by the sub-programme. Statutory commitments serve as the framework for the payment of military pension benefits and medical claims arising from treatment for disability, medical assistance devices and other related expenses.

Sub-programme 2.2: Employee benefits

The Government Employees Pension Fund (GEPF) is a contributory defined benefit pension fund that is administered by the GPAA on behalf of the GEPF. The GPAA, through this sub-programme, provides the full spectrum of benefit administration services, including member admissions, contribution collection, member/pensioner/beneficiary maintenance and benefit processing services. Benefit processing includes the end-to-end administration and management of all relevant forms, documentation, and payment from the fund. These processes are aimed at the accurate and timely payment of benefits to GEPF's members and beneficiaries.

Sub-programme 2.3: client relations management

Client Relations Management (CRM) oversees the relationships with the organisation's clients, third parties and employers by providing high quality client services. The service channel operations, e.g., mobile offices, call and walk-in centres, are the interface between the GPAA and its client base. The centres accept, resolve and monitor all service requests or queries. The CRM sub-programme also provides employer education and training through its regional and employer liaison units. In addition, CRM oversees document management, including the conversion of paper documents into electronic format, indexing, tracking and the storage of these documents.

2.2.4 The GPAA's corporate governance

Corporate governance refers to formal and informal relationships, as well as formal systems of accountability between the GPAA and its stakeholders. The GPAA embraces corporate governance and seeks to strengthen cohesion in the sector by aligning its own goals with those of its stakeholders and the society.

2. UPDATED SITUATIONAL ANALYSIS (continued)

The GPAA's approach to corporate governance is reflected and enforced by its values, actions and standards which are influenced by the King IV Code on Corporate Governance with regards to ethical and effective leadership principles which include integrity, competence, responsibility, accountability, fairness and transparency. To this end, the GPAA has established various governance structures to interact with in terms of its organisational governance. The organisation's governance structures are depicted in the table below

Stakeholder	Core services provided/interaction points
Internal stakeholders	
EXCO	Conducts regular meetings to discuss work flow, dashboard matters, and risk and fraud management
MANCO	Proposes operational changes and improvements to EXCO
GPAA middle management and officials	Conduct planning, policy development and performance reporting; and provide comprehensive human resources services
External stakeholders	
Audit Committee	Provide governance assurance on internal audit functions
Auditor-General	Provides performance information, responds to audit findings
Cabinet	Addresses cabinet memoranda and legislation
Government departments and Parliament	Provide administrative support for the department in terms of responding to Parliamentary questions, Cabinet memoranda and requests from government departments
National Treasury and GEPP	Facilitate the process for the approval of the Annual Performance Plans, the Strategic Plan; provides assistance on PFMA compliance issues; Engages on budget options, funding of policy priorities and quarterly meetings of chief audit executives
Offices of the Minister and Deputy Minister of Finance and Director-General of National Treasury	Provide information (in the form of briefing notes, submissions or presentations) and support in relation to the governance and finance. Holds regular meetings to discuss work flow, dashboard matters, and risk and fraud management.
Parliamentary Engagement	PEOW should be notified well in advance prior to engagement
Portfolio Committees	Brief on the Corporate Strategy, Annual Report and policy priorities
Risk Management Committee	Provide Risk management oversight and control assurance

Table 3: Stakeholder analysis

2.2.5 The GPAA's capability model

The GPAA's Capability Model responds to the twelve (12) performance areas within which the core processes, stakeholders and functional areas resides. The model compliments the GPAA's structure, processes and capabilities as depicted in the figure below:

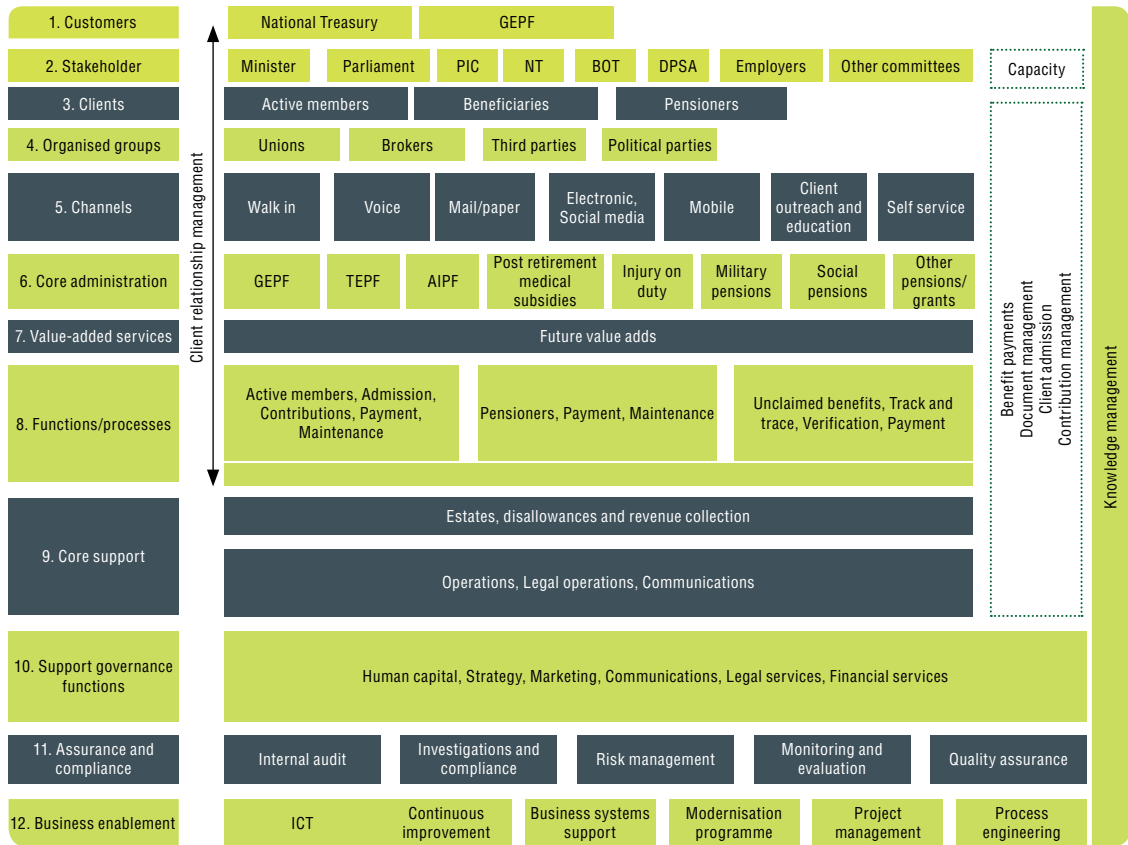


Figure 4: GPAA's capability Model

2.3 THE GPAA'S MODERNISATION PROGRAMME

The Modernisation Programme is the vehicle through which the GPAA intends to become a technologically advanced and automated organisation to the benefit of its clients and customers. Through the Modernisation Programme, the GPAA aims to automate key processes, build a competent workforce, increase interaction with employer departments and Fund members, and pay exit benefits accurately and on time.

2.3.1 Background

The Modernisation Programme was initiated in 2010 by the then Minister of Finance to replace the Service Delivery Improvement Plan (SDIP). With the assistance of SARS, a current state analysis was undertaken

in 2010 and a proposed modernisation roadmap was created. This got off the ground in the 2011/2012 financial year when the Automatic Life Verification (ALV) system was successfully launched.

By 2013/2014 the Modernisation Programme started to gain traction; key tenders were awarded in March and April 2013 and the e-Channel (electronic document submission system) was launched to provide a portal for employers to submit documentation directly via the internet. Unfortunately, due to the outmoded technology, the system was not sustainable and had to be rebuilt from scratch on a new platform. The Modernisation Programme had, however, started moving and after key decisions were taken around the call-centre and the implementation of

2. UPDATED SITUATIONAL ANALYSIS (continued)

the Technical Architecture Design (TAD) in August and September 2014, momentum further increased. Since the beginning of 2014, with the appointment of the Solution Implementation Partner (SIP) for the TAD, progress has accelerated.

In November 2014 a decision was taken to end the relationship with the SIP and to pursue a new approach that combined internal development with the strategic use of implementation partners. The re-architecting of the current Portal and development of new e-Channel and Benefits Payment Automation (BPA) applications for the new Super-Cluster commenced. In 2015 Pension Case Management (PCM) was launched to replace e-Channel, with the intention of integrating BPA into PCM to create an automated process of submission from the submission stage through to the benefit payment stage, without human interference. This would mitigate fraud and corruption risks, and increased claim turnaround time and the focus on client facing services. By early 2016 the resilient network had been completed with direct replication between two data centres and two mainframes. This MPLS technology has given the GPAA the ability to switch over its call centre from

Head Office to any of its 15 regional offices automatically to ensure continuation of business in times of emergency. The initial spend to ensure that the GPAA has sufficient hardware resulted in the purchase of two Oracle Super-Clusters, one for each of its two data centres. The GPAA's software development teams did by December 2016 bring the automation of resignation benefit payments to the fore.

2.3.2 Overview

For the GPAA to deliver on its SLA with its two customers and the optimisation of client centricity, process capability plays an important role, hence the continued implementation of the Modernisation Programme. Therefore, the Modernisation Programme remains the vehicle through which the GPAA intends to become a technologically advanced and automated organisation for the benefit of its clients. Through the Modernisation Programme, the GPAA is focussed on automating key processes, building a competent workforce, increase interaction with employer departments and Fund members and paying exit benefits accurately and on time. The aforesaid programme objectives remain as depicted in Figure 2 – Modernisation objectives.

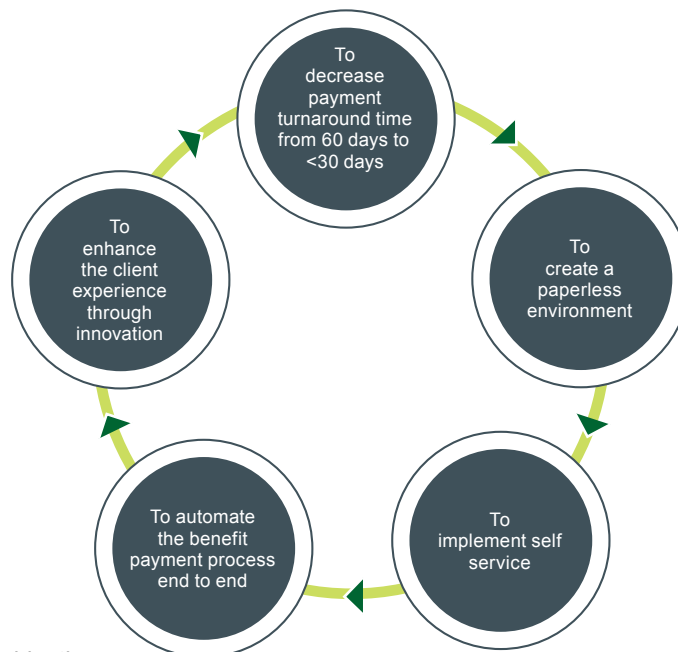


Figure 5: Modernisation objectives

The GPAA believes that if it successfully continues with the Modernisation Programme, its approach and practices towards service delivery will greatly improve client experience. Going forward, clients will reap the benefits of the Modernisation Programme especially with regard to continuous improvements of its Self-Service platform and business applications, including the Pensioner Case Management (PCM) and Benefits Payment Automation (BPA) that are intended to streamline the benefits claiming and payment processes which will offer reprieve to our clients from the burden of time and effort in interacting with the GPAA.

In 2018/2019 the back-scanning of documents into storage shall enable the GPAA officials to view document images instead of having large numbers of files on desks. The strategy for 2018/2019 – 2020/2021 seeks to transform the GPAA's operational effectiveness and efficiency beyond its current Modernisation drive into one of innovation, enabling the GPAA to offer products and services beyond its current mandate. This can only be done once the CIVPEN system, or mainframe and its functionality are replaced. This will enable the GPAA to surpass its current legacy systems that only cater for a defined benefit (DB) fund to include defined contribution (DC) products or DB/DC hybrids. Furthermore, the GPAA could position itself strategically to service other government funds and benefits at a much lower cost than what is available in the private sector. Therefore, the transformation of the GPAA's operational effectiveness and efficiency will reach beyond its current Modernisation drive, into one of innovation. This should enable the GPAA to offer products and services beyond its current mandate. This will enable the GPAA to surpass its current legacy systems that only cater for a defined benefit fund (DB) to include defined contribution products or DB/DC hybrids. Furthermore, the GPAA could position itself strategically to service other government funds and benefits at a much lower cost than the private sector.

2.3.3 Critical elements of modernisation

The Modernisation Programme considers several critical elements necessary for achieving the intended modernisation objectives and improvement of the GPAA's overall organisational performance. A brief overview of current systems, network improvement initiatives and platforms are discussed below.

I *Electronic content management*

Electronic Content Management (ECM) is critical to achieving the digital environment envisaged by the GPAA. It is geared to realising business benefits which enhance document and record management, which is key to improving the overall processing of pension benefits, as follows:

- Streamlining and increasing the quality of digitising;
- Contributing to faster processing of pension fund cases;
- Reducing the need for physical usage, distributing and storage of manual documents; and
- Reducing duplicate document and records management systems and processes.

After re-baselining the project, it is expected that the first ECM release will be in March 2018 and the second release is planned for September 2018.

II *Pension case management and benefits payment automation*

Pension Case Management (PCM) and Benefits Payment Automation (BPA) will deliver a system that will manage the benefit application process inclusive of paying benefits in a central automated system. The system will result in the following business benefits which will be transposed to clients:

- Electronic processing of exit cases;
- Automated processing for payments;
- Streamlining payment to members; and
- Reducing potential fraud.

2. UPDATED SITUATIONAL ANALYSIS (continued)

PCM is in full production and its predecessor, e-Channel will be closed down in 2018 or when cases are not submitted via this channel anymore.

III Data quality improvement management

The Data Quality Improvement Management (DQIM) deliverable is aimed at ensuring the data integrity of client information to facilitate the data required for registration, verification and payment. The business benefits which the GPAA will derive from this initiative include, but are not limited to, the following:

- Reducing the risk of faulty transactions;
- Reducing the costs related to poor quality data; and
- Assisting to achieve compliance with regulatory standards and laws.

The DQIM capability through Enterprise Data Management System (EDMS) is being transferred to business as a data cleansing operation after being operationalized by 10 Data Stewards in 2017.

IV Electronic data management system

The Electronic Data Management System (EDMS) will provide a central data warehouse consisting of all the client, organisational and stakeholder information necessary to facilitate the pension administration process. The business benefits include:

- Reducing the cost of administration per member;
- Cost saving in terms of less returned post (mail); and
- Facilitating easier contact with next-of-kin for unclaimed benefits cases.

The product is ready for production and the project should be closed out by December 2017.

V Self service

The Customer Relationship Management self Service platform will provide quick and easy access to clients for information updates and retrieving benefit statements, which will bring the GPAA on par with its private pension

administration counterparts. This platform will enable the following business benefits:

- Increased number of access channels for the GPAA's clients;
- An interfacing platform which integrates with core systems; and
- Benefit and client information retrieval.
- Chat interface with the call centre

Call me functionality with the call centre

Considering the direct impact this will have on the GPAA clients, it is expected that direct data interfacing shall be in service in 2018/2019.

VI Call centre

The GPAA's Call Centre is a key access and relationship point for its clients. The Call Centre is therefore a key focus area for driving client experience improvement, which the GPAA strives to excel at. The overhaul of this key client hub will result in the following business benefits:

- Real-time management reporting;
- Improved business intelligence information and reporting;
- Improved client experience; and
- Improved multi-media capabilities and workforce management.

The implementation of improvements was realised in September 2016. It is expected that the workforce management capabilities and efficiencies will be increased by adding Chat and call-back functionality, together with a link in to self-service.

VII Enterprise Resource Planning (ERP)

The aim of the project is to automate the HR, Finance and Supply Chain systems, based on the Oracle architecture which shall include but will not be limited to a self-service system for the employee. This will in turn reduce the HR workload and increase client experience at the GPAA HR, Finance and Supply Chain units. The business benefits which will be realised include:

- Automated performance management processes and modules;
- Automated recruitment processes;
- Automated leave management;
- Automated policy management;
- Financial management and automated budget control;
- Project Management;
- Supply Chain management and interlinking with the financial system
- Improved effectiveness and efficiency of Client Liaison Officers by improving service delivery, access for clients and reducing costs;
- Re-focused Human Resources function to deliver value and not only administration processes; and
- Embedded business analytics through dashboards which provides real-time visibility on problem areas to effectively reduce costly attrition rates.

The planned implementation is scheduled for December 2018 if the GPAA can be exempted from the IFMS procurement moratorium.

VIII Queue Management System (QMS)

The Queue Management System regulates the Walk in centre (WIC) traffic nationally, in about 16 regional offices in all our provinces. The system has already shown:

- An increase in walk-in centre efficiency
- Decreased waiting time
- Increase in agent performance and,
- Less visitors in queue

The QM system was implemented at the beginning of 2017 and by August 2017 it has also been adapted to suite the 11 mobile office vehicles.

IX GEPF and GPAA website

The GEPF's website will be re-engineered to deliver the following business benefits:

- Provision of a self-service interface;
- Improved online presence and information dissemination to the public, members and pensioner about funds and benefits;
- Social media interaction;
- Awareness of GEPF's image and identity;
- Restructuring of content for ease of use and an improved benefit calculator; and
- Accommodating various browsers for easy navigation between functionalities.

GEPF and GPAA's websites shall, in particular be instruments of self-service by the end of the 2017/2018 financial year.

X Replacement of CIVPEN

The final stage of Modernisation will be to replace the CIVPEN IBM mainframe with the Oracle Super Cluster purchased in 2014. This replacement will align with the Technical Architecture Design of the same year. This replacement shall include, but not be limited to replacing:

- The transactional components
- Implementing the electronic content management (ECM) Oracle module
- Interfacing with the ERP
- Introducing workflow
- Reducing duplicate data stores
- Interfacing with PCM and BPA
- Introducing identity Access Management (IAM)

Thus, the last phase shall ensure that what was functioning well on CIVPEN, will be replaced from a Natural Adabas programming structure to a JAVA base. This also enables integration into other technologies that may be required in future. It is planned to see the sunset of CIVPEN mainframe by 2020/21.

2. UPDATED SITUATIONAL ANALYSIS (continued)

2.3.4 Challenges and risks

As in many programmes, challenges exist and need to be overcome, just to name a few:

- Change management needs to ensure buy-in to deploy newly developed systems.
- Business testing prolonged due to unavailability of dedicated staff to modernisation.
- Open Tender procurement and contracting cycles up to six months.
- Lack of business focus on DQIM
- Lack of focus on already deployed solutions.

2.4 CUSTOMER TRENDS

The following is a representation of the GPAA's National Treasury Programme 7 funds and the GEPF clients statistics as at March 2017, as well as an indication of the changing needs of GPAA and its clients.:

2.4.1 Client accounts

As of March 2017, the GPAA, National Treasury Programme 7 funds and the GEPF combined equate to more than 1.84 million clients. This includes active members, pensioners, spouses and orphans. The table below indicates the total benefits administered by the GPAA

Funds	Member type	Member count	Total
GEPF	GEPF members	1 273 784	
	GEPF pensioners	282 600	1 710 835
	GEPF spouses	153 079	
	GEPF orphans	1 372	
NATIONAL TREASURY (Programme 7)	Medical	104 325	
	Military	5 149	
	IOD	9 765	127 412
	Other	972	
	Special Pensions	7 201	
AIPF	AIPF Pensioners	5 310	8 181
	AIPF Spouses	2 871	
TEPF	TEPF Pensioners	221	346
	TEPF Spouses	125	
	GPAA total members administered	1 846 774	

Table 4 – Total members' benefits administered by the GPAA



I GEPF membership

The GEPF clients, including members, pensioners, orphans and spouses account for approximately 1.710,835 individuals as at March 2017. The racial demographic of contributing members consist of 74% Africans, 13% Whites, 8% Coloureds, 3% Asians and a <2% population classified as “unknown”. The figure below provides a representation of the ethnical demographics of GEPF contributing members:

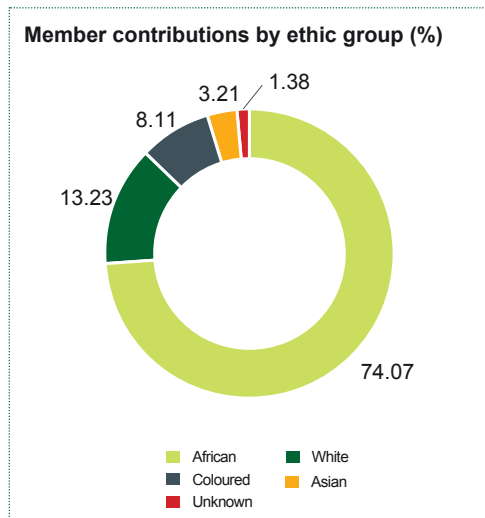


Figure 6: Member contribution by ethnic group

II GEPF pensioners, spouses and orphans

The 282 600 GEPF pensioners, 153 079 spouses and 1 372 orphans per race category are as follows:

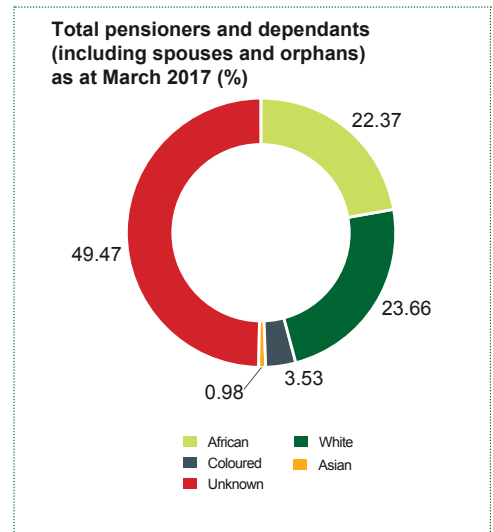


Figure 7: GEPF pensioners, spouses and orphans per ethnic category

The pensioners, spouses and orphans comprise of 24% Whites, 22% Africans, 4% Coloureds, 1% Asians and 49% classified as “unknown”.

2. UPDATED SITUATIONAL ANALYSIS (continued)

III National Treasury Programme 7 and GEPF benefits administered

The GPAA finalised and paid benefits as listed below for the funds under administration for the periods as indicated:

Cases administered and finalised at the GPAA	Total cases paid		
	2014/15	2015/16	2016/17
Number of beneficiaries paid due to resignation from GEPF	36 353	36 552	30 932
Number of beneficiaries paid due to retirement from GEPF	28 802	31 845	32 196
Number of beneficiaries paid due to transfer from GEPF	3 518	4 104	3 510
Number of beneficiaries paid due to death	6 656	7 282	7 126
Number of recipients receiving monthly payments from Funds	Average monthly payments 2014/15	Average monthly payments 2015/16	Average monthly payments 2016/17
Number of beneficiaries receiving Injury on Duty (IOD) payments	9 309	8 175	9 765
Number of beneficiaries receiving Post-retirement Medical Benefits – per month	91 586	97 008	104 325
Number of beneficiaries receiving Military Pensions – per month	5 308	5 261	5 149
Number of beneficiaries receiving Military Medical Accounts – per month	N/A	N/A	1 195
Number of beneficiaries receiving Special Pensions – per month	7704	7443	7 201
Number of beneficiaries receiving other benefits – per month	1 053	1 021	972
Number of beneficiaries receiving pension benefits (GEPF) – per month	259 464	272 059	282 600
Number of beneficiaries receiving spouse's benefits (GEPF) – per month	145 521	149 701	153 079
Number of beneficiaries receiving orphan's benefits (GEPF) – per month	1410	1370	1 372
Number of beneficiaries receiving pension benefits (AIPF) – per month	5 920	5 590	5 310
Number of beneficiaries receiving spouse's benefits (AIPF) – per month	2 897	2 891	2 871
Number of beneficiaries receiving pension benefits (TEPF) – per month	248	231	221
Number of beneficiaries receiving spouse's benefits (TEPF) – per month	128	126	125
Total			574 185

Table 5: GPAA finalised and paid benefits

IV National Treasury, AIPF and TEPF funds

National Treasury Programme 7 funds account for 127 412 clients, AIPF for 8 181 and TEPF for 346, as at March 2017. National Treasury Programme 7 funds are discussed below:

Medical benefit administration

The Medical Benefit Administration section's main services entails the administration of post-retirement medical benefits for state employees belonging to registered medical schemes in terms of resolutions of the Public Service Co-ordinating Bargaining Council (PSCBC) as on date of retirement.

Injury on duty

The Injury on Duty section administers Injury on Duty payments in terms of the Compensation for Occupational Injuries and Diseases Act 1993 (Act No. 130 of 1993) (COID Act), as amended and the governing DPSA guideline document for the implementation of the COID Act.

Military pensions

The Military Pensions section's main services entail the administration of Military Pensions and the payments of medical accounts for injured soldiers who participated in various wars, including the liberation struggle. These benefits are paid in terms of the Military Pensions Act 84 of 1976 as amended.

Special pensions

The Special Pensions section's main services entail the administration of Special Pensions and payments of benefits to person(s) who made sacrifices for the establishment of a democratic constitutional order, the administration of these benefits are based on the Special Pensions Act of 1996, Act 69 of 1996, as amended.

Other benefits

This section is also called VIP Pensions and its main services entail the payment to various Parliamentarians and judges who retired before 1994.

2.4.2 Understanding the changing needs of the GPAA and its clients

During two financial years (FY2015/2016 and FY2014/2015), the GPAA conducted two critical studies which aimed to consult, as well as understand clients' need and challenges. The findings from the studies provided insight into ways in which the GPAA can strengthen its efforts in becoming more responsive and making informed decisions.

2.5 KEY ORGANISATIONAL CHALLENGES AND INTERVENTIONS

The organisation identified the key challenges within Programme 1 – Support Services, and Programme 2 – Benefits Administration, which impacts on achieving planned performance targets, the desired level of service delivery and the ability to respond to demands made by stakeholders. These challenges are categorised and affiliated with the GPAA's eight (8) sub-programmes including, 1.1 Corporate Services (Human Resources and Facilities Management), 1.2 Finance, 1.3 Business Enablement (Modernisation and Information and Communications Technology), 1.4 Management Support, 1.5 Governance, 2.1 Special, Military and Other Benefits Administration (National Treasury), 2.2 Employee Benefits (GEPF) and 2.3 Client Relations Management. The appropriate mitigating activities and/or strategic interventions discussed in the following section aims to address these challenges in the best interest of all GPAA's stakeholders.

2.5.1 Programme – Support services

Sub-programme 1.1 – Corporate services

Sub-programme 1.1 consisting of Facilities and Human Resources Management formulated the following strategies to overcome the challenges described below:

Facilities

Challenges experienced by Facilities were as follows:

- Poor turnaround times were experienced with external business partners (i.e. the Department of Public Works (DPW),

2. UPDATED SITUATIONAL ANALYSIS (continued)

the Public Investment Corporation (PIC), landlords and contractors/service providers).

- The dependency on external stakeholders such as the State Security Agency (SSA), SAPS, local municipalities and other departments or entities was also a challenge during the year under review. For example, some risk assessments can only be conducted by the State Security Agency, which means that the GPAA relies on their availability to do the assessments. Municipalities have long lead times, which resulted in some offices being unable to operate without municipal services.

Strategies to overcome areas of under-performance are detailed below:

- Development of an action plan to resolve identified risks recorded in the Risk Register; and
- Establish and improve working relationships with both internal and external stakeholders.

Human resources

The following challenges were experienced by Human Resources Management:

- Lack of permanent staff.

The following strategies are put in place to overcome areas of under-performance:

- The GPAA is in the final stages of consulting the proposed organisational structure which has a significant influence on the status of human resources and organisational performance in the organisation. Due to the process, the organisation continues to operate in an interim phase.
- Human Resources (HR) has, in the interim, embarked on a project to address the establishment alignment and normalisation of the current structure through contract workers appointed to perform work of a permanent nature.

Sub-programme 1.2 – Finance

Sub-programme 1.2 Finance formulated the following strategies to overcome the challenges depicted below:

Finance

The following challenges were experienced by Finance:

Slow progress is being made in automating processes in Finance, leading to human intervention being required and work needing to be done on checking.

Strategies to overcome areas of under-performance:

- Focus on Finance modules by the Modernisation Programme will be done during the upcoming financial year, with the expectation to automate the majority of Finance's processes.

Business enablement 1.3

Sub-programme 1.3 – Business enablement formulated strategies to overcome the challenges as articulated below:

Business enablement

The following challenges were experienced by Business enablement:

- Business enablement experienced certain challenges in both the ICT and Modernisation environments, which still exist when engaging with the various stakeholders and assurance providers.
- Problematic structure by means of the capacitation of ICT and the Modernisation Programme with contractors and consultants.

Strategies to overcome areas of under-performance are as follows:

- GPAA Structure – the GPAA's capacity can be improved through training and other means to play a meaningful role in guiding the development and innovation in the ICT space. This will also assist in stemming the notoriously high ICT staff turnover.

Sub-programme 1.4

Sub-programme 1.4 Strategic Support consists of Strategy and Policy, Management Information and Analytics, Corporate Monitoring and Evaluations and the Communication Unit. Under Sub-programme 1.4 Strategic Support, the following strategies were formulated to overcome the challenges experienced by the Communications unit as detailed below:

Communications unit

The following challenges were experienced by the Communications unit:

- The Communication unit experienced challenges with regard to the printing and distribution of newsletters. Certain editions were produced but distributed late due to procurement challenges. Some of these challenges were in relation to the Post Office's procurement processes which posed a challenge for the GPAA in terms of timeously delivering mail to the clients.

Strategies to overcome areas of under-performance:

- Procurement challenges have been resolved and the GPAA now has service providers for both printing and mailing services for the next three years.
- Continuous interaction with relevant colleagues within the organisation is being done to find a lasting solution regarding the Post Office matter.

Sub-programme 1.5 governance

The governance sub-programme consists of the Internal Audit, Legal and Advisory Services, Enterprise-wide Risk Management as well as the Forensic and Fraud Prevention Management business units. Under Governance, the following strategies were formulated to address challenges experienced by Forensics and Fraud Prevention Management (FFPMU) and Legal Services:

Forensics and Fraud Prevention Management (FFPMU)

Challenges experienced by Forensics and Fraud Prevention Management (FFPMU):

- Delays by the police in finalizing GPAA fraud cases.

Strategies to overcome areas of under-performance:

- The Fraud Prevention unit has appointed a service provider to manage the whistle-blowing hotline.

Legal services

Challenges experienced by Legal Services:

- The delay in the finalisation of the GPAA's organisational structure had an impact as Legal Services could not recruit. Employees performed remunerated overtime in order to increase service delivery and the achievement of the GPAA's objectives.

Strategies to overcome areas of under-performance:

- Faster turnaround times and efficiency will remain a primary focus.

2.5.2 Programme 2: Benefits Administration

Benefits Administration consists of Sub-programme 2.1 Special, Military and Other Benefits Administration (National Treasury), Sub-programme 2.2 Employee Benefits – Operations and Finance and Sub-programme 2.3 Client Relations Management (CRM). The Programme formulated the following strategies per sub-programme to overcome the challenges detailed below:

2. UPDATED SITUATIONAL ANALYSIS (continued)

Sub-programme 2.1: Special, Military and Other Benefits Administration (National Treasury)

Sub-programme 2.1: Special, Military and Other Benefits Administration (National Treasury) experienced the following challenges:

- The sub-programme has established that some employer departments are impacting negatively on the payment of Injury on Duty awards by not finalizing the awards and sending them to the GPAA for payments.

Strategies to overcome areas of under-performance:

- To be part of the HR Fora and Retirement Member Campaign workshops to ensure that HR Practitioners are adequately informed on the GPAA's expectations in relation to medical subsidies and Injury on Duty claims.

Sub-programme 2.2: Employee Benefits – Operations and Finance

The following challenges were experienced Sub-programme 2.2: Employee Benefits – Operations and Finance:

- The quality of the information fed by Persal into CIVPEN is very poor and this is corrupting the GPAA's data, regardless of the internal efforts to maintain reliable member information.
- Employer departments submit exit documentation long after the member terminated service in government, which results in late payment to members, as well as leaving members with no income.
- The automation of business applications is not progressing fast enough, resulting in high volumes of claims being processed manually.

Strategies to overcome areas of under-performance:

- Automation of processes to be accelerated.
- Improve employee operational skills and customer insight.
- Implement stronger controls and processes to ensure that employer departments submit complete, valid and accurate exit claims timeously.

Sub-programme 2.3: Client Relations Management (CRM)

Challenges experienced by Sub-programme 2.3: Client Relations Management (CRM) are detailed below:

- Receiving duly completed benefit claim forms from the employer timeously.
- Outstanding member and employer contributions was also a matter of concern.
- The lack of effective employer infrastructure and the lack of Modernisation projects to efficiently facilitate benefit claims electronically via the GPAA's online platforms.
- Delays in processing of benefit claims internally due to the manual processing of benefit claim forms.
- The lack of complete beneficiary information and the tedious processes needed to validate beneficiary information adds to delays.
- The lack of updated member information is problematic.
- The lack of adequate proof of service periods from employer departments delays the processing of documentation.

Strategies to overcome areas of under-performance:

- Finalisation and implementation of projects targeted at efficiencies; to be timeously implemented by the Modernisation team.
- The completion, stabilization and improvement of the efficiencies of PCM and BPA by the Modernisation team, as well as the finalization of the remaining Modernisation projects targeted at the eradication of manual processes (automation) need to be achieved leading to further efficiencies and the reduction of benefit claim case turnaround times.
- Full implementation of the self-service channels.
- Finalisation and sign off of the GPAA's organisational structure.
- Vacant positions to be filled.
- Investments in people through effective training and development.
- Continuous performance monitoring in line with the OLAs and the reporting thereon.

2.6 SWOT ANALYSIS

The following table provides a summary of the GPAA's Strengths, Weakness, Opportunities and Threats (SWOT) Analysis.

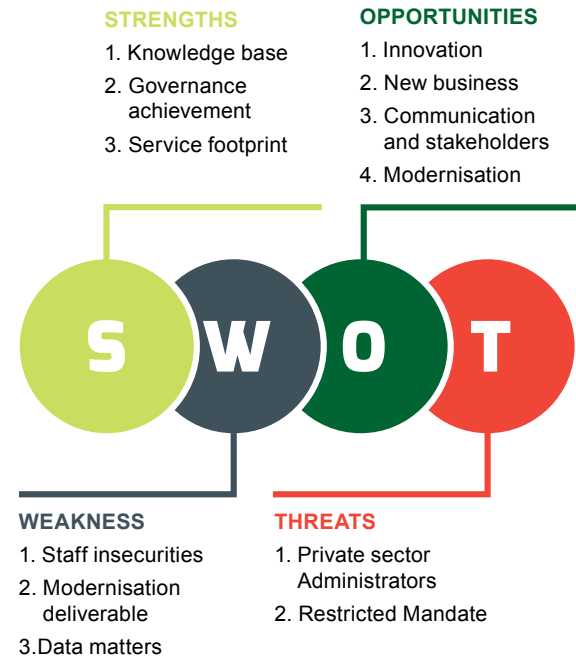


Figure 8: the GPAA's SWOT analysis

3. REVISION TO LEGISLATIVE AND OTHER MANDATES

The legislation relevant to the administration of benefits by the GPAA has not changed at the time of preparing the 2018/2019 Annual Performance Plan (APP). The GPAA was established as a government component as Gazetted in March 2010 in terms of Section 7A (4) of the Public Service Act of 1994 (Proclamation No. 103 of 1994). In accordance with its proclamation, the GPAA provides administration services to the Government Employees Pension Fund (GEPF) and National Treasury (for its Programme 7

funds and schemes), in terms of agreed Service Level Agreements.

The various benefits provided by the GPAA are governed by a number of acts, each of which have an effect on the manner in which these benefits are administered and the relating services provided. The funds and schemes that are currently administered by the GPAA and the relevant legislation that governs these schemes are as follows:

Funds and schemes	Applicable legislation	Administered on behalf of:
Government Employees Pension (GEP) Fund	Government Employees Pension Law of 1996	GEPF's Board of Trustees
Temporary Employees Pension Fund (TEPF)	Temporary Employees Pension Fund Act 75 of 1979	National Treasury's Programme 7
Associated Institutions Pension Fund (AIPF)	Associated Institutions Pension Fund Act 41 of 1963	National Treasury's Programme 7
Military pensions	Military Pensions Act 84 of 1976	National Treasury's Programme 7
Injury on duty payments	Compensation for Occupational Injuries and Diseases Act 130 of 1993	National Treasury's Programme 7
Special pensions	Special Pensions Act 69 of 1996	National Treasury's Programme 7
Post-retirement medical subsidies	Public Service Co-Ordinating Bargaining Council (PSCBC) resolutions; as provided for and regulated	National Treasury's Programme 7

Table 6: Legislation that govern schemes and funds administered by the GPAA

4. COURT CASES

There are no pending court cases against the GPAA.



5. OVERVIEW OF BUDGET AND MTEF ESTIMATES

5.1 BUDGET OVERVIEW

During the 2016/2017 financial year, the majority of contributions were received by the GPAA on behalf of its customers, the GEPF and the National Treasury. Payments effected on behalf of National Treasury as at the end of the 2016/2017 financial year included 7 201 special pension members amounting to R36.8 million. As at March 2017, 104 325 members were paid post-retirement medical subsidy benefits amounting to more than R1.0 billion while 5 149 Military Pensions members were paid an amount of R177.9 million. These included the military medical expenditure relating to approved members' pensionable disabilities of 9 765 Injury on Duty pensioners payments amounting to R565 million.

The GPAA administered 73 764 member exits from the GEPF in 2016/2017 versus 79 783 in the previous year, which is an approximate increase of 5.9%. In addition, about R84.6 billion was paid for pension fund benefits versus R87.7 billion in the previous year. Contributions amounting to R65.1 billion were received versus R60.3 billion in the previous year. The GPAA receives funding from the GEPF (93%) and National Treasury's Programme 7 (7%). Revenue decreased from R1.4 billion in 2015/2016 to R1.2 billion in 2016/2017, which reflects a decrease of 7%. The decrease in revenue was due to the implementation of the National Treasury Instruction Note 2 of 2016/2017. The GPAA has an approved structure of 1 026 positions. As at 1 April 2017, the GPAA structure has 1 183 positions, of which 733 were permanent and 450 were contract positions. The GPAA has budgeted for 1 351 positions during 2017 which includes 109 interns. Between 2016/2017 and 2017/2018 expenditure focus was on modernisation.

The next milestone is to obtain approval of the organisational structure and implement the human capital management project which will direct the focus on transitioning people from the current structure to the new structure. As more and more business processes at the GPAA become automated, people will be re-skilled and redeployed to enhance the GPAA's client facing functions. Over the medium term spending focus will be on realigning the entire business to suite the modernised technological environment. This realignment is expected to reduce cost of administration by virtue of its two programmes.

The realignment is dependent on the successful introduction of automated processes as well as technology to support the said automation. The GPAA is currently in the process of reviewing the projects relating to the automation of processes through re-baselining, which will determine when the automation will be fully implemented.

5.1.1 Programme 1 – Support services

The 2017/2018 budget was R719.1 million and increased to R765.0 million for 2018/2019. This programme includes its five sub-programmes namely: 1.1 Corporate Services; 1.2 Finance; 1.3 Business Enablement; 1.4 Strategic Support; and 1.5 Governance.

5.1.2 Programme 2 – Benefit administration

The 2017/2018 budget was R365.6 million and increased to R370.2 million for 2018/2019. This programme includes its three sub-programmes namely: 2.1 Civil and Military Pensions; 2.2 Employee Benefits; and 2.3 Client Relations Management.

5.1.3 Expenditure estimates

The expenditure estimates are aligned to the MTEF framework and are recorded as such in the following tables:

GPAA programmes expenditure

The expenditure estimates for Programme 1 and Programme 2 for 2018/2019 is presented below over the four quarters:

Programme	Approved budget	Proposed budget	2018/2019 quarterly budget				Total
	2017/2018 R000	2018/2019 R000	Quarter 1 R000	Quarter 2 R000	Quarter 3 R000	Quarter 4 R000	
Programme 1: Support services	719 051	765 031	191 257	191 257	191 257	191 260	765 031
Programme 2: Benefits administration	365 656	370 186	92 546	92 546	92 546	92 548	370 186
Total	1 084 707	1 135 217	283 803	283 803	283 803	283 808	1 135 217

Table 7: Provisional expenditure per programme

GPAA economic classification expenditure analysis

The expenditure analysis per economic classification is presented below:

Economic classification	Audited outcomes		2016/17	Adjusted appropriation	Medium-term expenditure estimate		
	2014/15	2015/16		2017/18	2018/19	2019/20	2020/21
Current payments							
Compensation of employees	382 948	433 875	407 220	519 133	526 671	558 253	591 538
Goods and services of which:	397 941	378 537	405 369	448 075	550 761	593 040	631 091
Communication	12 946	43 769	48 118	58 403	46 916	49 624	52 459
Computer services	117 967	44 930	92 467	93 080	229 443	251 864	266 505
Consultants	90 077	132 765	102 785	138 046	71 106	74 985	79 274
Inventory	15 951	14 232	18 738	19 912	32 189	34 052	36 032
Lease payments	32 832	25 700	51 036	28 258	47 514	50 740	55 589
Repairs and maintenance	24 739	68 006	20 744	18 391	13 463	14 244	15 063
Research and development	535	0	0	0	0	0	0
Training and staff development	20 372	8 434	9 246	14 493	13 230	14 028	14 818
Travel and subsistence	14 322	17 883	19 934	24 295	22 421	24 732	27 980
Other	68 200	22 818	42 300	53 197	74 479	78 771	83 371
Depreciation	24 451	58 897	120 126	117 499	57 785	45 010	47 575
Losses from sale of assets	0	0	0	0	0	0	0
Total expenditure	805 340	871 309	995 715	1 084 707	1 135 217	1 196 303	1 270 204

Table 8: Provisional expenditure analysis per economic classification

5. OVERVIEW OF BUDGET AND MTEF ESTIMATES (continued)

5.1.4 Relating expenditure trends to strategic outcome orientated goals

The GPAA was established as a National Government Component in terms of the Public Service Act and listed as such in Schedule 3 to the Public Service Act. In terms of the Public Finance Management Act (PFMA) of 1999, the GPAA is akin to a department. A department is defined in the PFMA as a national or provincial department or a national or provincial government component. Accordingly, the specific provisions applicable to the GPAA in respect of the PFMA are sections 36 to 45. The GPAA receives 93% of its budget from GEPF and 7% from National Treasury for administration of Programme 7. Thus, no allocation is received from fiscus. In line with section 40 (4) (b) and (c) of the PFMA and Treasury Regulation 18.1.1, information should be submitted within 15 days of each subsequent month to the Treasury and the Executive Authority responsible for the Department.

Programme 1 – Support services

Programme 1 spent R622.2 million against the budget of R767.6 million. The deviation against the budget was R145.5 million which translates to 19% and the reasons for this are represented below in terms of the economic classifications:

- Compensation of employees: 64 unfilled positions;
- Goods and services: Consulting services, advertising and promotion, computer services, amongst others were under spent by 56% (R82.1 million); and
- Capex: 47% (R68.7 million) of procurement for computer hardware systems, software licenses and office furniture was delayed.

Programme 2 – Benefits administration

Programme 2 spent R316.4 million against the budget of R377.1 million. The deviation against the budget was R60.7 million which translate to 16% and is represented below in terms of the economic classifications:

Compensation of employees: 62 unfilled positions;

Goods and services: Consulting services, stationery for offices not opened yet, telecommunication, travel and subsistence, amongst others were under spent by 15% (R13.5 million).

6. STRATEGIC PLANNING PROCESS

6.1 OVERVIEW

To embrace government's outcomes-based approach, the GPAA's mandate has been depicted through a strategy map. This approach provides for an evaluation of the internal, external and locative efficiency of each output as well as of the budget programme. This organisational framework provides for various types of evaluations that link inputs to activities, outputs, outcomes and impacts. It is also used in the Framework for Managing Programme Performance Information and the National Evaluation Policy Framework approved by Cabinet on 17 November 2011, and its tenets.

Over the medium term, the GPAA will initiate various projects, the format of which can be evaluated through all phases – from diagnosis to implementation and impact. The National Evaluation Plan intervention as advocated by the Department of Planning, Monitoring and Evaluation (DPME) will be embraced to profile evaluation plans for projects that are of national importance and solicit opportunities for resource sharing, given the fact that delivery on the GPAA's mandate requires a cross-sectorial approach. It is on this basis that the results-based approach has been embedded in the GPAA's planning instruments as depicted in Figure 8 – The GPAA's strategic planning methodology

6.2 GPAA'S STRATEGIC PLANNING METHODOLOGY

The GPAA's planning methodology is depicted in figure 8 on the following page.

The GPAA has aligned its strategic goals, objectives and risks to develop its results-based scorecards for Programme 1 – Support Services, and Programme 2 – Benefits Administration. The GPAA's vision, mission, strategic goals and objectives were updated during its Strategic Lekgotla held on 4 to 5 May 2017 which resulted in the alignment of performance indicators which are reflected in the Programme Scorecards in the following section.

6. STRATEGIC PLANNING PROCESS (continued)

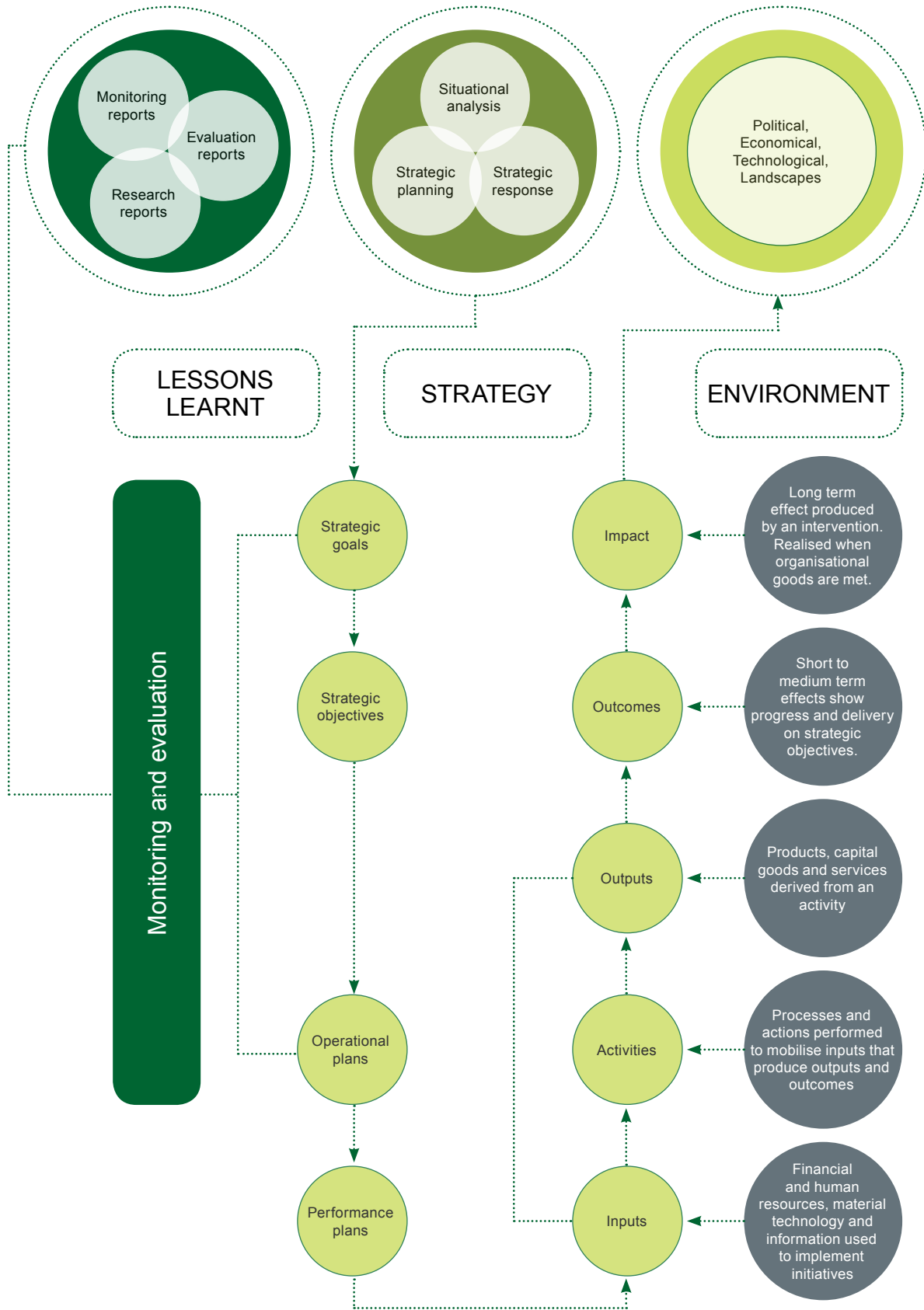


Figure 9: The GPAA's strategic planning methodology

PART B
PROGRAMME AND
SUB-PROGRAMME
PLANS

7. PROGRAMME 1 – SUPPORT SERVICES 2018/2019 SCORECARD

7.1 PROGRAMME 1 SUPPORT SERVICES –PERFORMANCE INDICATORS FOR 2018/2019: ANNUAL TARGETS

Programme 1 administers the business and governance affairs of the GPAA and gives rise to strategic outcomes in support of the core business of Programme 2 Benefits Administration. There has been no structure change to Programme 1 during 2017/2018.

Strategic goals	Strategic objective	Capability model performance area	Strategic risks
1 Optimal core services	1.1 To provide support to core business to deliver quality service to GPAA customers and clients	8. Functions/processes	3. Inadequate human resources capacity
		10. Support governance functions	8. Organisational Leadership and accountability at various levels
		11. Assurance and compliance	7. Inability to timeously detect or prevent fraud, maladministration at various levels
		12. Business enablement	2. Inability of the GPAA to deliver on Modernisation objectives.
		12. Business enablement	
		12. Business enablement	
		2. Stakeholders	8. Non compliance of the GPAA to legal and regulatory requirements

Table 9: Goals, capabilities and strategic risks

Item	Performance indicator	2017/2018 planned target	2018/2019 annual target
1.	% of unclaimed benefits aging balance within the current financial year.	80%	85%
2.	% reduction in administration costs per member	5%	8%
3.	Number of fraud prevention activities implemented (PSC)	12	14
4.	% of cases submitted through the Pensioner Case Management (PCM) system	100% of Pensioner Case Management (PCM) System implemented	100%
5.	% of cases processed through the BPA system	70% of Benefit Payments Automation (BPA) System implemented	70%
6.	% increase in clients enrolled on self-service	100% Self-Service System implemented for access to clients	40%
7.	Clean audit	Clean audit outcome (AGSA)	Clean audit
8.	% of disabled employees	New measure	2%
9.	% of female employees as a total employees	New measure	51%
10.	% black employees of total employees	New measure	75%

7. PROGRAMME 1 – SUPPORT SERVICES 2018/2019 SCORECARD

7.2 PROGRAMME 1 SUPPORT SERVICES –PERFORMANCE INDICATORS FOR 2018/19: QUARTERLY TARGETS

Item	Performance indicator	2017/2018 planned target	2018/2019 annual target
1.	% of unclaimed benefits aging balance within the current year	80%	85%
2.	% reduction in administration costs per member	5%	8%
3.	Number of fraud prevention activities implemented (PSC) annually	12	14
4.	% of cases submitted through the Pensioner Case Management (PCM) system	100% of Pensioner Case Management (PCM) System implemented	100%
5.	% of cases processed through the BPA system	70% of Benefit Payments Automation (BPA) System implemented	70%
6.	% increase in clients enrolled on self-service	100% Self-Service System implemented for access to clients	40%
7.	Clean audit	New measure	Clean audit
8.	% of disabled employees	New measure	2%
9.	% of female employees as a total employees	New measure	51%
10.	% black employees of total employees	New measure	75%

Table 10: Programme 1 scorecard

7.3 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF: PROGRAMME 1 SUPPORT SERVICES

	2018/ 2019 budget	2018/2019 quarterly budget				
		Q1	Q2	Q3	Q4	Total
Programme	R000	R000	R000	R000	R000	R000
Programme 1: Support services	765 031	191 257	191 257	191 257	191 257	765 031

Table 11: Programme 1 budget

	2018/2019 quarterly targets				Responsible executive
	Q1	Q2	Q3	Q4	
	80%	81	83%	85%	CFO
	–	–	–	8%	CFO
	3	6	9	14	CRO
	50%	70%	95%	100%	CIO
	5%	15%	35%	70%	CIO
	5%	10%	15%	40%	CIO
	–	–	–	Clean audit	CFO
	1.5%	1.6%	1.8%	2%	Head of Corporate Services
	45%	46%	47%	51%	Head of Corporate Services
	75%	75%	75%	75%	Head of Corporate Services

8. PROGRAMME 2 – BENEFITS ADMINISTRATION SCORECARD

8.1 PROGRAMME 2 BENEFITS ADMINISTRATION – PERFORMANCE INDICATORS FOR 2018/19: ANNUAL TARGETS

Programme 2 consists of three sub-programmes that administer a range of benefits and is responsible for client relationship management. There has been no structure change to Programme 2 during 2017/18.

Strategic goals	Strategic objective	Capability model performance area	Strategic risks
4. Well preserved pension funds	4.1 To influence stakeholder behaviour	3. Clients	9. The threat of customers/ stakeholders opting to utilise a new administrator. 10. Inability to timeously identify and respond to public relations/ media crisis or negative press
		5. Channels	
2. Satisfied clients	2.2 To register new members or employers in a compliant manner	1. Customer 3. Clients	5. Compliance to legislations and applicable rules
	2.3 To process contributions in a compliant manner	1. Customer 3. Clients	
	2.4 To ensure contributions are valid accurate and complete		
	2.1 To ensure that member and beneficiary data is accurate and usable	1. Customer 3. Clients 3. Clients	
	2.3 To process contributions in a compliant manner	1. Customer 3. Clients	
3. Less than 30-day turnaround time for the payments of benefits	3.1 To process benefits in a compliant manner to the satisfaction of clients	1. Customers 3. Clients	5. Compliance to legislations and applicable rules 6. Timeous payments of benefits
4. Well preserved pension funds	4.1 To influence client and stakeholder behavior	3.Clients	9. The threat of customers/ stakeholders opting to utilise a new administrator. 10. Inability to timeously identify and respond to public relations/ media crisis or negative press

Table 12: Programme 2 goals, capabilities and strategic risks

Item	Performance indicator	2017/2018 planned target	2018/2019 annual target
11.	% client satisfaction levels	90%	94%
12.	% reduction of abandoned calls in the call centre	New measure	20%
13.	% of NT members admitted within 21 days	96%	96%
14.	% of GEPF members admitted within 21 days	96%	96%
15.	% of GEPF contributions reconciled by the 22 nd of the month	95%	95%
16.	% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)	25%	25%
17.	% of NT pensioner records maintained	90%	95%
18.	% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates	100%	100%
19.	% of NT membership certificates issued within 30 days of admission	90%	92%
20.	% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received	70%	70%
21.	% of GEPF benefits paid on time	80% of benefits paid within 45 days	81% of benefits paid within 45 days (excluding death benefits)
22.	% of NT benefits paid on time	85% of benefits paid within 30 days	85% of benefits paid within 25 days
23.	% reduction of un-serviced clients in the walk in centre	New measure	20 % reduction of un-serviced clients in the walk in centre

8. PROGRAMME 2 – BENEFITS ADMINISTRATION SCORECARD (continued)

8.2 PROGRAMME 2 BENEFITS ADMINISTRATION – PERFORMANCE INDICATORS FOR 2018/2019: QUARTERLY TARGETS

Item	Performance indicator	2017/2018 planned target	2018/2019 annual target
11.	% client satisfaction levels	90%	94%
12.	% reduction of abandoned calls in the call centre	New measure	20%
13.	% of NT members admitted within 21 days	96%	96%
14.	% of GEPF members admitted within 21 days	96%	96%
15.	% of GEPF contributions reconciled by the 22 nd of the month	95%	95%
16.	% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)	25%	25%
17.	% of NT pensioner records maintained	90%	95%
18.	% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates	100%	100%
19.	% of NT membership certificates issued within 30 days of admission	90%	92%
20.	% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received	70%	70%
21.	% of GEPF benefits paid on time	80% of benefits paid within 45 days	81% of benefits paid within 45 days (excluding death benefits)
22.	% of NT benefits paid on time	85% of benefits paid within 30 days	85% of benefits paid within 25 days
23.	% reduction of un-serviced clients in the walk in centre	New measure	20%

Table 13: Programme 2 scorecard

8.3 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF: PROGRAMME 2 BENEFITS ADMINISTRATION

Programme	2018/2019 budget	2018/2019 quarterly budget				
	2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	R000	R000	R000	R000	R000	R000
Programme 2: Benefits Administration	370 189	92 546	92 546	92 546	92 546	370 186

Table 14: Programme 2 budget

2018/2019 quarterly targets					
	Q1	Q2	Q3	Q4	Responsible executive
	–	–	–	94%	GM: CRM
	5%	10%	15%	20%	GM: CRM
	96%	96%	96%	96%	GM: NT P7
	96%	96%	96%	96%	GM: EB
	95%	95%	95%	95%	GM: EB
	–	–	–	25%	GM: EB
	92%	93%	94%	95%	GM: NT P7
	100%	100%	100%	100%	GM: NT P7
	91%	91%	92%	92%	GM: NT P7
	70%	70%	70%	70%	GM: NT P7
	71%	75%	78%	81%	GM: EB
	80%	82%	83%	85%	GM: NT P7
	5%	10%	15%	20%	GM: CRM

PART C
LINKS TO THE
OTHER PLANS

9. LINKS TO THE LONG-TERM INFRASTRUCTURE AND CAPITAL GAINS PLANS

The GPAA has no links to any long-term infrastructure and capital gain plans.

10. ANNEXURE A – STRATEGIC GOALS, OBJECTIVES AND RISKS

The strategic goals and objectives per programmes are complemented by the objective statement and baseline performance indicators (2017/2018 APP quarter three actual performance unverified) in the below tables:

PROGRAMME 1 – SUPPORT SERVICES

Strategic goal	Optimal core support
Strategic objective	To provide support to core business to deliver quality service to GPAA customers and clients
Objective statement	To ensure that adequate and sufficient resources and functions are available to support the delivery of quality service to GPAA customers and clients
Baseline based on Performance Indicator (2017/2018 APP corporate scorecard quarter three actual performance unverified)	<ol style="list-style-type: none"> 77% of the new (current year) unclaimed benefits of the accumulated unclaimed benefits total 5% reduction in administration costs per member (measured in Q4) 21 fraud prevention activities implemented (PSC) 100% of pensioner case management (PCM) systems implemented 54% of benefits payment (BPA) systems implemented 90 % of self service system implemented for access to clients
Justification	Support services provides the necessary infrastructure and functions in order for the core services to operate at maximum potential
Strategic risks	<ol style="list-style-type: none"> Poor organisational culture Inability of the deliver on Modernisation objectives Inadequate human resources capacity to deliver on the GPAA services. Inability to timeously detect or prevent fraud, maladministration, theft and corruption in a timely manner. Organisational leadership and accountability

PROGRAMME 2 – BENEFITS ADMINISTRATION

Strategic goal	Satisfied clients
Strategic objective	To ensure that member and beneficiary data is usable
Objective statement	To cleanse data by collaborating with other entities in optimising the accuracy and quality of data
Baseline based on Performance Indicator (2017/2018 APP corporate scorecard quarter three actual performance unverified)	15. 99 % of NT pensioner records maintained 16. 100% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates
Justification	Ensuring high levels of quality client service and compliance to legal requirements
Strategic risks	5. Compliance to legislations and applicable rules

Strategic goal	Satisfied clients
Strategic objective	To register new members or employers in a compliant manner
Objective statement	To register new members or employers in a compliant manner in accordance with statutory requirements and SLA
Baseline based on Performance Indicator (2017/2018 APP corporate scorecard quarter three actual performance unverified)	11. 99 % of NT members admitted within 21 days 12. 98 % of GEPF members admitted within 21 days
Justification	Ensuring high levels of quality client service and compliance to legal requirements
Strategic Risks	5. Compliance to legislations and applicable rules

Strategic goal	Satisfied clients
Strategic objective	To process contributions in a compliant manner
Objective statement	To raise, collect and reconcile contributions in accordance with statutory requirements and SLA, and to ensure contributions are valid, accurate and complete
Baseline based on Performance Indicator (2017/2018 APP corporate scorecard quarter three actual performance unverified)	13. 99 % of GEPF contributions reconciled by the 22nd of the month
Justification	Ensuring high levels of quality client service and compliance to legal requirements
Strategic risks	5. Compliance to legislations and applicable rules

10. ANNEXURE A – STRATEGIC GOALS, OBJECTIVES AND RISKS (continued)

Strategic goal	Less than 30 day turnaround time for the payment of benefits
Strategic objective	To process benefits in a compliant manner
Objective statement	To process benefits in accordance with statutory requirements and SLA
Baseline based on Performance Indicator (2017/2018 APP corporate scorecard quarter three actual performance unverified)	19. 100 % of NT membership certificates issued within 30 days of admission 17. 100 % of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received 9. 71 % of GEPF benefits paid within 45 days 10. 99 % of NT benefits paid within 30 days
Justification	Ensuring high levels of quality client service and compliance to legal requirements
Strategic risks	6. Timeous payment of benefits 9. The threat of customers/stakeholders opting to utilise a new administrator

PROGRAMME 2 – BENEFITS ADMINISTRATION

Strategic goal	Well preserved pension funds
Strategic objective	To influence client and stakeholder behaviour
Objective statement	To communicate with stakeholders in a relevant manner to ensure no premature movement out of the fund and to ensure that client data is accurate.
Baseline based on Performance Indicator (2017/2018 APP corporate scorecard quarter three actual performance unverified)	14. 25 % of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data) (Measured in quarter 4) 19. 20% reduction of un-serviced clients in the walk (new measure 2018/19 APP) 7. 90 % client satisfaction levels (Measured in quarter 4) 8. 95% of post voice call resolution 18. 70% of GEPF annual benefit statement issued within a set period after the yearly salary increases approved by the Fund (subject to approval in Q4 of the previous year) 8. 20% reduction of abandoned calls in the call Centre
Justification	Ensuring high levels of quality in client data, service and compliance to legal requirements
Strategic risks	9. The threat of customers/stakeholders opting to utilise a new administrator. 10. Inability to timeously identify and respond to public relations/media crisis or negative press.

11. ANNEXURE B – TECHNICAL INDICATOR DESCRIPTIONS 2018/2019

The technical indicator description for each performance indicator follows in the tables below:

Indicator 1	
Indicator title	% of unclaimed benefits aging balance within the current financial year
Short definition	Measures the age of unclaimed benefits in the current financial year
Purpose/importance	To track the decrease of old unclaimed benefits
Source/collection of data	Ledger
Method of calculation	Total number of current year unclaimed benefits divided by the total unclaimed benefits in the account.
Method of verification	Compare the current financial year unclaimed benefits total to the total unclaimed benefits account
Data limitations	Control of cases transferred to unclaimed benefits account on a daily basis
Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Reduction in the number of unclaimed benefits
Indicator 2	
Indicator title	% reduction in administration costs per member
Short definition	Percentage reduction in administration operational costs during the reporting period
Purpose/importance	To track the reduction of costs of running GPAA in delivering administration services
Source/collection of data	Budget versus actual cost and member administration
Method of calculation	Programme 1 & 2 actual costs, divided by the number of members administered compared to budgeted cost per member.
Method verification	Total administration costs at the end of each quarter will be compared to budget for the quarter
Data limitations	Inaccurate budgeting
Type of indicator	Outcome
Calculation type	Cumulative

11. ANNEXURE B – TECHNICAL INDICATOR DESCRIPTIONS 2018/2019 (continued)

Reporting cycle	Quarterly
New indicator	No
Desired performance	Reduced costs and ability to take on new business at lower costs per head
Indicator 3	
Indicator title	Number of fraud prevention activities implemented (PSC) annually
Short definition	Number of fraud prevention strategies completed as per plan during the reporting period
Purpose/importance	Deter fraud and corruption in the organisation
Source/collection of data	Fraud Risk Registers, awareness training attendance registers, presentations, minutes and statistics
Method of calculation	Total number of activities actually conducted
Method of verification	Comparison of submitted evidence (either signed Fraud Risk Registers, awareness training attendance registers, presentations, minutes and statistics) with reported actual figures
Data limitations	Failure to attend awareness when nominated and retract of nominated candidates from the training. Failure to conduct assessment as planned.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	To ensure that fraud and corruption is minimised
Indicator 4	
Indicator title	% of cases submitted through the Pensioner Case Management (PCM) system
Short definition	The indicator measures the extent to which cases are submitted through the PCM system
Purpose/importance	To track the progress made in submission of cases through the PCM system
Source/collection of data	Combined Exits Management Information System (MIS) will be used to determine the total exit submissions for the period of reporting. The PCM submissions will be calculated as a percentage of the total submissions.

Method of calculation	Total number of cases submitted through the PCM system as a percentage of all cases submit during the reporting period
Method of verification	Comparison of the total number of cases submitted through the PCM system with the total number of cases submitted to the GPAA by employer departments during the reporting period
Data limitations	Non-availability of MIS system to report to M&E.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	An increase in the number of cases submitted through the PCM system

Indicator 5

Indicator title	% of cases processed through the Benefit Payments Automation (BPA) system implemented
Short definition	The indicator measures the extent to which cases are processed through the BPA system
Purpose/importance	To track the progress made in processing of cases through the BPA system
Source/collection of data	Combined Exits Management Information System (MIS) and Benefit Payment Automation (BPA) MIS will be used to determine the total exit claims processed for the period of reporting. The BPA cases will be calculated as a percentage of the total claims processed.
Method of calculation	Total number of cases processed through the BPA system as a percentage of all cases processed during the reporting period
Method of verification	Comparison of the total number of cases processed through the BPA system with the total number of cases processed during the reporting period
Data limitations	Non-availability of MIS system to report to M&E.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	An increase in the number of cases processed through the BPA system

11. ANNEXURE B – TECHNICAL INDICATOR DESCRIPTIONS 2018/2019 (continued)

Indicator 6	
Indicator title	% increase in clients enrolled on self-service
Short definition	The indicator measures the extent to which clients are enrolled on the self-service system are increasing
Purpose/importance	To track the progress made in enrolling clients on the self-service system
Source/collection of data	The Self Service user administration reports and the access to the Self service system will be used to determine the number of users on Self Service and the usage of the system.
Method of calculation	Difference (positive or negative) in the total number of clients enrolled on the self-service system during the reporting period from to the previous reporting period
Method of verification	Comparison of the total number of clients enrolled on the self-service system at the end of the reporting period, against the total enrolled at the end of the previous reporting period
Data limitations	The availability of the required Self Service reports.
Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	An increase in the number of clients enrolled on the self-service system
Indicator 7	
Indicator title	Clean Audit Outcome (External audit outcome)
Short definition	The indicator measures the achievement of an unqualified audit by the Auditor-General of South Africa (AGSA)
Purpose/ importance	To ensure that the GPAA gets a clean audit opinion from the AGSA audit
Source/ collection of data	Management Report by AGSA
Method of calculation	View the final audit opinion by AGSA on the final Management Report
Method of verification	View the final audit opinion by AGSA on the final Management Report
Data limitations	None
Type of indicator	Outcome
Calculation type	Non-cumulative

Reporting cycle	Annual
New indicator	Yes
Desired performance	Clean outcome for the GPAA
Indicator 8	
Indicator title	% of disabled employees versus total employees employed at GPAA
Short definition	The indicator measures the number of employees with disabilities as a percentage of all GPAA employees
Purpose/importance	To ensure that the GPAA employs employees with disabilities
Source/collection of data	Declaration forms and PERSAL system
Method of calculation	Total number of employees with disabilities as a percentage of the total number of GPAA employees
Method of verification	Comparison of the total number of employees with disabilities against the total number of GPAA employees. And also check against the Economic Active Population
Data limitations	None disclosure of the disability and also not getting suitable candidate with disability on the recruitment process
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Increased employment of employees with disabilities (increased percentage)
Indicator 9	
Indicator title	% of female employees versus total employees employed at GPAA
Short definition	The indicator measures the number of female employees as a percentage of all GPAA employees
Purpose/importance	To ensure that the GPAA employs female employees
Source/collection of data	Employment equity plan and the PERSAL system
Method of calculation	Total number of female employees as a percentage of the total number of GPAA employees

11. ANNEXURE B – TECHNICAL INDICATOR DESCRIPTIONS 2018/2019 (continued)

Method of verification	Comparison of the total number of female employees against the total number of GPAA employees
Data limitations	Not getting suitable candidate with disability on the recruitment process
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Increased employment of female employees (increased percentage)
Indicator 10	
Indicator title	% black employees versus total employees employed at GPAA
Short definition	The indicator measures the number of black employees as a percentage of all GPAA employees
Purpose/importance	To ensure that the GPAA employs black employees
Source/collection of data	PERSAL
Method of calculation	Total number of black employees as a percentage of the total number of GPAA employees
Method of verification	Comparison of the total number of black employees against the total number of GPAA employees
Data limitations	Not getting suitable candidate with suitable race on the recruitment process
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Increased employment of black employees (increased percentage)

Indicator 11	
Indicator title	% client satisfaction levels
Short definition	Percentage of CRM clients' satisfaction levels that have been achieved during the reporting period as per the following channels (Call Centre, E-mails, Mobile, Outreach, Walk-in centre).
Purpose/importance	To track the percentage to which the clients of the CRM are satisfied with services received from the programme as per the following channels (Call Centre, E-mails, Mobile, Outreach, Walk-in centre).
Source/collection of data	Client satisfaction survey reports
Method of calculation	The calculation will be based on the average actual % of these variables (Call Centre, E-mails, Mobile, Outreach, Walk-in centre) of responses to the survey questionnaire
Method of verification	Review the results of the survey as per the following channels (Call Centre, E-mails, Mobile, Outreach, Walk-in centre). Review survey reports.
Data limitations	Low response rate, Lack of clients' willingness to participate in the survey
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Increased satisfaction of clients of the CRM programme
Indicator 12	
Indicator title	% Reduction of abandoned calls in the call centre
Short definition	The indicator measures abandoned call rate in the call centre
Purpose/importance	To monitor the increase in serviced calls in the call centre
Source/collection of data	System generated report (CSI)
Method of calculation	% reduction of abandoned calls per quarter (received calls versus answered calls = abandoned calls)
Method of verification	CIS system report (calls serviced versus calls abandoned)
Data limitations	System downtime
Type of indicator	Outcome

11. ANNEXURE B – TECHNICAL INDICATOR DESCRIPTIONS 2018/2019 (continued)

Calculation type	cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Increased efficiency (call centre)
Indicator 13	
Indicator title	% of NT members admitted within 21 days
Short definition	The indicator measures the admission of members within a specified period of time
Purpose/importance	To track the members that were admitted within the specified time frames
Source/collection of data	CIVPEN for manual admission, turnaround times spread-sheets
Method of calculation	Total members admitted within 21 calendar days after receipt of the information at GPAA against all admissions for the period (Calculate difference between date of receipt at GPAA and GPAA response date)
Method of verification	Date of receipt of information/forms compared to processing date of admissions. Turn-around time between received and admitted
Data limitations	Data integrity
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Admit all members within 14 calendar days after receipt of information
Indicator 14	
Indicator title	% of GEPF members admitted within 21 days
Short definition	The indicator measures the admission of members within a specified period of time
Purpose/importance	To track the members that were admitted within the specified time frames
Source/collection of data	CIVPEN for manual admission, recon run for electronic admissions,
Method of calculation	Total members admitted within 21 calendar days after receipt of the information at GPAA against all admissions for the period (Calculate difference between date of receipt at GPAA and GPAA response date) {Annual Achievement: Q1+Q2+Q3+Q4 divide by 4}

Method of verification	Date of receipt of Z125 (for manuals) compared to processing date of admissions. Turn-around time between validation of electronic contributor data sets and execution of the FIN recon run for all admissions CIVPEN for manual admissions and recon run for electronic admissions
Data limitations	Data integrity
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Admit all members within 14 calendar days after receipt of information
Indicator 15	
Indicator title	% of GEPF contributions reconciled by the 22nd of the month
Short definition	The indicator measures reconciliation of contributions receivable
Purpose/importance	To track collection of Fund contribution revenue
Source/collection of data	Signed off consolidated contribution reconciliation reports for both electronic (Fin Recon reports) and manual contributors reconciled to the General Ledger
Method of calculation	Contributions for % of members for participating employers reconciled by the 22nd of the following month
Method of verification	Consolidated contribution reconciliation reports for both electronic (Fin Recon reports) and manual contributors to be reconciled to the General Ledger
Data limitations	None. Subject to reporting only being available upon finalisation of reconciliation (by the latest 22nd of the following month)
Type of indicator	Output (Financial)
Calculation type	Non-cumulative per Quarter and per annum.
Reporting cycle	Quarterly
New indicator	New – (Replaced previous indicator in respect to % of contributions collected by the 7th day of the following month)
Desired performance	Track collection of Fund contribution revenue to ensure Fund solvency Minimum target 95% of reconciliations finalised by the 22nd of the following month. Stretch target 99% of reconciliations finalised by the 22nd of the following month.

11. ANNEXURE B – TECHNICAL INDICATOR DESCRIPTIONS 2018/2019 (continued)

Indicator 16	
Indicator title	% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)
Short definition	This indicator measures the amount of member data records that have been confirmed on an annual basis
Purpose/importance	To ensure that the information is of the required quality to accurately calculate benefits and pay it to the correct beneficiary within the specified timeframes
Source/collection of data	CIVPEN, Transversal systems
Method of calculation	Total number of member data records confirmed against total number of existing members
Method of verification	Comparison of unconfirmed (total list of existing member data records) versus confirmed member data records on CIVPEN, as well as the comparison of member data records on CIVPEN and the Transversal systems
Data limitations	Availability of TBVC member data in electronic format and inadequate member information
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	Increase in the percentage of confirmed member data records
Indicator 17	
Indicator title	% of NT pensioner records maintained
Short definition	The indicator measures the maintenance of Pensioner records for NT members, beneficiaries and pensioners
Purpose/importance	To ensure that pensioner records are accurate and maintained as and when pensioner request changes (e.g. marital status, dependants etc.)
Source/collection of data	CIVPEN updated with records received from pensioner and maintained as such
Method of calculation	Total members of NT pensioner records maintained against total number of all pensioner records

Method of verification	Review of Total member of NT pensioner records maintained on the system and on evidence submitted
Data limitations	Data integrity
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes (new on the APP)
Desired performance	Improved maintenance of all NT pensioner records
Indicator 18	
Indicator title	% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates
Short definition	The indicator measures NT suspended pensioners (overseas) that were reinstated after receipt of Life Certificates
Purpose/importance	To track whether NT suspended pensioners (overseas) have been reinstated after receipt of Life Certificates
Source/collection of data	Spread-sheet with names of reinstated pensioner life certificates
Method of calculation	Total number of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates against total number of Life certificates from suspended pensioners received
Method of verification	Review evidence submitted (Spread-sheet) or database on the system. Comparison between those suspended and those who were reinstated after receipt of Life Certificates
Data limitations	System downtime and availability
Type of indicator	Output

11. ANNEXURE B – TECHNICAL INDICATOR DESCRIPTIONS 2018/2019 (continued)

Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes (on the APP)
Desired performance	Reinstatement of all suspended life certificate suspended
Indicator 19	
Indicator title	% of NT membership certificates issued within 30 days of admission
Short definition	The indicator measures the issuing of membership certificates
Purpose/importance	To track whether NT membership certificates are issued on time (within 30 days) after admission
Source/collection of data	Letters from member's file or Spread-sheet of newly admitted members
Method of calculation	Total number of members issued with membership certificates within 30 days after admission against total number of members admitted
Method of verification	Assess the turnaround time taken to issue membership certificates or letters, variables to be taken into consideration is date when a member was admitted and the date when the membership certificate was issued.
Data limitations	System downtime and availability
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes (new on the APP)
Desired performance	Increase in the number of membership certificates issued
Indicator 20	
Indicator title	% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received
Short definition	The indicator measures death benefits paid within the legislated timeframes (within 60 days)
Purpose/importance	To track whether death benefits are paid within the specified timeframes during the reporting period
Source/collection of data	CIVPEN, MIS, turnaround times spread-sheets

Method of calculation	Total deaths benefits paid within 60 days of receipt of correctly completed documents as a percentage of claims paid during reporting period
Method of verification	Assess the turnaround time taken to process received death cases, variables to be taken into consideration is date when death case is received and date when death case is paid.
Data limitations	System downtime and availability
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes (new on the APP)
Desired performance	Increase in the percentage of death benefits that were paid on time
Indicator 21	
Indicator title	% of GEPF benefits paid on time (excluding death benefits)
Short definition	The indicator measures the benefits that have been paid within the specified timeframes during the reporting period
Purpose/importance	To track whether benefits are paid within the specified timeframes
Source/collection of data	OBIEE, CIVPEN
Method of calculation	Total paid within 45 days of receipt of correctly completed documents as a percentage of claims paid during reporting period. {Annual Achievement: Q1+Q2+Q3+Q4 divide by 4}
Method of verification	Comparison of OBIEE MIS report
Data limitations	System downtime and availability
Type of indicator	Output
Calculation type	Non-cumulative (NB: Annual achievement is average of all quarters)
Reporting cycle	Quarterly
New indicator	No
Desired performance	Increase in the percentage of benefits that were paid on time

11. ANNEXURE B – TECHNICAL INDICATOR DESCRIPTIONS 2018/2019 (continued)

Indicator 22	
Indicator title	% of NT benefits paid on time
Short definition	The benefits paid to beneficiaries have been paid within the legislated timeframes (within 30 days)
Purpose/importance	To track whether benefits are paid within the specified timeframes during the reporting period
Source/collection of data	CIVPEN, MIS, turnaround times spread-sheets
Method of calculation	Total paid within 30 days of receipt of correctly completed documents as a percentage of claims paid during reporting period.
Method of verification	Assess the turnaround time taken to process newly received cases, variables to be taken into consideration is date when case is received and date when case is paid.
Data limitations	System downtime and availability
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Increase in the percentage of benefits that were paid on time

Indicator 23	
Indicator title	% Reduction of un-serviced clients in the walk in centre
Short definition	The indicator measures un-serviced client rate in the walk in centre
Purpose/ importance	To monitor the increase in serviced tickets in the walk in centre
Source/ collection of data	System generated report (QMSI)
Method of calculation	% reduction of un-serviced tickets per quarter (issued tickets versus serviced tickets = un-serviced clients)
Method of verification	QMS system report (tickets issued versus tickets serviced)
Data limitations	System downtime
Type of indicator	Outcome
Calculation type	Quarter on quarter reduction
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Increased efficiency (walk in centre)

12. ANNEXURE C – ADDENDUM TO THE 2017/18 STRATEGIC PLAN

During the strategic planning Lekgotla held in May 2017, The GPAA Executive Committee revised the following:

1. PART A: STRATEGIC OVERVIEW

Changes from Part A: Strategic Overview are as follows:

1.1 VISION

1.1.1 The Vision as stated in the 2017/2018 – 2020/2021 Strategic Plan:

To be the leading, people-centric benefits administrator in government.

1.1.2 The revised Vision as stated in the 2018/2019 APP:

A client-base that is satisfied, served, valued, dignified, cared for and empowered.

1.2 MISSION

1.2.1 The Mission Statement as stated in the 2017/2018 – 2020/2021 Strategic Plan:

To serve clients by paying benefits accurately and timeously.

1.2.2 The revised Mission statement stated in the 2018/2019 APP:

To provide administration services to the Government Employees Pension Fund (GEPF) and National Treasury Programme 7 funds and schemes.

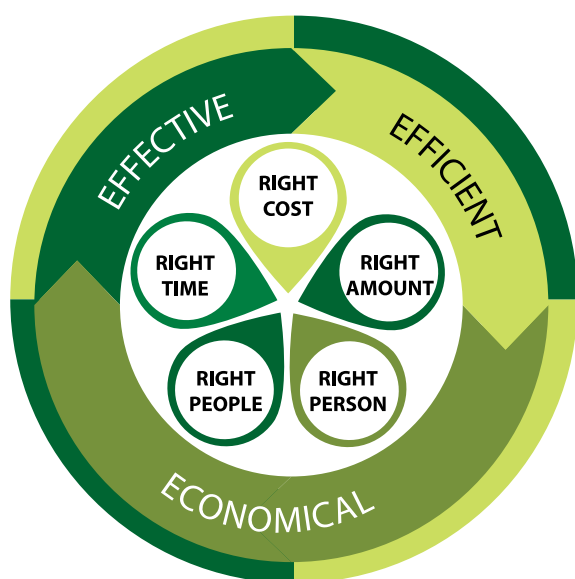
1.3 VALUES

1.3.1 The five values listed in the 2017/2018 – 2020/2021 Strategic Plan are retained with one additional value passion contextualised as:

Passion: We serve our clients with passion and understanding

1.4 STRATEGIC OUTCOME ORIENTED GOALS AND OBJECTIVES

1.4.1 Strategic goals and objectives depicted in the 2017/2018 – 2020/2021 Strategic Plan:



Our Clients' Rights, Our Objectives

1. To pay the right amount as per legal entitlement as prescribed by legislation and rules.
2. To pay the right person who is the lawful member or beneficiary.
3. To pay benefits on time as per legislation.
4. To employ the right people that are competent, performance-driven and caring.
5. To administer funds at an economically acceptable cost of administration per member.

1.4.2 THE FOLLOWING TABLE PROVIDES A SUMMARY OF THE REVISED STRATEGIC GOALS AND OBJECTIVES REFLECTED IN THE 2018/2019 APP:

Programme	Strategic goals	Strategic objectives
Programme 1: Support Services	1) Optimal core services	1.1: To provide support to core business to deliver quality service to the GPAA customers and clients
	Programme 2: Benefits Administration	2) Satisfied clients
		2.1: To ensure that member and beneficiary data is accurate and usable
		2.2: To register new members or employers in a compliant manner
		2.3: To process contributions in a compliant manner
		2.4: To ensure tat contributions are valid, accurate and complete
	3) Less than 30-day turnaround time for the payment of benefits	3.1 To process benefits in a compliant manner to the satisfaction of clients
	4) Well preserved pension funds	4.1: To influence client stakeholder behaviour

Table 7 – Strategic outcome orientated goals and objectives

2. UPDATED SITUATIONAL ANALYSIS

The situational analysis has been inserted in the 2018/19 APP with an incorporation of the following:

2.5 KEY ORGANISATIONAL CHALLENGES AND INTERVENTIONS

The organisation identified the key challenges within Programme 1 – Support services and Programme 2 – Benefits Administration, which impacts on achieving planned performance targets, level of service delivery and the ability to respond to demands made by stakeholders. These challenges are categorised and affiliated with the GPAA’s eight (8) sub-programmes including, 1.1 Corporate Services (Human Resources and Facilities Management), 1.2 Finance, 1.3 Business Enablement (Modernisation and Information and Communications Technology), 1.4 Management Support, 1.5 Governance, 2.1 Special, Military and Other Benefits Administration (National Treasury), 2.2 Employee Benefits (GEPF) and 2.3 Client Relations Management. The appropriate mitigating activities and/or strategic interventions discussed in the following section aims to address these challenges in the best interest of all GPAA’s stakeholders.

2.6 SWOT ANALYSIS

As discussed at the Lekgotla, The GPAA’s Strengths, Weakness, Opportunities and Threats (SWOT) analysis is addition to the 2017/2018 – 2020/2021 Strategic Plan The following table provides a summary of the GPAA’s SWOT analysis.

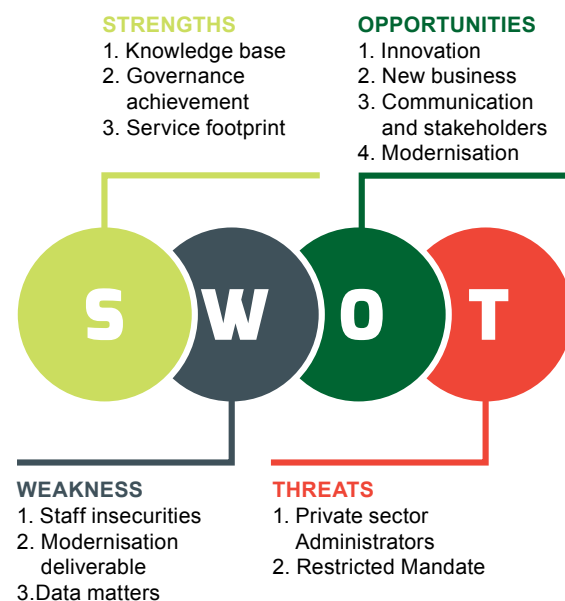


Figure 10: the GPAA’s SWOT analysis

12. ANNEXURE C – ADDENDUM TO THE 2017/18 STRATEGIC PLAN (continued)

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

7.1 PROGRAMME 1 – SUPPORT SERVICES 2018/2019 SCORECARD

All the Performance Indicators for Programme 1 – Support Services have been aligned to the GPAA's new strategic goals and objectives and they remained the same.

The revised Performance indicator for Programme 1 is as follows:

Performance indicator number 6 has been changed, now the annual target is 40% increase in clients enrolled on self-service. Now measuring phase two of the project.

Indicator 7 was added to ensure a reduction in AGSA audit findings on the journey to a clean audit.

Indicators 8,9 & 10 were added to ensure government targets are achieved for the employment of disabled persons, women and blacks.

8.1 PROGRAMME 2 – BENEFITS ADMINISTRATION 2018/2019 SCORECARD

All the Performance Indicators for Programme 2 – Benefits Administration have been aligned to the GPAA's new goals and

objectives and have remained the same.

The following performance indicators have been removed:

- Number of dedicated Fund (NT & GEPF) Relationship officer appointed, and
- % of GEPF annual benefit statements issued within a set period after the yearly salary increases approved by the Fund subject to approval in Q4 of the previous year.
- % Post voice call resolution

The following performance indicators have been added:

- % reduction of un-serviced clients in the walk in centre

PART C: STRATEGIC RISK MANAGEMENT 9. STRATEGIC RISK MANAGEMENT

The profile of the GPAA's key strategic risks was developed through formalised risk assessment workshops with the GPAA's Executive Committee (EXCO) in conjunction with each business unit's management team. Internal Audit will play a pivotal role in the combined assurance framework by providing independent assurance over governance, risk management and systems of internal control, as well as over the combined assurance framework. Contributors in this role predominantly include Internal Audit, Risk Management, Quality Assurance, the external auditor and management. This is based on the best practices adopted by the King IV Report and Code on Good Corporate Governance (King IV).

9.1

THE FOLLOWING TABLE IS A REPRESENTATION OF THE GPAA'S STRATEGIC RISKS DEPICTED IN THE 2017/2018 – 2020/2021 STRATEGIC PLAN AND THE UPDATED ONES:

No.	Strategic risks as stated in the 2017/2018 – 2020/2021 Strategic Plan	Retained/updated strategic risks as stated in the 2018/2019 Annual Performance Plan
1	Inability of the Modernisation Programme to achieve the intended objectives.	Poor Organisational Culture
2	Failure to identify and respond effectively to public relations/media crisis or negative press.	Inability of GPAA to deliver on Modernisation objectives
3	Project risk implementation (Ability to implement projects successfully)	Inadequate human resources capacity to deliver on the GPAA services
4	Inaccurate, incorrect and untimely payment of benefits	Loss of critical skills
5	Failure to detect or prevent fraud, maladministration, theft and corruption in a timely manner	Compliance to legislations and applicable rules
6	Loss of critical skills and inadequate development and retention of staff	Timeous payment of benefits
7	Inaccurate, invalid and incomplete client information from Employer Departments	Inability to timeously detect or prevent fraud, maladministration, theft and corruption in a timely manner.
8	Non-Compliance by the GPAA to legal and regulatory requirements (PFMA/OHS/POPI/ Information Management)	Organisational Leadership and accountability at Various levels
9	Inadequate Financial Management	The threat of customers/stakeholders opting to utilise a new administrator
10	Disruptive incidents due to internal and external factors (i.e. power outages, natural disasters)	Inability to timeously identify and respond to public relations/media crisis or negative press

Table 11 – Strategic risk management as depicted in the Strategic Plan

GLOSSARY OF TERMS AND ABBREVIATIONS

Term	Definition
Accountable	Being held liable for actions, decisions and answerable to the Executive Authority
AIPF	The Associated Institutions Pension Fund, as per the AIPF Act 41 of 1963, administered by the GPAA on behalf of National Treasury.
BoT	The Government Employees Pension Fund's Board of Trustees. (GEPF is governed by a Board of Trustees in terms of the GEP Law).
Client	A customer of a professional service provider, or the principal of an agent or contractor.
Core services	Benefits Administration is the core service of the GPAA according to its mandate and includes Sub-programmes 2.1 National Treasury Schemes and funds. 2.2 GEPF Employee Benefits and 2.3 Client Relations Management
Customer	An entity that receives or consumes products (goods or services) and has the ability to choose between different products and suppliers or an entity directly served by an organisation.
Employers	Any government entity employing persons into government services.
External audit	Periodic or specific purpose (ad hoc) audit conducted by external (independent) qualified accountant(s). Its objective is to determine, among other things, whether: (1) the accounting records are accurate and complete, (2) prepared in accordance with the provisions of Generally Accepted Accounting Principles (GAAP), and (3) the statements prepared from the accounts present fairly the organisation's financial position and the results of its financial operations.
GEP LAW	Government Employees Pension Law of 1996, as amended.
GEPF	The Government Employees Pension Fund. A pension fund governed by the Government Employees Pension (GEP) Law of 1996, as amended, administered by the GPAA on behalf of GEPF's Board of Trustees.
Government	The government of the Republic of South Africa
Government component	A government component is a form of government entity, deemed to be a department according to PSA Section 3A, which is established through a Proclamation by the President on recommendation by the Minister of Public Service and Administration.
GPAA	Government Pensions Administration Agency
Human capital	Human capital refers to the collective value of the organisation's intellectual capital (competencies, knowledge, and skills).
ICT	Information and Communication Technology

Term	Definition
Internal audit	A frequent or on-going audit conducted by an organisation's own (as opposed to independent) accountants to: (1) monitor operating results, (2) verify financial records, (3) evaluate internal controls, (4) assist with increasing efficiency and effectiveness of operations and, (5) to detect fraud. Internal audit can identify control problems and aims at correcting lapses before they are discovered during an external audit. Although the internal auditors are the organisation's employees, they normally do not audit themselves or their own departments, but usually entrust this function to independent/external auditors.
NPC	National Planning Commission of South Africa is a government agency responsible for strategic planning for South Africa.
Outcome(s)	Short- and medium-term effects of an intervention's output.
Output(s)	Products, capital goods and services which result from an intervention.
Performance Area(s) (PAs)	Areas that, if the business focuses on and does well, will determine its competitive edge/differentiation or competitive advantage.
Performance Indicator(s) (PIs) (indices)	Performance indicators (PIs) are quantifiable measurements agreed on beforehand that reflect the critical success factors of an organisation.
PFMA	Public Finance Management Act (No.1 of 1999 as amended by Act 29 of 1999)
PSA	Public Service Act of 1994
SLA	Service Level Agreement
Stakeholder	A person, group or organisation that has a direct or indirect stake in an organisation because it can affect or be affected by the organisation's actions, objectives and/or policies. Key stakeholders in an organisation include creditors, clients, directors, employees, government (and its agencies), owners (shareholders), suppliers, unions and the community from which the business draws its resources.
TEPF	The Temporary Employees Pension Fund, as per the TEPF Act 75 of 1979, administered by GPAA on behalf of National Treasury.

Table 1 3– Glossary of terms and abbreviations

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