



ANNUAL REPORT

2010/11



the gpaa

Department:
Government Pensions Administration Agency
REPUBLIC OF SOUTH AFRICA

Mr Pravin Gordhan

The Minister of Finance,

I have the honour of submitting to you, in accordance with the Public Finance Management Act, 1999 (Act 1 of 1999), the Annual Report of the Government Pensions Administration Agency for the period 1 April 2010 to 31 March 2011.

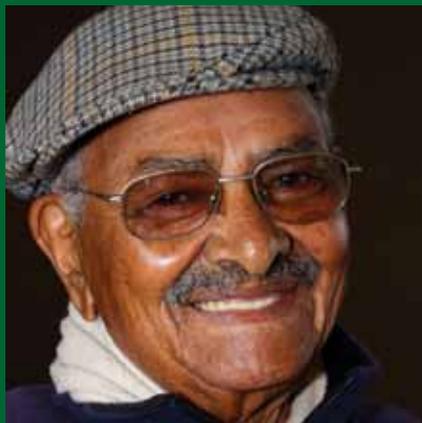


Phenias Tjie
Chief Executive Officer
Government Pensions Administration Agency

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General Information

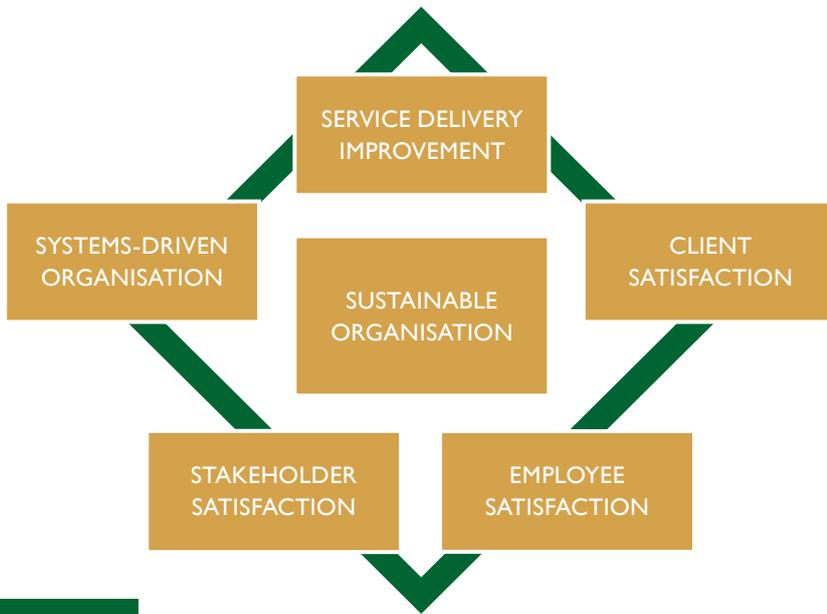
GOVERNMENT PENSIONS ADMINISTRATION AGENCY ANNUAL REPORT 2010/11

I.1 GPAA'S VISION, MISSION AND VALUES

VISION

GPAA's vision is to be the best-in-class pensions administrator, providing financial security, peace of mind and exceptional service to Government employees, pensioners and other stakeholders.

GPAA's vision will be realised when the following are achieved:



MISSION

GPAA's mission is to effectively and efficiently manage and administer pensions and related benefits on behalf of the Government Employees Pension Fund (GEPF) and National Treasury's Programme 8's members, pensioners and their beneficiaries through:

- Accurate and timeous payment of benefits;
- Modernisation of current administration processes and systems;
- Providing member and client support; and
- Managing stakeholder relationships.

VALUES

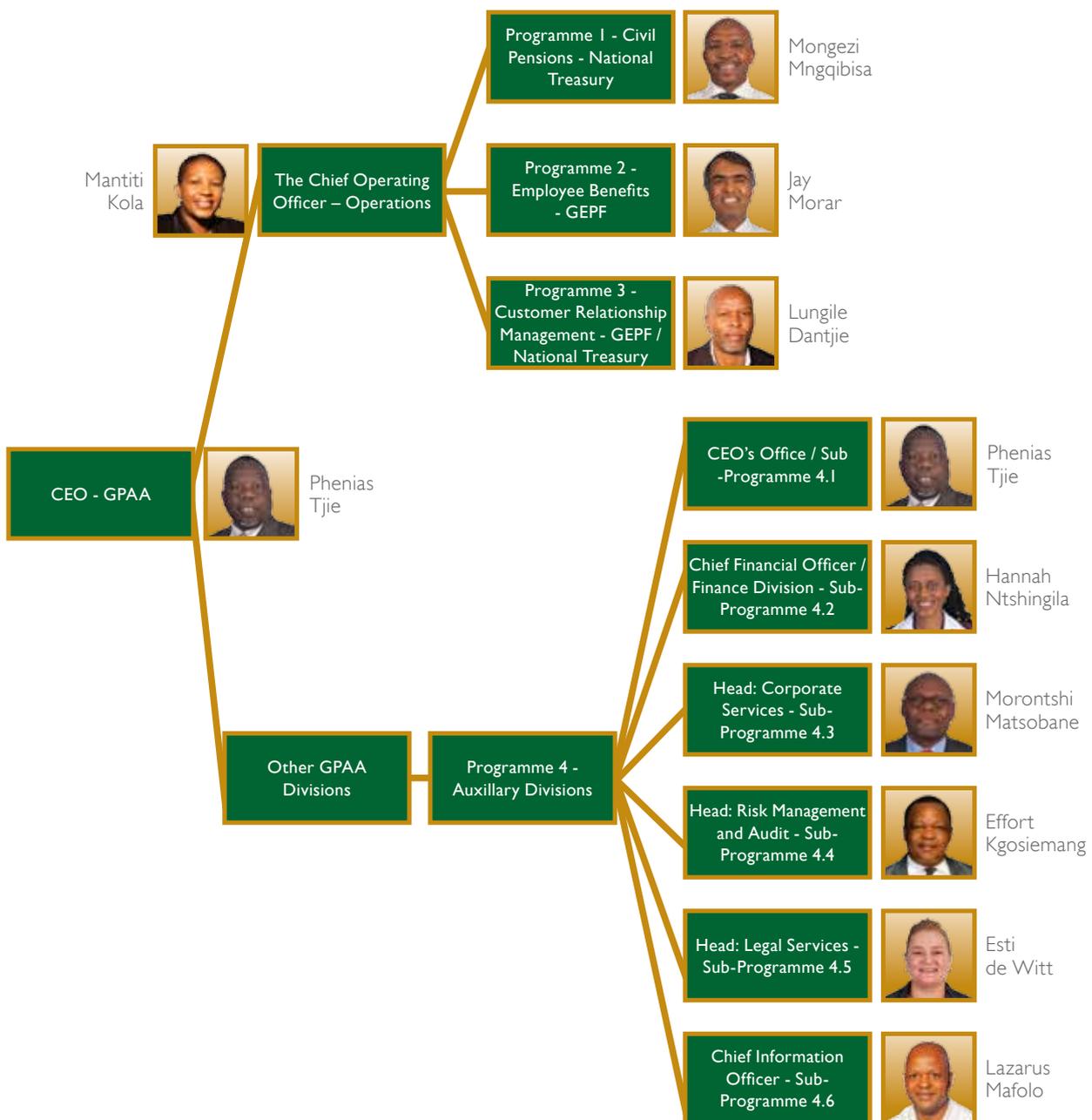
GPAA's core values are:

Integrity	Doing the right thing even when you are not watched.
Openness	Allow access to information to the right persons at the right level.
Interdependence	The achievement of our goals is based on the interrelationship of the different components of the service delivery chain.
Caring	Placing ourselves in the shoes of those we serve by addressing their needs in a humane manner.
Client focus	Our actions derive from the client's needs.

1.2 ORGANISATIONAL STRUCTURE

GPAA is headed by a Chief Executive Officer. It executes its functions through four Programmes:

- Chief Executive Officer (Accounting Officer) - GPAA
- The Chief Operating Officer – Operations
 - Programmes 1,2 and 3
- Programme 4 – Auxiliary Divisions
 - The CEO – The CEO’s Office – Programme 4.1
 - The Chief Financial Officer – Finance Division – Programme 4.2
 - The Head: Corporate Services – Programme 4.3
 - The Head: Risk Management and Audit – Programme 4.4
 - The Head: Legal Services – Programme 4.5
 - The Chief Information Officer – Programme 4.6



I.3 LEGISLATIVE MANDATE

The Government Pensions Administration Agency (GPAA) was born out of the separation of the Government Employees Pension Fund (GEPF) from its pension administration component. GPAA is a Government Component, established in terms of Section 7A (4) of the Public Service Act (1994) with effect from 1 April 2010.

The GPAA reports to the Minister of Finance, as its Executive Authority, and its mandate is to administer pensions on behalf of the GEPF and National Treasury in respect of Post-Retirement Medical Subsidies, Military Pensions, Special Pensions, Injury on Duty payments and other Programme 8 functions. GPAA's mandate is derived from the overall mandate of the GEPF and National Treasury's Programme 8 – who are its primary clients. The GPAA fulfils an agency role for these two clients.

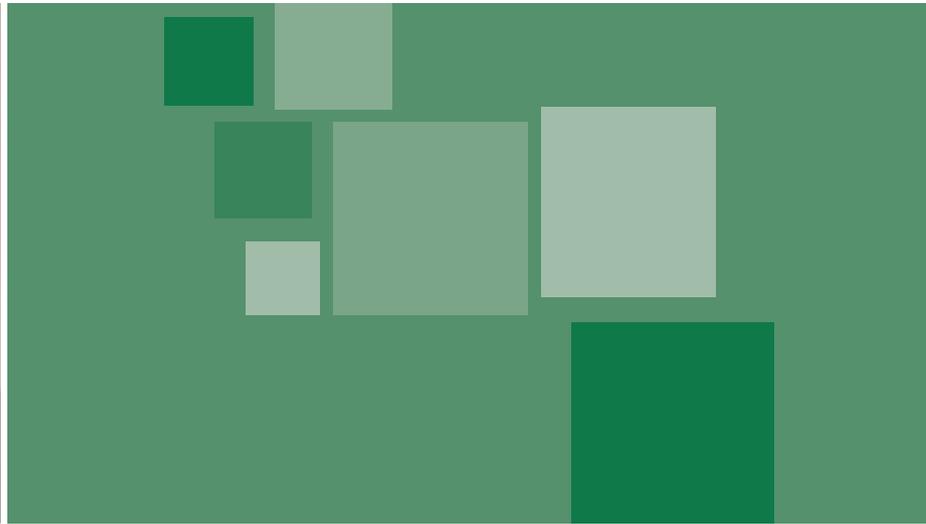
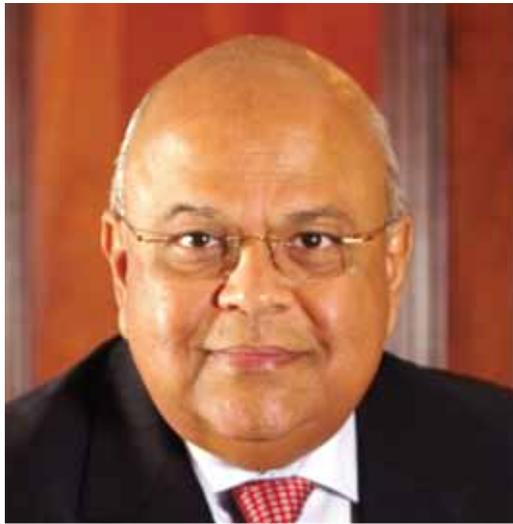
The establishment of GPAA is an alignment of pensions administration in Government to an industry practice where pension funds are administered by administrators outside of the funds. This development is an important policy shift that will promote governance in the fiduciary responsibilities of the Minister of Finance and the GEPF's Board of Trustees respectively.

The funds and schemes that are currently administered by GPAA are as follows:

- The Government Employees Pension Fund (GEPF) in terms of the Government Employees Pension (GEP) Law of 1996 on behalf of the GEPF's Board of Trustees.
- The Temporary Employees Pension Fund (TEPF) in terms of the Temporary Employees Pension Fund (TEPF) Act 75 of 1979 on behalf of National Treasury's Programme 8.
- The Associated Institutions Pension Fund (AIPF) in terms of the Associated Institutions Pension Fund (AIPF) Act 41 of 1963 on behalf of National Treasury's Programme 8.
- Post-Retirement Medical Subsidies as provided for and regulated by Public Service Co-ordinating Bargaining Council (PSCBC) resolutions on behalf of National Treasury's Programme 8.
- Military Pensions in terms of the Military Pensions Act 84 of 1976 on behalf of National Treasury's Programme 8.
- Injury on Duty payments in terms of the Compensation for Occupational Injuries and Diseases Act 130 of 1993 on behalf of National Treasury's Programme 8.
- Special Pensions in terms of the Special Pensions Act 69 of 1996 on behalf of National Treasury's Programme 8.

The GPAA's financial affairs are governed by the Public Finance Management Act (PFMA), while its human resources fall under the ambit of the Public Service Act (PSA).

1.4 MINISTER'S STATEMENT



I have the honour to submit the first Annual Report and Financial Statements of the Government Pensions Administration Agency (GPAA) which was separated from the Government Employees Pension Fund (GEPF) and established as a Government Component in 2010.

GPAA was created with the objective of providing pension administration and other related services to the GEPF, National Treasury, the Temporary Employees Pension Fund (TEPF) and the Associated Institutions Pension Fund (AIPF).

This Annual Report reflects the activities of GPAA against the backdrop of the economic conditions facing South Africa and other global players. GPAA recognizes current members and pensioners as deserving recipients of its services and aims to ensure that these important stakeholders benefit from the new institutional arrangement.

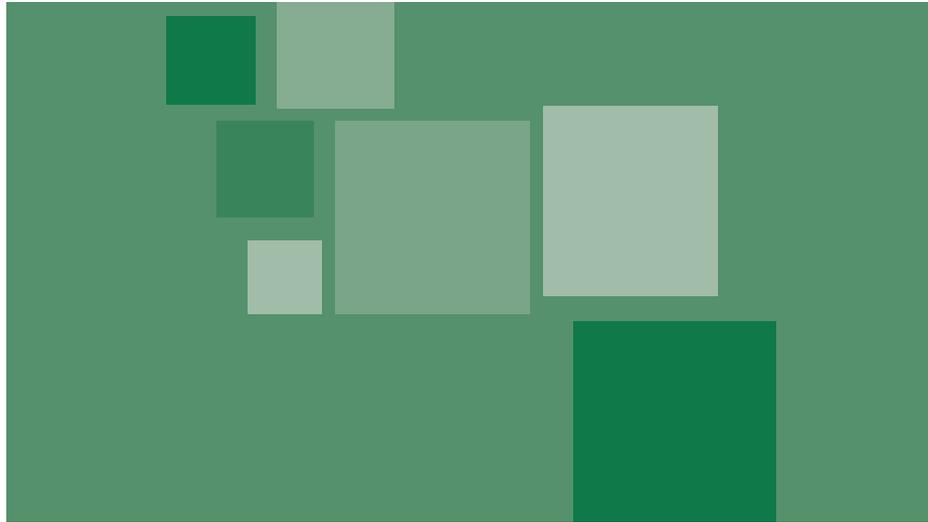
This Annual Report touches on the key programmes of GPAA, particularly the Modernisation Programme, which replaces the Service Delivery Improvement Plan. The Modernisation Programme is intended to re-engineer GPAA's core functions and support capabilities to yield significantly improved productivity and service delivery. GPAA has partnered with the South African Revenue Services' Enterprise Business Enablement Unit to assist with a comprehensive assessment and implementation of this programme.

GPAA is not without its challenges. There is a need to strengthen compliance with the Public Finance Management Act, 1999 in order to promote public sector governance and accounting of the GPAA. Implementation of this needs capacity and expertise. The current structure of the GPAA also needs to be reviewed to comply with the Public Service Act, 1994. With the current limited capacity, implementation of these changes may be compromised. We are, however, proud to state that despite these teething problems, GPAA has been able to achieve a lot more within a period of one year. The backlog situation has been reduced by more than 50%, and relationships with employer Departments have improved resulting in faster and more accurate payments to members and beneficiaries.

We are committed to promoting improved working relations with all our stakeholders and role players with a view of delivering quality to our clients.

Pravin Gordhan
Minister of Finance

1.5 THE CHIEF EXECUTIVE OFFICER'S OVERVIEW



This Annual Report presents an opportunity for the GPAA to give account of how the new Government Component has performed against its strategy during the reporting period.

As a Government Component, GPAA's mandate is to provide agency services to the GEPP and to National Treasury by administering contributory and non-contributory benefits to both parties respectively.

The provision of these services is regulated by means of Service Level Agreements (SLAs). The advantage that the GPAA has is that it was transferred into Government as a going concern and, as such, its business did not change.

GPAA's aim therefore remains to deliver quality service to clients in a seamless manner, focusing on the following strategic priorities:

- Modernisation of the administrative systems;
- Enhancing administrative capacity;
- Mapping and documenting of all processes throughout the value chain;
- Fostering a strong relationship with employer Departments; and
- Paying benefits timeously and accurately.

To this end we are pleased to report that GPAA was able to achieve the following:

- A reduction in backlogs from 9 000 to 4 000. The remaining benefits payment backlogs are in the main old, in other words, these are cases on which there has been little or no information after more than three years. We have established a task team to investigate and bring this matter to finality.
- We are succeeding in forging working relationships with employer Departments, as evidenced by the reduced number of error cases. We will continue to build this relationship to the benefit of our members.
- GPAA has started reaping benefits from its Regional Office network. In the current reporting period the offices served 130 713 members and pensioners. In the past these members and pensioners would have expected service from Pretoria, which would have been an impossible task.
- The other benefit derived from the Regional Office network is that our Client Liaison Officers were able to train and educate employer Departments at their localities.
- We were also able to meet our members and pensioners at roadshows to ensure that we share our business objectives with them and also allow them to raise any queries they might have. This is also starting to show positive signs as

“The provision of these services is regulated by means of Service Level Agreements (SLAs). The advantage that the GPAA has is that it was transferred into Government as a going concern and, as such, its business did not change.”

pensioners have started showing interest in updating us on any change of address and any other related matters.

- In order to accelerate service delivery improvement, GPAA has partnered with SARS to modernise its processes and systems, while also commencing with a programme of up-skilling our employees to meet the demand for improved service delivery as promised during the roadshows. I believe that we will benefit immensely from the SARS experience as they have been successful in modernising service delivery in their organisation.

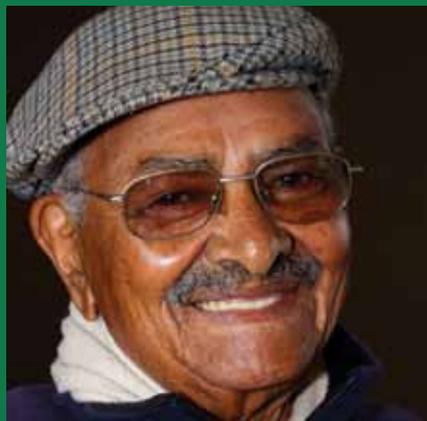
For the post-retirement subsidies, GPAA was able to disburse R1,6 billion on behalf of National Treasury, while paying out R165 million for Military Pensions.

I believe that in the next two financial years we will start seeing the full benefit of the SARS partnership and will therefore be able to serve clients with ease, speed and accuracy.



31 August 2011

Phenias Tjie
Chief Executive Officer
Government Pensions Administration Agency



2

Report on Performance Against Predetermined Objectives

GOVERNMENT PENSIONS ADMINISTRATION AGENCY ANNUAL REPORT 2010/11

2.1 PREAMBLE

GPAA is a newly established Government Component in terms of Section 7A (4) of the Public Service Act, with effect from 1 April 2010.

GPAA provides agency services and the business it operates was transferred from the GEPF as a going concern. In order for the management of its business affairs to proceed smoothly, exceptions in terms of financial and annual reporting (as compared to the requirements of a Government Department) have been granted. These are as follows:

- GPAA receives its funding from the GEPF (93%) and National Treasury (7%).
- GPAA did not have an Audit Committee as at 31 March 2011 and can therefore not submit a response from such a committee in relation to the financial statements being submitted. The Committee will be established in the next financial year.
- National Treasury has granted approval to GPAA to report the annual financial statements according to Generally Recognised Accounting Practice (GRAP) applicable to Public Entities instead of on a modified cash basis, as applicable to Government Departments.

2.1.1 Budgeted Funds

GPAA's total budget for the 2010/2011 financial year was R 583 million, this total consisted of the following:

Compensation:	R255m
Goods and Services:	R236m
Capital Expenditure:	R42m
Modernisation Programme (SDIP):	R50m

2.1.2 Aim of Vote

The aim of the budget for the year under review was to finance the administration services provided to both National Treasury (Programme 8) and the Government Employees Pension Fund (GEPF).

2.1.3 Summary of Programmes

Programme 1: Administered by GPAA on behalf of National Treasury. This provides for the payment of non-contributory pensions funded by National Treasury to the beneficiaries of various public sector bodies in terms of different statutes, collective bargaining agreements and other commitments. Military Pensions, Post-Retirement Medical Subsidy and Injury on Duty (IOD) payments are benefits administered under this Programme. Military Pensions and IOD payments provide for the payment of military pension benefits and medical claims arising from treatment for disability, medical assistance devices and other related expenses, in terms of statutory commitments.

Programme 2: Administered by GPAA on behalf of the Government Employees Pension Fund (GEPF) in terms of the Government Employees Pension (GEP) Law. The activities involved in this Programme are: member admissions, contribution collection, member/pensioner/beneficiary maintenance, and benefit processing. Benefit processing starts from benefit application, the processing of all relevant forms and documentation, and ends with the finalisation of the benefit from the Fund. These key processes ensure the accurate and timely payment of benefits to GEPF's members and beneficiaries.

Programme 3: The organisation's Programme 3 is that of Customer Relationship Management (CRM). CRM is aimed at managing the relationships with all stakeholders, that is clients, third parties and employers, by providing high quality, responsive client services based on the principles of Batho Pele. The Service Channel Operations, in other words the Call Centre and Walk-in Centre, ensure effective support of the interface between the GPAA and its client base through accepting, resolving and monitoring all service requests or queries made by clients. CRM also provides Employer Education and Training through its Regional and Employer Liaison divisions. In addition, CRM oversees the document management process to support GPAA's core process and business processes. This includes the conversion of paper documents into electronic format and the indexing, tracking and storage of these documents.

Programme 4: Involves the organisation's Auxiliary Divisions. These Divisions play a supportive role to the provision of primary services and are as follows:

THE OFFICE OF THE CEO (PROGRAMME 4.1)

The purpose of the Office of the CEO, and the Business Units that fall within it, is to plan, direct and support the organisation in order to ensure that employee benefits, pensions and retirement funds are administered according to the relevant legislation and Service Level Agreements. This group of Business Units is therefore responsible for ensuring that the organisation is effectively managed in order to deliver services that meet or exceed the requirements of clients. Finally, the Office of the CEO is responsible for the overall performance of the organisation.

FINANCE DIVISION (PROGRAMME 4.2)

This Division manages the financial resources available to administer pensions and other benefits using best practice principles. In this regard, the Division ensures that financial policies are adhered to, financial record keeping is done according to an appropriate framework, and sufficient cash flow levels are maintained for operational activities. This Division also prepares the financial statements for the organisation and for use by stakeholders.

CORPORATE SERVICES DIVISION (PROGRAMME 4.3)

The primary aim of this Division is to support GPAA in achieving its strategic goals through the management, co-ordination and oversight of all management support and human resources services within the organisation. In working towards the realisation of these goals, the Division ensures compliance with all legislative requirements for policy formulation and frameworks. This Division therefore works to provide a conducive environment for the employees of the organisation in order to promote optimum service.

RISK AND AUDIT DIVISION (PROGRAMME 4.4)

This Division has three key responsibilities, namely to promote a fraud-free environment within GPAA, to manage enterprise-wide risks and to provide an internal audit service within the organisation.

LEGAL SERVICES DIVISION (PROGRAMME 4.5)

The purpose of this Division is to provide an enterprise-wide legal service. As GPAA is a service provider to both the GEPP and National Treasury, the Division is responsible for providing legal support in areas of operations for which GPAA is responsible.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) DIVISION (PROGRAMME 4.6)

This Division directs and manages the organisation's ICT resources, including the data centre (servers and storage area network), wide and local area networks (LAN and WAN), applications, desktop equipment and databases. It is therefore the enabler of the organisation's operations and management as it provides the building blocks and the interoperability required to deliver on GPAA's mandate. The Division strives to provide leading-edge technology solutions and high-quality pension administration support services based on established best practice frameworks, models and standards. In this regard, the Division ensures the security and integrity of the organisation's ICT systems while maintaining a clear organisational chart which lays out the approved levels of authorisation for staff. The Division also maintains defined and role-based access controls with appropriate authorisation by both ICT and user Divisions.

2.1.4 Strategic Goals

In order for GPAA to realise its mandate, the following five strategic goals were identified:

1. Improve client satisfaction.
2. Improve service delivery to meet administrative obligations with speed, ease and accuracy.
3. Build mutual relationships with stakeholders.
4. Create strategic partnerships with employer communities.
5. Enhance service delivery through enabling technology and well-documented processes.

2.1.5 Key Strategic Objectives

GPAA's mandate is to administer pensions on behalf of the GEPP and National Treasury. In order to realize this mandate, the organisation has identified five strategic goals towards which all service delivery initiatives, both internally and externally, should be directed and on which the organisational Strategic Plan is based. These are:

Operational excellence:

- Improve service delivery to meet administrative obligations with speed, ease and accuracy.
- Be approachable, responsive, consistent and accessible in all interaction with clients.

Human capital:

- Attract, retain and develop competent and principled employees.

Governance:

- Improve the governance to ensure compliance with legislation and the mandate.

Stakeholder management:

- Build and maintain effective relationships with members, pensioners and participating employers.

Business support:

- Provide efficient and effective technologies, business systems and business processes to drive the core pension administration functions.

In relation to the above, the following are outstanding achievements as well as challenges experienced during the year under review.

OPERATIONAL EXCELLENCE:

Backlog reduction

During the 2010/2011 financial year GPAA reduced benefit payment backlogs from 14 036 to 4 741, in other words the achievement of a 66% reduction can be attributed to the target of 50% (2009/10: 37%). It should be noted that of the outstanding 4 741 cases, 3 013 are with the employer Departments for validation and provision of additional information.

The achievement of a 66% reduction can be attributed to various initiatives that were undertaken during 2010/2011. These initiatives mainly addressed old cases and the prevention of the accumulation of backlogs. The initiatives included, amongst others, the following:

- Adherence to stipulated internal process turnaround times promoted benefit processing value chain optimisation.
- Regional Offices and Employer Liaison divisions worked tirelessly to educate employers on how to ensure that employee information is updated and exit documents are correctly filled in.
- The pre-validation of exit documents at the Regional Offices bodes well for the shortening of benefit payment turnaround times.
- Member awareness campaigns were conducted in previously disadvantaged communities across the nine provinces for both active members and pensioners, in order to familiarise them with benefit structures and member responsibilities towards the smooth running of their pension affairs.

- A dedicated task team was established to investigate all old cases. This team collaborated with the employer Departments to utilise non-conventional methods to track and trace members in a bid to get the additional information required to finalise claims.

Timeous and Accurate Payment of Exit Benefits

The Government Employees Pension (GEP) Law provides for the payment of benefits within 60 days from the day of exit. Backlog payments comprise mainly old cases that have been in the administration system for more than 365 days. Some of these cases date as far back as 1997, in other words immediately after the amalgamation of the various former Government pension funds. The average turnaround time for exit payments takes into account all claims within the administration system as far back as 1997, the first date upon which GPAA received documents from employer Departments. Most historical claims cannot be finalised due to missing information required by the Fund to finalise the claim and/or the member's tax affairs not being in order.

It was against the aforementioned reasons that GPAA introduced the two dimensions for measuring turnaround times when finalising its Service Level Agreement with the GEPF:

- Average turnaround time since exit; and
- Average turnaround time since the receipt of duly completed forms from the employer.

For the 2010/2011 financial year GPAA paid 54 830 benefits (as compared to 61 615 in 2009/10). 42 853 or 78% of the paid cases were processed within 60 days of the receipt of duly completed forms from employers (64% in 2009/10). The average number of days taken to pay upon receipt of duly completed forms within GPAA has substantially improved and now stands at 22 days (36 days in 2009/10). These improved turnaround times for benefit payments, coupled with improved customer satisfaction, led to decreased escalated enquiries from the GEPF, National Treasury and the Presidential Hotline.

The average time taken by GPAA to pay benefits after the member's exit from the employer is 544 days (as compared to 493 in 2009/2010). The concerted efforts that were directed at reducing backlogs enabled us to pay long outstanding claims and this impacted on the increase in the number from last year. The target of 75 days after exit date was overly ambitious considering the administrative challenges espoused in the GPAA current state assessment conducted by SARS in June 2010.

Improvement of Active Member and Pensioner Experiences

One of the strategic objectives was the reduction of volumes of complaints from members, pensioners, employers and other stakeholders and improvements in the complaints resolution turnaround times.

Access to GPAA: Channel Operations

The call volume received by the Call Centre was 848 146 for the year under review (as compared to 1 457 853 in 2009/10). The 42% decrease in call volume may be attributed to the improved benefit payment turnaround times and the increased utilisation of the Regional Offices. The Regional Offices witnessed an 8% increase in walk-in clients – from 193 909 to 211 516.

The Client Liaison Officers (CLOs) network enhanced the employer interface that provides inputs to all facets of the benefit payment value chain. The CLOs achieved 10 701 employer Department visits during the year under review (8 386 in 2009/10). The employers' HR departments were coached on all pension-related matters through 420 training sessions. The CLOs pre-verified the exit forms on site in a bid to accelerate shorter benefit turnaround times. In addition, clients also utilised electronic channels, such as email and the GEPF's website.

Channel Responsiveness

The Call Centre service level target of 90% was achieved during 2010/2011. The average waiting time of 20 seconds was not achieved, however, as only 3% of this was attained. This can largely be attributed to the membership profile, i.e. pensioners and Special Pension clients that required personal attention. The Call Centre Quality Assurance Survey indicated that 92% of the callers were happy with the service that is provided by the Call Centre.

The creation of a CRM back office assisted GPAA with improving its outbound services to clients whose queries were received online, from the Call Centre and from Regional Offices, i.e. queries that require investigative work. 15% of the queries were resolved within two days, while 67% of the queries were resolved within seven days. Members were kept in the loop if there was no resolution of their queries within 7 working days.

HUMAN CAPITAL:

- GPAA achieved 86, 2% attendance on average for the 2010/2011 financial year. This is in excess of the target of 80% set in the organisation's Strategic Plan. This is significant to the organisation as absenteeism has a negative effect on productivity.
- On average, the total number of days training provided to GPAA employees for the year under review was 2, 5 days per employee. This is 1, 5 days below the target set out in the Strategic Plan, although it is an improvement on the baseline of 2, 04 days of training per employee. However, the benefit arising from investing in training will only be realised fully in the next financial year.

GOVERNANCE:

- GPAA is submitting its first Annual Report. It has, however, put the following governance measures in place:
 - The Supply Chain Management Policy and structure is in place and has successfully supported the GPAA procurement processes; and
 - The organisation successfully mitigated 70% of the high level risks, i.e. strategic risks identified.
- The budget variance for the organisation at the end of the fourth quarter stood at 17%, implying that the organisation spent only 83% of its allocated budget for the year under review. This area is in need of urgent attention as it is well in excess of the ± 2 % required by finance regulations.

STAKEHOLDER MANAGEMENT:

- Stakeholder queries were responded to within two working days during the fourth quarter of the 2010/2011 financial year. This is in excess of the defined target of three working days.
- 97% of employer Departments were serviced by the fourth quarter. Visits to these Departments were conducted by Client Liaison Officers (CLOs), Regional Managers and Senior Managers in order to provide information and to address issues.
- GPAA has met the minimum reporting requirement of the Service Level Agreements with the GEPF and National Treasury respectively.

BUSINESS SUPPORT:

- ICT system uptime was 99.99% for the fourth quarter thus meeting the defined target. This figure is significant as the availability of secure and reliable ICT systems is critical to the achievement of organisational goals.
- The organisation's Business Continuity (BC) objectives for the year were met as a BC Committee has been established with a draft BC Plan in place. Two Business Continuity exercises were successfully conducted during the year under review.

Planning at corporate, divisional and operational level is based on aligning all initiatives to the KPIs through twenty elements of measure. The targets set at each level are aligned to the elements of measure. This Annual Report provides an assessment of progress made towards achievement of the set targets for the 2010/2011 financial year.

2.1.6 Overview of the Service Delivery Environment for 2010/2011

The creation of GPAA as a Government Component has not allowed the organisation to ignore the challenges faced in terms of service delivery. In the past three years the following, which is critical in reaching out to clients, has been done:

- Regional Offices have been established in all nine provinces. These must, however, be further capacitated to improve service delivery.
- Relationships have been built with employer Departments so that they understand their role in the value chain of benefit payments.
- Relationships have been built with other stakeholders.
- The employee environment within the organisation has been stabilised.
- Benefit payment backlogs have begun to be addressed.

The strategy that was put forward for the year under review was created by taking into account the service delivery challenges faced by the GEPF and translating them into GPAA challenges. To this end the GEPF Board of Trustees' strategic objectives and National Treasury's objective (Programme 8) relating to the administration of benefits have been reflected in GPAA's Service Delivery Improvement Plan and will be revised to take account of the changing circumstances in the medium term.

2.1.7 Overview of the Organisational Environment for 2010/2011

As GPAA was born out of the separation of the GEPF from its pension administration component, the creation of the new Government Component has created opportunities as well as challenges. A new approach for strategic management was adopted to respond to the new institutional arrangement and as such the organisation's Strategic Plan was revised to address the gaps and take the new arrangement into account.

The separation of the GEPF from its administration function is not unique to the South African retirement fund industry as most private sector pension funds are administered by independent pension administrators. The separation of the two is therefore an alignment with industry best practice. GPAA's working relationship with the GEPF and National Treasury is regulated by means of SLAs. GPAA's focus remains, however, to constantly improve the quality of service by paying exit benefits and pensions timeously.

Modernisation

To meet the daily customer service needs of the more than 1, 5 million members, i.e. active members and pensioners, and to deliver valuable pension services, GPAA ought to be supported by a highly efficient administration model and structure, a matter recognised long before the separation. To this end, GPAA inherited from the GEPF's administration component a Service Delivery Improvement Programme (SDIP) which was adopted by the Board in 2007 as a response to the service delivery challenges.

In June 2010, the Minister of Finance commissioned the South African Revenue Service (SARS) to partner with GPAA in the delivery of a comprehensive state assessment (including recommendations) of GPAA's operations. This intervention enabled GPAA to effectively leverage SARS' modernisation experience and capabilities. Following on from the assessment and recommendations, GPAA has fully embarked on an enterprise-wide Modernisation Programme with the intention of re-engineering GPAA's core operational and support capabilities in order to yield significant productivity and service delivery improvements.

The Modernisation Programme aims to:

- Improve business processes and governance;
- Invest in improved infrastructure (ICT) and facilities;
- Improve customer service, outreach and education;
- Improve employer Departments' interface and reporting;
- Enhance employee capabilities; and
- Forge strategic alliances with all current and future partners.

While the programme is expected to take five years, the following milestones, from the first of four phases, have been achieved to date:

- SARS has partnered with GPAA on a consulting basis in order to identify, redeploy and recruit appropriate leaders and modernisation design / execution resources.
- Key GPAA advisory, enabling and delivering employees have been identified and transferred to work on the Modernisation Programme for at least 12 -36 months.
- The development of a modernisation structure, with clearly defined roles, responsibilities and capacity allocations, has begun.
- The appointment of a Modernisation Programme Manager, Ross Veitch, has taken place (in May 2011, post year-end).

The full implementation of the Modernisation Programme will transform GPAA's operational effectiveness and efficiency, stakeholder management and governance. The intention of the programme is, along with the points mentioned above, to bolster the confidence that GPAA's two primary clients, namely the GEPF and National Treasury, have in the Agency to effectively and efficiently administer employee benefits.

2.1.8 Key Policy Developments and Legislative Changes

The working relationship that GPAA has with both the GEPP and National Treasury is regulated by means of formalised Service Level Agreements (SLAs). These SLAs ensure that both the GEPP and National Treasury are in a position to monitor the service standards agreed to between all parties. Such SLAs were officially put in place during the year under review.

As a Government Component, GPAA's finances are managed within the auspices of the Public Finance Management Act (PFMA). The organisation thus works within a framework of good governance, transparency, expenditure control and accountability; through this GPAA's management focus on the elimination of wasteful expenditure and corruption in the use of public assets. The CEO, as the Accounting Officer according to the PFMA, keeps full and proper financial records and prepares financial statements, following correct accounting principles. These statements are submitted to the Auditor General and to National Treasury within two months of the organisation's financial year end (31 March) on a yearly basis. Within five months of the financial year end, the CEO is required to submit a completed Annual Report, as well as the financial statements and the Auditor General's report on the financial statements, to the organisation's Executive Authority (the Minister of Finance) and to National Treasury. Any changes or developments in relation to the PFMA, or to the regulations issued by National Treasury, will therefore have an effect on the financial management and reporting of the organisation.

2.1.9 Departmental Revenue, Expenditure, and other Specific Topics

GPAA receives 93% of its revenue from the GEPP and 7% from National Treasury.

Departmental Expenditure

Business Units	YTD Budget R'000	YTD Actual R'000	2010/11 Variance	
			R'000	%
Management and Management Support	16 609	9 981	6 628	40%
Finance and Audit	49 783	45 079	4 704	9%
Human Resources and Facilities	64 691	46 237	18 454	29%
Information Technology	118 930	115 837	3 093	3%
Communications	26 328	19 581	6 747	26%
Client Relationship Management (CRM)	117 743	109 003	8 740	7%
Employee Benefits	72 880	54 330	18 550	25%
Other	26 786	19 212	7 574	28%
Sub-total	493 750	419 260	74 490	15%
Service Delivery Improvement Plan (SDIP)	50 000	2 119	47 881	96%
Total excluding Programme 8	543 750	421 379	122 371	23%
Programme 8	37 243	38 767	(1 524)	(4%)
TOTAL EXPENDITURE	582 518	460 392	122 126	21%
Economic classification				
Compensation of employees	254 777	241 358	13 419	5%
Goods and services	236 271	179 906	56 365	24%
Current payments	491 048	421 264	69 784	14%
Capital expenditure	41 470	37 009	4 461	11%
Operational expenditure	532 518	458 273	74 245	14%
SDIP	50 000	2 119	47 881	96%
TOTAL EXPENDITURE	582 518	460 392	122 126	21%

2.1.10 Capital Investment, Maintenance and Asset Management Plan

Asset Management Plan

GPAA has an Asset Unit of five staff members, falling under Administration Finance. This section of the organisation is responsible for the following:

- The receipt of assets with the asset owner;
- Registering them into the asset register;
- Maintenance of the asset register;
- Verification of assets at least twice per annum;
- Disposal of assets via the Assets Committee; and
- Performing capital budgeting.

Through this process GPAA is able to effectively manage its assets.

Maintenance:

Description	Value
Maintenance of office equipment	412,770.94
Maintenance and repairs to audio visual equipment	95.20
Maintenance and repairs to telecomm equipment	38,657.58
Maintenance of computer software	7,242.55
Maintenance of computer equipment	969,724.06
Maintenance and repairs to security equipment (fixed)	16,412.23
Maintenance and repairs to security equipment (movable)	19,531.62
Maintenance and repairs to motor vehicles	20,855.20
Maintenance of buildings	6,183,690.86
Total	7,668,980.24

Maintenance Analysis

During the year under review office equipment was maintained for approximately 900 staff members at both Head Office and at the 13 Regional Offices. Along with this, biometric and security system scanners were installed and maintained on a separate secure computer network.

The cost of vehicle repairs on the 14 GPAA vehicles was relatively low for the period due to the existence of maintenance plans on the latest models.

The largest challenge faced by the organisation during the 2010/2011 financial year relates to the building housing Head Office in Arcadia, Pretoria. The heritage building brings many issues relating to lack of space, high cost of repair and lack of adequate ablution facilities. The following problems were identified as being in need of urgent attention in the existing facilities:

- The parking facilities are very limited and inadequate (a shortage of approximately 150 bays exists at present).
- The location of the building in a remote part of Pretoria is problematic in terms of client relations as clients need to spend more resources in terms of transport to access the office, which is not situated close to public transport amenities.
- The general state of disrepair and the shabby appearance of the existing entrance to the Walk-in Centre (where client services are offered) does not auger well for good business practice, thereby impacting not only on the morale of staff, but also on that of clients.

- Clients often stand in the sun awaiting service because the waiting rooms cannot accommodate the number of clients who visit the Walk-in Centre on a daily basis. This is an issue as most of the clients who visit the offices are elderly and should be treated with a greater deal of respect.
- The general state of the building is not on par with that of other similar establishments offering financial services. This creates a very poor public image for the organisation and therefore has implications in terms of reputational risk.
- In the event of an emergency or disaster GPAA clients and staff are at risk due to the current state of the building and its infrastructure.

Perhaps more significant than any of the above is the fact that GPAA is currently in contravention of the following Acts in relation to the current Head Office building, which can result in the prosecution of the Accounting Officer and/or his executive staff:

- The Government Immovable Assets Management Act No. 19 of 2007;
- Section 8 of the Occupational Health and Safety Act No. 85 of 1993;
- Section 51, Subsection C of the PFMA; and
- Space Planning Norms of Standards – Notice 1665 of 2005.

The organisation notes with urgency the need to address the challenges relating to the Head Office building at 34 Hamilton Street.

2.2 GPAA'S CORPORATE PERFORMANCE

The Corporate Performance Report includes the four GPAA programmes namely:

- **Programme 1** - Civil Pensions - National Treasury
- **Programme 2** - Employee Benefits - GEPP
- **Programme 3** - Customer Relationship Management - GEPP / National Treasury
- **Programme 4** - Auxiliary Divisions
 - Finance Division (Programme 4.2)
 - Corporate Services Division (Programme 4.3)
 - Risk and Audit Division (Programme 4.4)
 - Legal Services Division (Programme 4.5)
 - Information and Communication Technology (ICT) Division (Programme 4.6)

Performance is related to the five goals, the key performance area and corporate specific indicators measured against an annual target versus the actual performance as tabulated.

Table 2.2.1

Goal 1: Improve client satisfaction.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
I.1 Client Satisfaction	A. Client Satisfaction Index rating	a. Paid Backlog cases	1. Backlog Reduction	
		b. Response to clients	2. Client complaints resolution turnaround time	
		c. Complaints resolved		
		d. Employers serviced at local contact point / office	3. Access to GEPP / GPAA	
		e. Members serviced at local contact point / office		
		f. Call Centre response	4. Responsiveness of Call Centre	
		g. Paid benefits within 90 days from the exit date	5. Timeous and accurate payment of exit benefits	

Actual performance against target		Under / Over Achievement Comment
Target	Actual	
50% of baseline reduced by 31 March 2011	Backlogs were reduced by 66%	The over achievement is attributed to the many initiatives aimed at reducing backlogs as well as the redefining of backlogs in terms of the GEP Law.
Reduce cases > 60 days	Cases > 60 days were reduced by 55%	
Productivity: 6 000 exit cases per month	4 569 per month during 2010/2011	GPAA has the capacity to finalise 6 000 claims per month, while on average the number of new exit cases received per month for the year under review is 4 417. On average 2 325 of cases submitted for tax directives are declined by SARS. GPAA has no control over this as this is the responsibility of the member.
Reduce outstanding cases at employer Departments	Collected an average of 5 526 Z102s per month at the employer to reduce outstanding cases	
Read in / out cases in only 3 days	Cases read in / out in 3 days (81%)	
< 2 working days	Feedback provided within 2 working days (67%)	The creation of a CRM back office assisted GPAA in improving outbound services to clients whose queries were not resolved online, i.e. those that required investigative work.
Within 7 working days	Queries resolved in less than seven days (67%)	The CRM back office resolved 67% of the queries that required investigative work. However, due to the complex nature of the outstanding 33%, these were not resolved quickly. Such cases comprise historical claims that cannot be finalised due to missing information required by the Fund, as well as death in service cases and family disputes.
90% of services in regions	97% employers serviced in Regional Offices	Client Liaison Officers are on a massive campaign to service employer Departments.
90% of services in regions	8.4% clients serviced at local contact points	The target is unachievable. It should read: Service 90% of the members requiring service at the local contact point/office.
90% service levels	91% service levels achieved	Additional personnel have been sourced on a contract basis to ensure the responsiveness of the Call Centre.
Pay exit cases within 75 days after exit	544 days where problems are experienced 21 days where correctly completed documents are received	This measure is unachievable. Cases should be categorised according to the GEP Law and whether they are with the employer Department or third party.

Goal 2: Improve service delivery to meet administrative obligations with speed, ease and accuracy.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
2.1 Employee satisfaction	B. Employee Satisfaction Index rating	h. Competent staff Training days per annum per person as per personal development plans	6. Level of competence (attitude, knowledge, experience, skill)	
		i. Absenteeism	7. Employee Environment	
Goal 3: Build mutually beneficial relationships with stakeholders.				
3.1 Corporate governance	C. Stakeholder Satisfaction Index rating	j. Compliant organisation	8. External audit rating	
		k. Response to stakeholders	9. Stakeholder complaints resolution turnaround time	
		l. Partnerships with stakeholders	10. Performance against SLAs	
Goal 4: Create strategic partnerships with employer communities.				
4.1 Financial Management	C. Stakeholder Satisfaction Index rating	m. Approved Annual Report	11. Timeous submission of Annual Report	
		n. Quarterly variance reports	12. Budget	
		o. Compliance with Fund service levels	13. Performance against SLA	
		p. Compliance with National Treasury service levels		
4.2 Enterprise-wide risk management		q. Mitigated risks	14. Enterprise-wide risk rating (risk register – Top 14)	
		r. Fraud Prevention		

REPORT ON PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

	Actual performance against target		Under / Over Achievement Comment
	Target	Actual	
	4 days per annum targeted training per employee, excluding induction Complete skills audit and identify gaps	An average of 2.5 days of targeted training was provided to employees; excluding induction	GPAA has embarked on a massive drive to train staff to increase the level of competency to render effective services to clients.
	80% attendance at any one time Participate in Employee Wellness Programme	88.57% attendance at any one time Employees attended a number of Employee Wellness-related activities such as: World Aids Day, Men's Day, Women's Day	The management of leave and absenteeism were strengthened to enhance productivity.
	Unqualified audit rating with no matters of emphasis Comply with relevant law, procedures and policies Internal audit	Unqualified external audit rating with no matters of emphasis PFMA and GEP Law compliant Internal audit matters addressed and implemented	An unqualified audit opinion was obtained for GEPF under which GPAA was audited.
	Within 3 working days	Within 2 working days	
	Stakeholder SLAs implemented by 31 March 2011	SLA with employer Departments forwarded to DPSA as a custodian of employer Departments to cascade and reinforce to Departments	The implementation of such an SLA could not be achieved due to the dependency on the DPSA as the main employer.
	Quarterly reports delivered to Strategy office 14 working days after each quarter for input to Annual Report	Annual Report completed by 30 September 2010	GEPF Annual Report was completed by September 2010. The separation was not yet completed when submission was required.
	5% variance	17% variance	The main variance was as a result of under spending of funds allocated to the SDIP, which was translated into the Modernisation Programme to address service delivery gaps.
	80% achievement of GEPF SLA	90% of GEPF service level achieved	GPAA introduced a number of strategies to ensure that it exceeds its service levels with the GEPF.
	80% achievement of National Treasury SLA	95% of National Treasury service levels achieved	GPAA introduced a number of strategies to ensure that it exceed its service levels with National Treasury.
	80% operational risk mitigated and managed	73% implementation of mitigation strategies on high level risks 50% implementation of mitigation strategies on operational risks	Risk mitigation depends on the implementation of actions. Therefore this measure will be reconsidered.
	Develop a fraud prevention strategy	Draft Fraud Prevention Plan in place	

Goal: 5 Enhance service delivery through enabling technology and well-documented processes.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
5.1 Systems reliability	D. Capability Index rating	s. Reliable, secure ICT systems	15. Availability of secure ICT systems (uptime)	
		t. Assurance of business continuity	16. Business continuity	
5.2 Systems utilization		u. Approved process used to deliver services	17. Process utilization	
		v. Approved applications used to deliver services	18. Application utilization	
		w. Corporate milestones	19. Strategic milestones	
5.3 Monitoring and Evaluation		x. Monitored progress feedback	20. Performance against desired results	
		y. Evaluated intervention results		

	Actual performance against target		Under / Over Achievement Comment
	Target	Actual	
	Manage 99.99% of Operations' ICT uptime	99.99% ICT business uptime achieved	
	Institution and management of Operations' OLAs	OLAs not in place	
	Operations continuity plan	An interim business continuity plan was generated and implemented by the Business Continuity Committee	
	Successful business continuity plan test	Two business continuity exercises were conducted	
	Documented Operations processes	No information	Documented operational processes are in place. The information was supplied late.
	Operations ICT requirement audit	Not achieved	The performance and the measure were not aligned.
	80% milestones on Operations' objectives met quarterly	68% strategic milestones achieved	The variance is a result of some of the measures which are not applicable.
	Implemented Corporate Monitoring and Evaluation (CM&E) Strategy and Policy	Corporate Monitoring and Evaluation Policy, Strategy and Framework are being reviewed Monitoring and Evaluation institutionalized Indicators for monitoring performance in place 4 performance monitoring reports produced	
	Integration of Operations' 'lessons learnt' in Operations' plan	8 Evaluation Reports produced with lessons learnt incorporated	GPAA conducted a number of evaluations and fed lessons learnt to the operational plan.

2.3 PROGRAMME PERFORMANCE

2.3.1 Operations Division

The Operations Division manages three of the four GPAA Programmes, namely:

- **Programme 1:** Civil and Military Pensions, Contributions to Funds and Other Benefits
- **Programme 2:** Employee Benefits – Government Employees Pension Fund
- **Programme 3:** Customer Relationship Management (CRM)

Purpose:

The Operations Division manages member admission, contribution collection, member maintenance and exit payments. These key processes ensure the accurate and timely payment of benefits to members and beneficiaries and high-quality, responsive client services. In order to meet client expectations, GPAA operates through a network of Regional Offices in all provinces, including Regional and Satellite Office networks.

Measurable objectives:

- To ensure accurate and timely benefit payments to members and beneficiaries.
- To provide high-quality responsive client services.

MEASURABLE OBJECTIVES AND MEDIUM-TERM OUTPUT TARGETS

GPAA Programme I: Civil and Military Pensions, Contributions to Funds and Other Benefits

Goal I: Improve client satisfaction.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
I.1 Client Satisfaction	A. Client Satisfaction Index rating	a. Paid Backlog cases	1. Backlog Reduction	
		b. Response to clients		
		c. Complaints resolved	2. Client complaints resolution turnaround time	
		d. Employers serviced at local contact point / office	3. Access to GEPF / GPAA	

Actual performance against target		Under / Over Achievement Comment
Target	Actual	
<p>Medical Benefits Administration (MBA): Reduction of 75% in total applications on hand</p> <p>Military Pensions: No backlog</p> <p>Injury on Duty: 176 awards to be paid per month</p> <p>Special Pensions (SP): Backlog cases reduced to 0% by 31st March 2011</p> <p>Appeal backlog cases: Backlog cases reduced to 0% by 31st March 2011</p>	<p>No backlog</p> <p>Error cases were reduced by 81%</p> <p>900 cases (where 400 cases must be verified, 500 cases outstanding documents). Lack of response from members and shortage of staff.</p> <p>Increased backlog cases of 495 that are with the Employers and CC. we have only received copies of awards. Paid 70 awards per month.</p> <p>No backlog in this section</p> <p>Reduced to 114 (95% reduction)</p> <p>Reduced to 76 (96% reduction)</p>	<p>Target achieved at end of the financial year.</p> <p>Partly achieved due to increases in new applications mainly from Non-Statutory Force (NSF) members.</p> <p>Partly achieved due to original awards not reaching the Unit timeously.</p> <p>Achieved 96% of target.</p>
<p>Medical Benefits Administration (MBA): 2 days</p> <p>Military Pensions: Response to clients within 24 hours</p> <p>Injury on Duty: Complaints resolved within 21 days</p> <p>Special Pensions (SP): Reduce response time to 2 days</p>	<p>2 day turnaround time</p> <p>Response within 3 days</p> <p>3 months</p> <p>Fully achieved with 100% of client queries acknowledged and responded to within 2 days</p>	<p>Maintaining 2 day turnaround time.</p> <p>Currently achieving 3 days due to staff multitasking.</p> <p>Achieving 3 months due to delays emanating from the Compensation Commissioner and employer Departments.</p> <p>This is attributed to the establishment of a dedicated Client Care section within Special Pensions. Training conducted with CSAs at Regional offices had a positive impact as well as the fact that Walk-in Centres can now deal with enquiries and respond at that level.</p>
<p>Medical Benefits Administration (MBA): 2 days</p> <p>Military Pensions: 1 week</p> <p>Injury on Duty: Complaints resolved within 3 days</p> <p>Special Pensions (SP): Reduce response time to 24 hours</p>	<p>2 day turnaround time</p> <p>1 week</p> <p>3 working days</p> <p>Partially achieved with 90% of complaints resolved within 24 hours</p>	<p>Maintaining 2 day turnaround time.</p> <p>Maintaining 1 week turnaround time.</p> <p>Maintaining 3 days turnaround time.</p> <p>This is attributed to the establishment of a dedicated Client Care section within Special Pensions. This section deals with unresolved queries and complaints from the Call Centre, the Presidential Hotline, Ministerial and direct client complaints.</p>
<p>Medical Benefits Administration (MBA): 100% of applications sent through from Regional Offices</p> <p>Military Pensions: 100% access; available in 9 provinces</p> <p>Injury on Duty: Obtain 100% access to local contact points</p> <p>Special Pensions (SP): Maintain the current 100% access to local contact point</p>	<p>85% of correct applications received at local points</p> <p>100% access; available in 9 provinces</p> <p>90% access to Regional Offices. 6 Regional Offices were trained.</p> <p>Successfully maintained at 100%</p>	<p>Still using error letters to members to request certain information not attached to documents.</p> <p>100% access achieved.</p> <p>Partially achieved due to limited capacity.</p> <p>Political organisations at provincial level are serviced at local points; this is attributed to the appointment of Special Pensions Regional Co-ordinators. The job entails political verification and stakeholder relationship management.</p>

Goal 1: Improve client satisfaction.

Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
1.1 Client Satisfaction	A. Client Satisfaction Index rating	e. Members serviced at local contact point / office		
		f. Call Centre response	4. Responsiveness of Call Centre	
		g. Paid benefits within 90 days from the exit date	5. Timeous and accurate payment of exit benefits	

REPORT ON PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Actual performance against target		Under / Over Achievement Comment
Target	Actual	
<p>Medical Benefits Administration (MBA): 100% of applications sent through from Regional Offices</p> <p>Military Pensions: 100% access; available in 9 provinces</p> <p>Injury on Duty: Obtain 100% access to local contact points</p> <p>Special Pensions (SP): 100% of applicants and annuitants serviced at Regional Offices</p>	<p>90% members serviced</p> <p>100% access to Regional Offices</p> <p>90% access to Regional Offices. 6 Regional Offices were trained</p> <p>90% of applicants utilize local service points</p>	<p>Achieving 90% access at local/regional points and 10% at Head Office.</p> <p>Achieving 90% access local/regional points and 10% at Head Office.</p> <p>Applicants and pensioners at provincial level are serviced at local points; this is attributed to the appointment of Special Pensions Regional Co-ordinators. Training was provided to all CRM CSAs on the Special Pensions Act and this process yielded positive results. The 10% entails members or applicants who make direct contact or physically come to Head Office for assistance. These are members who still have the perception that service at Head Office is faster than that provided at Regional Offices.</p>
<p>Medical Benefits Administration (MBA): 100% attendance to MBA calls</p> <p>Military Pensions: 80% correct response to all MP calls at Call Centre</p> <p>Injury on Duty: 80% responses on IOD services (Call Centre statistics to be verified in future)</p> <p>Special Pensions (SP): 90% of queries resolved at Call Centre level</p>	<p>90% of attendance to MBA calls (6 738 calls attended to)</p> <p>90% correct response to all calls offered at the Call Centre on MP (jointly with MP: 28 486 calls attended to)</p> <p>70% responses on IOD services; 50% of Call Centre staff were trained on IOD (jointly with IOD: 28 486 calls attended to)</p> <p>66% of queries resolved at Call Centre level (13 809 calls attended to)</p>	<p>Partially achieved as 10% of calls could not be resolved and were escalated to MBA back office.</p> <p>Partially achieved as 10% of calls could not be resolved and were escalated to Military Pensions back office.</p> <p>Partially achieved as 10% of calls could not be resolved and were escalated to IOD back office.</p> <p>The target was not met due increased volumes of calls after the closing date (31 December 2010). Applicants were making follow-ups on their applications, this had a negative impact on Call Centre capacity.</p>
<p>Medical Benefits Administration (MBA): Paid subsidy benefits within 30 days from the date on which correct subsidy claim was received</p> <p>Military Pensions: Maintain pensions at 60 days; new medical board cases: 6 months; reviewed cases: 3 months; Life Certificates: 3 days</p> <p>Injury on Duty: Awards paid within 60 days</p> <p>Special Pensions (SP): i) Within 60 days ii) Pay within 48 hours iii) Payments should be done within 30 days upon receipt of approved applications</p>	<p>Pay all medical subsidy payments within 3 days of receipt of a valid and correct subsidy claim</p> <p>Maintained pensions at 60 days; new medical board cases: 6 months; reviewed cases: 3 months; Life Certificates: 3 days</p> <p>Awards paid within 45 days (membership roll end of fourth quarter: 10 627)</p> <p>80% of cases are paid within 60 days (membership roll end of fourth quarter: 6 746)</p> <p>100% of funeral claims are paid promptly within 48 hours of receipt</p> <p>70% of cases are paid within 60 days</p>	<p>MBA gives priority to these cases.</p> <p>MP gives priority to these cases.</p> <p>MP gives priority to these cases.</p> <p>The challenge in processing all cases within 60 days is due to delays by approved applicants in submitting banking details.</p> <p>This is attributed to segregation of duties, the Chief Adjudicator approves cases of primary applicants and the Senior Manager deals specifically with secondary benefits.</p> <p>Failure to pay cases within 30 days is attributed to challenges in tracing secondary beneficiaries.</p>

Goal 2: Improve service delivery to meet administrative obligations with speed, ease and accuracy.

Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
2.1 Employee satisfaction	B. Employee Satisfaction Index rating	h. Competent staff	6. Level of competence (attitude, knowledge, experience, skill)	
		Training days per annum per person as per personal development plans		
		i. Absenteeism	7. Employee Environment	

Goal 3: Build mutually beneficial relationships with stakeholders.

3.1 Corporate governance	C. Stakeholder Satisfaction Index rating	j. Compliant organisation	8. External audit rating	
		k. Response to stakeholders	9. Stakeholder complaints resolution turnaround time	
		l. Partnership with stakeholders	10. Performance against SLA	

Goal 4: Create strategic partnerships with employer communities.

4.1 Financial Management	C. Stakeholder Satisfaction Index rating	m. Approved Annual Report	11. Timeous submission of Annual Report	
		n. Quarterly variance reports	12. Budget	
		o. Compliance with National Treasury Service levels	13. Performance against SLA	
4.2 Enterprise-wide risk management		p. Mitigated risks	14. Enterprise-wide risk rating (risk register – Top 14)	
		q. Fraud prevention		

Goal: 5 Enhance service delivery through enabling technology and well-documented processes.

5.1 Systems reliability		r. Reliable, secure ICT systems	15. Availability of secure ICT systems (uptime)	
		t. Assurance of business continuity	16. Business continuity	
5.2 Systems utilization	D. Capability Index rating	u. Approved process used to deliver services	17. Process utilization	
		v. Approved applications used to deliver services	18. Application utilization	
		w. Corporate milestones	19. Strategic milestones	
5.3 Monitoring and Evaluation		x. Monitored progress feedback	20. Performance against desired results	
		y. Evaluated intervention results		

REPORT ON PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

	Actual performance against target		Under / Over Achievement Comment
	Target	Actual	
	4 Days per employee per annum		
	80% Attendance at any given time	86% Attendance at any given time	Over achieved by 6% due to staff commitment and clear performance targets set.
	Unqualified	Implementing external audit requirements on all the findings	Achieved an unqualified audit opinion with matters of emphasis without changing the opinion.
	3 working days	3 working days	Achieved.
	Comply with SLA with National Treasury and GPAA - with a variance of $\pm 1\%$	95% of National Treasury service levels achieved	Achieved due to clearly set targets and improved internal controls.
	Meet National Treasury deadlines in the provision of input in preparation of Annual Report	Divisional inputs submitted timeously	Achieved due to better planning.
	$\pm 5\%$ variance monthly	0.02% variance	Over achieved due to improved internal controls and monitoring of expenditure.
	Approved SLA in place	100% compliant	Achieved.
	Low risk rating: including finalized missing document and files project	Medium risk rating	Achieved medium risk rating, challenges are in the IT risk assessment.
	50% reduction in fraud cases reported Finalize investigation of fraudulent cases reported	Special Pensions stopped payment of 86 cases Balance being investigated by Medical Benefits Administration - 3	A total of 54 pensioners in this category did not respond and Special Pensions Management was advised by National Treasury not to suspend payment until a proper mandate has been obtained from the relevant authorities. Achieved: 2 cases resolved 1 case outstanding.
	99.99% uptime within business hours	98% during business hours	
		Business Continuity Practitioner training for Senior Managers	
	Finalize draft document by 30 June 2010 for both Administration and Finance	Processes are still in draft form	
	Streamline functions used per user by 30 September 2010	User profiling per role was done and finalised	
	80% of strategic milestones as recorded in this plan		
	Compliance with GPAA's Strategy	No information	Measured in Corporate Monitoring and evaluation.
		No information	

GPAA Programme 2: Employee Benefits – Government Employees Pension Fund

Goal 1: Improve client satisfaction.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
I.1 Client Satisfaction	A. Client Satisfaction Index rating	a. Paid Backlog cases	1. Backlog Reduction	
		b. Response to clients	2. Client complaints resolution turnaround time	
		c. Complaints resolved		
		d. Employers serviced at local contact point / office	3. Access to GEPF / GPAA	
		e. Members serviced at local contact point / office		
		f. Call Centre response	4. Responsiveness of Call Centre	

Actual performance against target		Under / Over Achievement Comment
Target	Actual	
50% of baseline reduced by 31 March 2011	Backlogs were reduced by 66%	The over achievement is attributed to the many initiatives aimed at reducing backlogs as well as the redefining of backlogs in terms of the GEP Law.
Reduce cases > 60 days	Cases > 60 days were reduced by 55%	
Productivity: 6 000 exit cases per month	4 569 per month during 2010/2011	GPAA has the capacity to finalise 6 000 claims per month meanwhile on average new exit cases received per month for the year under review is 4 417. On average 232 cases are declined by SARS and GPAA has no control over this as this is the responsibility of the member to keep personal tax affairs in order.
Reduce outstanding cases at employer Departments	Collected an average of 5 526 Z102 forms per month at employer to reduce outstanding cases	
Read in / out cases in only 3 days	Cases read in / out in 3 days (81%)	
< 2 working days	< 2 working days	The creation of CRM back office assisted GPAA in improving outbound services to clients whose queries were not resolved online i.e. that required investigation work.
Within 7 working days	Complaints resolved within an average of 4.5 days	CRM back office resolved 67% of the queries that did not require investigation. The 37% not resolved were due to their complex nature. The problem cases comprise historical claims that cannot be finalised due to missing information required by the Fund, as well as death in service and family disputes.
Synchronized and standardized Error Messages by 30 September 2010	Error Message review still to be standardized	The Client Liaison Officers (CLOs) network enhanced the employer interface that provides inputs to all facets of the benefit payment value chain. The CLOs achieved 10 701 employer Department visits (8 386 in 2009/10). The employers' HR departments were coached on all pension-related matters through 420 training sessions. The CLOs pre-verified the exit forms on site in a bid to accelerate shorter benefit turnaround times.
90% of cases read in within 3 days	±81% of cases read in / out in 3 days	
90% compliance to agreed turnaround times		
Synchronized and standardized Error Messages by 30 September 2010	Error Message review still to be standardized	
90% of cases read in within 3 days	±81% of cases read in/ out in 3 days	
90% Compliance to agreed turnaround times		
50% reduction of baseline by 31 March 2011	32% reduction	

Goal 1: Improve client satisfaction.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
1.1 Client Satisfaction	A. Client Satisfaction Index rating	g. Paid benefits within 90 days from the exit date	5. Timeous and accurate payment of exit benefits	
Goal 2: Improve service delivery to meet administrative obligations with speed, ease and accuracy.				
2.1 Employee satisfaction	B. Employee Satisfaction Index rating	h. Competent staff Training days per annum per person as per personal development plans	6. Level of competence (attitude, knowledge, experience, skill)	
		i. Absenteeism	7. Employee Environment	
Goal 3: Build mutually beneficial relationships with stakeholders.				
3.1 Corporate governance	C. Stakeholder Satisfaction Index rating	j. Compliant organisation	8. External audit rating	
		k. Response to stakeholders	9. Stakeholder complaints resolution turnaround time	
		l. Partnership with stakeholders	10. Performance against SLA	

REPORT ON PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Actual performance against target		Under / Over Achievement Comment
Target	Actual	
Pay exit cases within 75 days after exit	<p>544 days where problems are experienced</p> <p>21 days where correctly completed documents are received</p>	<p>The average turnaround time for exit payments takes into account all claims within the administration system as far as 1997, the first date at which GPAA received documents from the employer. The concerted effort to reduce backlogs resulted in the payment of long outstanding cases.</p> <p>Most historical claims cannot be finalised due to missing information required by the Fund to finalise the claim and the members' tax affairs not being in order.</p> <p>This current measure is unachievable. GPAA introduced the two dimensions for measuring turnaround times, when finalising the Service Level Agreement with the GEPF:</p> <ul style="list-style-type: none"> · Average turnaround time since exit; and · Average turnaround time since the receipt of duly completed forms from the employer. <p>The average days taken to pay upon receipt of duly completed forms within GPAA has substantially improved and now stands at 22 days (36 days in 2009/10).</p>
4 days per annum targeted training per employee, excluding induction	4 days per annum training provided to employees; excluding induction	GPAA has embarked on a massive drive to train staff to increase the level of competency to render effective service to clients.
Complete skills audit and identify gaps	Skills audit conducted and training needs identified	
80% attendance at any one time	82% attendance at any one time	The management of leave and absenteeism were strengthened to enhance productivity.
Participate in Employee Wellness Programme	Employees attended a number of Employee Wellness-related activities such as: World Aids Day, Men's Day and Women's Day	
Unqualified audit rating with no matters of emphasis	Compiled procedure manuals	An unqualified audit opinion was obtained for GEPF under which GPAA was audited.
Comply with relevant law, procedures and policies	In the process of implementing quality control tools and quality assurance	
Internal audit	More than 95% of all internal audit matters already addressed and implemented	
Within 3 working days	All complaints are resolved within 3 working days	Achieved.
Stakeholder SLAs implemented by 31 March 2011	All targets are monitored and reported on monthly	<p>An inter-departmental task team between GPAA and DPSA was formed to formulate an implementation strategy. GPAA has commenced piloting the concept with some employers.</p> <p>GPAA Employer Education Forums focus on employer obligations in terms of all applicable frameworks governing the GPAA product range and stress the essence of compliance on the part of employers.</p>

Goal 4: Create strategic partnerships with employer communities.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
4.1 Financial Management	C. Stakeholder Satisfaction Index rating	m. Approved Annual Report	11. Timeous submission of Annual Report	
		n. Quarterly variance reports	12. Budget	
		o. Compliance with Fund service levels	13. Performance against SLA	
		p. Compliance with National Treasury Service levels		
4.2 Enterprise-wide risk management		q. Mitigated risks	14. Enterprise-wide risk rating (risk register – Top 14)	
		r. Fraud Prevention		
Goal 5 Enhance service delivery through enabling technology and well-documented processes.				
5.1 Systems reliability	D. Capability Index rating	s. Reliable, secure ICT systems	15. Availability of secure ICT systems (uptime)	
		t. Assurance of business continuity	16. Business continuity	
5.2 Systems utilization		u. Approved process used to deliver services	17. Process utilization	
		v. Approved applications used to deliver services	18. Application utilization	
5.3 Monitoring and Evaluation		x. Monitored progress feedback	20. Performance against desired results	
		y. Evaluated intervention results		

REPORT ON PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

	Actual performance against target		Under / Over Achievement Comment
	Target	Actual	
	Quarterly reports delivered to Strategy office 14 working days after each quarter	Within 7 days after quarter end	GEPF Annual Report was completed by September 2010. The separation was not yet completed when submission was required.
	5% variance	23% variance	The main variance was as a result of under spending of funds allocated to the SDIP which was translated into the Modernisation Programme to address service delivery gaps.
	80% achievement of GEPF SLA	All targets are monitored and reported on monthly	GPAA has committed to baseline targets with the GEPF and is reporting in that regard. The benefits derived from the Modernisation Programme will progressively assist GPAA in meeting the desired service levels in the five year post-separation period.
	80% achievement of National Treasury SLA	All targets are monitored and reported on monthly	GPAA has committed to baseline targets with National Treasury and is reporting in that regard. The benefits derived from the Modernisation Programme will progressively assist GPAA in meeting the desired service levels in the five year post-separation period.
	80% operational risks mitigated and managed	Risk Champions appointed in December 2010	Risk mitigation depends on the implementation of actions therefore this measure will be reconsidered.
	Develop a fraud prevention strategy	Risk Champions appointed in December 2010	Risk Champions appointed in December 2010 as per the strategy.
	Manage 99.99% of Operations' ICT uptime	None	Measured under ICT.
	Institution and management of Operations' OLAs		
	Operations' business continuity plan	None	Measured under ICT.
	Successful business continuity plan test		
	Documented Operations processes	Procedures have been documented in all areas	Achieved.
	Operations' ICT requirement audit	All system/application failures are reported to ICT immediately	
	Proactive action related to quarterly Operations' Corporate Monitoring and Evaluation	Management reports are submitted monthly before or on the 7 th	
	Integration of Operations' 'lessons learnt' in Operations' plan		

MEASURABLE OBJECTIVES AND MEDIUM-TERM OUTPUT TARGETS

GPAA Programme 3: Customer Relationship Management (CRM)

Goal 1: Improve client satisfaction.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
1.1 Client Satisfaction	A. Client Satisfaction Index rating	a. Paid Backlog cases	1. Backlog Reduction	
		b. Response to clients	2. Client complaints resolution turnaround time	
		c. Complaints resolved		
		d. Employers serviced at local contact point / office	3. Access to GEPF / GPAA	
		e. Members serviced at local contact point / office		
		f. Call Centre response	4. Responsiveness of Call Centre	
		g. Paid benefits within 90 days from the exit date	5. Timely and accurate payment of exit benefits	
Goal 2: Improve service delivery to meet administrative obligations with speed, ease and accuracy.				
2.1 Employee satisfaction	B. Employee Satisfaction Index rating	h. Competent staff Training days per annum per person as per personal development plans	6. Level of competence (attitude, knowledge, experience, skill)	
		i. Absenteeism	7. Employee Environment	
Goal 3: Build mutually beneficial relationships with stakeholders.				
3.1 Corporate governance	C. Stakeholder Satisfaction Index rating	j. Compliant organisation	8. External audit rating	
		k. Response to stakeholders	9. Stakeholder complaints resolution turnaround time	
		l. Partnerships with stakeholders	10. Performance against SLA	

REPORT ON PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Actual performance against target		Under / Over Achievement Comment
Target	Actual	
50% of baseline reduced by 31 March 2011	Total Z102 forms submitted: 16 579	CRM collects Z102 forms from Employers and pre –assesses them before sending them to processing. 32% of the Z102s that they collected were returned to Employers due to errors.
<2 working days	Feedback provided within 2 working days (67%)	The creation of CRM back office assisted GPAA to improve outbound services to clients whose queries were not resolved on line i.e. required investigation work.
7 working days	Queries resolved in less than seven days (67%)	The back office resolved 67% of the queries that required investigative work due to the complex nature of those outstanding. The problem cases comprise historical claims that cannot be finalised due to missing information required by the Fund and death in service.
90% of services in regions	97% of employers serviced by Regional Offices	The Client Liaison Officers (CLOs) network enhanced the employer interface that provides inputs to all facets of the benefit payment value chain. The CLOs achieved 10 701 employer Department visits (8 386 in 2009/10). The employers' HR departments were coached on all pension-related matters through 420 training sessions. The CLOs pre-verified the exit forms on site in a bid to accelerate shorter benefit turnaround times.
90% of services in regions	8.4% clients serviced at local contact points	The target is unachievable. It should read: Service 90% of the members requiring service at the local contact point/office.
90% on service level	91% of service levels achieved	The capacitation of the Call Centre, the targeted training and improved processes assisted GPAA to meet the service demands.
50% of baseline reduced by 31 March 2011	Total Z102 forms submitted: 16 579	CRM collects Z102 forms from Employers and pre –assesses them before sending them to processing. 32% of the Z102s that they collected were returned to Employers due to errors.
Supply 4 days targeted training per employee excluding induction	4 days targeted training per employee	Achieved.
80% attendance at any one time	85% attendance at any one time	Achieved - The management of leave and absenteeism were monitored to enhance productivity.
	No information	Internal Audit findings - 67% implemented, 24% partially implemented 9% did not implement - due to Modernisation Programme.
Within 3 working days	Within 2 working days	Over achieved due to improved stakeholder management with employers and brokers.
Stakeholder SLA development plan implemented by 31 March 2011	The document has been forwarded to DPSA as a custodian of employer Departments to cascade and reinforce to Departments	An inter - departmental task team between GPAA and DPSA was formed to formulate implementation strategy and GPAA has commenced piloting the concept with some employers. GPAA Employer Education Forums focus on employer obligations in terms of all applicable frameworks governing the GPAA product range and stresses the essence of compliance on the employer's part.

Goal 4: Create strategic partnerships with employer communities.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
4.1 Financial Management	C. Stakeholder Satisfaction Index rating	m. Approved Annual Report	11. Timeous submission of Annual Report	
		n. Quarterly variance reports	12. Budget	
		o. Compliance with Fund service levels	13. Performance against SLA	
		p. Compliance with National Treasury Service levels		
4.2 Enterprise-wide risk management		q. Mitigated risks	14. Enterprise-wide risk rating (risk register – Top 14)	
		r. Fraud prevention		
Goal: 5 Enhance service delivery through enabling technology and well-documented processes.				
5.1 Systems reliability	D. Capability Index rating	s. Reliable, secure ICT systems	15. Availability of secure ICT systems (uptime)	
		t. Assurance of business continuity	16. Business continuity	
5.2 Systems utilization		u. Approved process used to deliver services	17. Process utilization	
		v. Approved applications used to deliver services	18. Application utilization	
		w. Corporate milestones	19. Strategic milestones	
5.3 Monitoring and Evaluation		x. Monitored progress feedback	20. Performance against desired results	
		y. Evaluated intervention results		

2.3.2 Programme 4 – Auxiliary Divisions

2.3.2.1 FINANCE DIVISION (PROGRAMME 4.2)

Purpose:

The Finance Division directs and manages the financial resources available to administer pensions and other benefits using best practice principles. In this regard, the Division ensures that financial policies are adhered to, financial record-keeping is done according to an appropriate framework and sufficient cash flow levels are maintained for operational activities.

Measurable objectives:

- To ensure efficient management of the financial resources available to administer GPAA.
- To ensure adherence to financial policies.
- To ensure that record keeping is done according to an appropriate framework.

REPORT ON PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

	Actual performance against target		Under / Over Achievement Comment
	Target	Actual	
	Quarterly reports delivered within 14 working days after each quarter	Generally guidelines are adhered to	Achieved, complied with the strategy planning framework.
	5% variance	10% variance	Not achieved.
	Not yet measured	Not yet measured	Provide information to channel operations, employer liaison and member awareness programmes, as well as education campaigns, as required by the GEPF SLA.
	Not yet measured	Not yet measured	Provide information to channel operations, employer liaison and member awareness programmes, as well as education campaigns, as required by the National Treasury SLA.
	80% operational risk mitigated and managed	45% of CRM risks mitigated as per risk register	Addressed CRM-specific risks from the Corporate Risk register.
	Develop fraud prevention strategy	Improved security - document storage Improved restrictions on Cyberdoc print USB port restrictions Staff awareness	Achieved and implemented strategies to reduce fraudulent activities.
	99.99% system uptime	General service level is 99%, 75% due to Oracle server rebooting	Server issues.
	CRM Business Continuity Plan Successful business continuity plan test	Work in progress	CRM represented in the Corporate Business Continuity Plan.
	Documented CRM processes	Work in progress	Process Mapping project put on hold due to modernization programme.
	CRM ICT requirement audit	Work in progress	CRM ICT enhancements put on hold due to modernization programme.
	80% milestones on CRM operations objectives met quarterly	Not achieved: Regional Offices' enhancement	Not Achieved as Regional Manager's additional personnel requests are not provided for in the current organisational structure.
	Proactive action related to Corporate Monitoring and Evaluation report	No information	CRM provided reports as per strategic planning framework.
	Integration of CRM lessons learnt in CRM plan	Communication Management skills	Can only be implemented in the next financial year.

Goal 1: Improve client satisfaction				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
1.1 Client Satisfaction	A. Client Satisfaction Index rating	a. Paid Backlog cases	1. Backlog Reduction	
		b. Response to clients	2. Client complaints resolution turnaround time	
		c. Complaints resolved		
		d. Employers serviced at local contact point / office	3. Access to GEPF / GPAA	
		e. Members serviced at local contact point / office		
		f. Call Centre response	4. Responsiveness of Call Centre	
		g. Paid benefits within 90 days from the exit date	5. Timeous and accurate payment of exit benefits	
Goal 2: Improve service delivery to meet administrative obligations with speed, ease and accuracy.				
2.1 Employee satisfaction	B. Employee Satisfaction Index rating	h. Competent staff Training days per annum per person as per personal development plans	6. Level of competence (attitude, knowledge, experience, skill)	
		i. Absenteeism	7. Employee Environment	
Goal 3: Build mutually beneficial relationships with stakeholders.				
3.1 Corporate governance	C. Stakeholder Satisfaction Index rating	j. Compliant organisation	8. External audit rating	
		k. Response to stakeholders	9. Stakeholder complaints resolution turnaround time	
		l. Partnerships with stakeholders	10. Performance against SLA	

REPORT ON PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

	Actual performance against target		Under / Over Achievement Comment
	Target	Actual	
Reduce unclaimed benefits		R574 475 072, increase on R24 636 966.89 from baseline of R549 838 105.11 (4% increase)	The unclaimed benefits have been linked with S-cases and as such 50% of the total unclaimed benefits (R287m) were a direct transfer from the S-case.
Decrease turnaround time for tax clearance		3 to 4 days when there is no decline	Achieved.
Finance response < 2 working days		2 working days	Achieved.
Within 7 working days		2 working days	Finance did not get many complaints and those we got were resolved with 2 working days.
Financial management support		Variance analysis reports sent to Business Units on a monthly basis	Achieved.
Financial management support		Variance analysis reports sent to Business Units on a monthly basis	Achieved.
Responsiveness of Supply Chain Management to procurement processes		Responsiveness of Supply Chain Management to procurement processes	Achieved.
7 working days turnaround for payments above R 1 million		5 working days	There were no unexpected problems on bank confirmations and it has taken only 5 working days.
4 days per annum targeted training per employee, excluding induction		2 days per staff member	Due to the type of business run by the GPAA (pension fund administration), and the years of service of our staff members (averaging more than 5 years), only limited training is available.
80% attendance at any one time		More than 88% attendance	Achieved.
Participate in Employee Wellness Programme		No one as yet as there is no need for now.	No one as yet as there is no need for now.
Unqualified audit rating with no matters of emphasis		Unqualified external audit rating with no matters of emphasis	Achieved
Comply with relevant law, procedures and policies		PFMA and GEP Law compliant	Achieved
Internal audit		No audit findings	The audit findings identified are being cleared in time.
Within 3 working days		2 working days	Due to the nature and the number of complaints we received, it was possible to respond within 2 days.
Stakeholder SLAs implemented by 31 March 2011		In progress	

Goal 4: Create strategic partnerships with employer communities.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
4.1 Financial Management	C. Stakeholder Satisfaction Index rating	m. Approved Annual Report	11. Timeous submission of Annual Report	
		n. Quarterly variance reports	12. Budget	
		o. Compliance with Fund service levels	13. Performance against SLA	
		p. Compliance with National Treasury Service levels		
4.2 Enterprise-wide risk management		q. Mitigated risks	14. Enterprise-wide risk rating (risk register – Top 14)	
		r. Fraud prevention		
Goal 5 Enhance service delivery through enabling technology and well-documented processes.				
5.1 Systems reliability	D. Capability Index rating	s. Reliable, secure ICT systems	15. Availability of secure ICT systems (uptime)	
		t. Assurance of business continuity	16. Business continuity	
5.2 Systems utilization		u. Approved process used to deliver services	17. Process utilization	
		v. Approved applications used to deliver services	18. Application utilization	
		w. Corporate milestones	19. Strategic milestones	
5.3 Monitoring and Evaluation		x. Monitored progress feedback	20. Performance against desired results	
		y. Evaluated intervention results		

REPORT ON PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

	Actual performance against target		Under / Over Achievement Comment
	Target	Actual	
	Quarterly reports delivered to Strategy office 14 working days after each quarter	Submitted on the 10 th	Achieved.
	Monthly, quarterly and half-yearly budget and variance reports	17% variance	Due to the Modernisation Programme which was put on hold last year; the spending was below what was expected.
	80% achievement of GEPF SLA of Unit-relevant deliverables	In progress	The SLA was finalised last year and was subject to continuous reviews which are taking place.
	80% achievement of National Treasury SLA of Unit-relevant deliverables	In progress	The SLA has been finalised and is waiting for approval by the two parties.
	80% finance risk mitigated and managed	Risks mitigated	Achieved.
	Contribute to fraud prevention strategy	Fraud on unclaimed benefits	Achieved.
	Managed 99.99% finance ICT uptime	100% finance ICT uptime	Achieved.
	Institution and management of Finance's OLAs	In progress	ICT is busy working on this project.
	Finance continuity plan	In progress	The Business Continuity Plan for the organisation was finalised after year-end and the Finance plans are still in progress.
	Successful business continuity plan test	Disaster recovery test was finalised and successful in February 2011	
	Documented Finance processes	80% done	Due to modernisation changes, the process documentation is an ongoing process.
	Finance ICT requirements audit	ACCPAC in place	Achieved. ACCPAC for GPAA has been put in place.
	80% milestone of Finance objectives met quarterly	80 % Finance milestones achieved	Achieved.
	Proactive action related to quarterly Finance Corporate Monitoring and Evaluation report	Generating reports to National Treasury/Business Units on a monthly and quarterly basis	Achieved. All the necessary reports are generated for National Treasury and/or Business Units monthly and quarterly.
	Integrations of Finance's 'lessons learnt' in operations plan	In progress	Lessons learnt have been integrated on the future year's operations plan.

2.3.2.2 CORPORATE SERVICES DIVISION (PROGRAMME 4.3)

Purpose:

The primary aim of this Division is to support GPAA in achieving its strategic goals through the management, co-ordination and oversight of all management support and human resources services within the organisation. In working towards the realisation of these goals, the Division ensures compliance with all legislative requirements for policy formulation and frameworks. This Division therefore works to provide a conducive environment for the employees of the organisation in order to promote optimum service.

Measurable objectives:

- To reduce absenteeism.
- To provide training and development.
- To ensure safety and security.

Goal 1: Improve client satisfaction.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
I.1 Client Satisfaction	A. Client Satisfaction Index rating	a. Paid Backlog cases	1. Backlog Reduction	
		b. Response to clients	2. Client complaints resolution turnaround time	
		c. Complaints resolved		
		d. Employers serviced at local contact point / office	3. Access to GEPP / GPAA	
		e. Members serviced at local contact point / office		
		f. Call Centre response	4. Responsiveness of Call Centre	
		g. Paid benefits within 90 days from the exit date	5. Timely and accurate payment of exit benefits	
Goal 2: Improve service delivery to meet administrative obligations with speed, ease and accuracy.				
2.1 Employee satisfaction	B. Employee Satisfaction Index rating	h. Competent staff Training days per annum per person as per personal development plans	6. Level of competence (attitude, knowledge, experience, skill)	
		i. Absenteeism	7. Employee Environment	

Actual performance against target			Under / Over Achievement Comment
Target	Actual		
Personal safety with employee feedback at >80%	No information		In an Employee Satisfaction Survey, 89% of the staff indicated that their working environment is safe.
Percentage of employees who meet or exceed their performance expectations			
HR response <2 working days	Investigating feasibility of implementing client complaints register		Target could not be measured; still investigating the development of a measurement tool.
Within 7 working days	Investigating feasibility of implementing client complaints register		Target could not be measured; still investigating the development of a measurement tool.
Customised HR services that meet Regional requirements	No information		HR has been travelling to Regional Offices to provide support that meets the requirements at this level.
Customised HR services that meet Regional requirements	No information		HR has been travelling to Regional Offices to provide support that meets the requirements at this level.
HR support	No information		HR support has been provided to the Call Centre for it to function more effectively.
Quarterly Regional Offices' feedback to Corporate Service	No information		HR support has been provided to support timeous and accurate of payment of benefits.
4 days per annum targeted training per employee, excluding induction	2.5 days per annum targeted training per employee, excluding induction		
Executive management training	No information		
80% attendance at any one time	88.57% attendance at any one time		GPAA has made a concerted effort to manage leave and absenteeism.
Conducive environment with employee feedback at 80% satisfaction index	Employees attended a number of Employee Wellness-related activities such as: World Aids Day, Men's Day and Women's Day		
Manage Employee Wellness Programme			In an Employee Satisfaction Survey, 89% of the staff indicated that their working environment is safe.
A safe environment with good physical security			

Goal 3: Build mutually beneficial relationships with stakeholders.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
3.1 Corporate governance	C. Stakeholder Satisfaction Index rating	j. Compliant organisation	8. External audit rating	
		k. Response to stakeholders	9. Stakeholder complaints resolution turnaround time	
		l. Partnership with stakeholders	10. Performance against SLA	
Goal 4: Create strategic partnerships with employer communities.				
4.1 Financial Management	C. Stakeholder satisfaction index rating	m. Approved Annual Report		
		n. Quarterly variance reports		
		o. Compliance with Fund service levels		
		p. Compliance with National Treasury Service levels		
4.2 Enterprise-wide risk management		q. Mitigated risks		
		r. Fraud prevention		
Goal 5 Enhance service delivery through enabling technology and well-documented processes.				
5.1 Systems reliability	D. Capability Index rating	s. Reliable, secure ICT systems	15. Availability of secure ICT systems (uptime)	
		t. Assurance of business continuity	16. Business continuity	
5.2 Systems utilization		u. Approved process used to deliver services	17. Process utilization	
		v. Approved applications used to deliver services	18. Application utilization	
		w. Corporate milestones	19. Strategic milestones	
5.3 Monitoring and Evaluation		x. Monitored progress feedback	20. Performance against desired results	
		y. Evaluated intervention results		

REPORT ON PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Actual performance against target			Under / Over Achievement Comment
Target	Actual		
Unqualified audit rating with no matters of emphasis	Audit report on policies	Awaiting clarity on GPAA/GEPF delegation and processes	In the process of aligning policies to GPAA requirements to avoid qualification in this area.
Comply with law, procedures and policies			
Internal audit			
Within 3 working days	Investigating feasibility of implementing client complaints register		HR does not directly deal with complaint resolution, it only provides support.
Revise contracts and SLAs and introduce penalty clauses	Terms and conditions and pricing amended and implemented with recruitment agencies		GPAA is in the process of amending prices with the view to implement penalties for service providers.
Quarterly reports delivered to Strategy office 14 working days after each quarter	Submitted report by the 7 th working day		Achieved.
5% variance	16.49% variance		Moratorium on the filling of SMS and management positions has resulted in the under spending of the budget.
80% achievement of GEPF SLA of Unit-relevant deliverables	No information		
80% achievement of GEPF SLA of Unit-relevant deliverables	No information		
80% of Corporate Services' risks mitigated and managed	First draft of risk register finalised		Achieved.
Develop a fraud prevention strategy	Addressed in draft risk register		Achieved.
Managed 99.99% of Corporate Services' ICT uptime	No information		See ICT scorecard.
Institution and management of Corporate Services' OLA			
Ensure document security			
Establish a Corporate Services business continuity plan	Met with Chief Information Officer; will escalate to Business Continuity Committee. In process of collaborating with Information Security to upgrade HR filing system		See ICT scorecard.
Successful business continuity plan test			
Documented Corporate Services processes	Awaiting clarity on GPAA/GEPF delegation and processes		Processes in place. Awaiting clarity on delegations to finalise.
Complete application survey	Met with acting Chief Information Officer who will update HR on progress		
Implemented ICT strategy			
80% milestones on Corporate Services' objectives quarterly	No information		See Corporate scorecard.
Proactive action related to quarterly Corporate Services Corporate Monitoring and Evaluation report	Submitted report by 7 th working day		Achieved.
Integration of Corporate Services' "lessons learnt" in operational plan	No information		This was achieved under the ambit of Corporate Monitoring and Evaluation.

2.3.2.3 RISK AND AUDIT DIVISION (PROGRAMME 4.4)

Purpose:

This Division has three key responsibilities, namely to promote a fraud-free environment within GPAA, to manage enterprise-wide risks and to provide an internal audit service within the organisation.

Measurable objectives:

- To mitigate and manage enterprise-wide risk at GPAA.
- To reduce, eradicate and investigate fraudulent activities at GPAA.

Goal 1: Improve client satisfaction.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
1.1 Client Satisfaction	A. Client Satisfaction Index rating	a. Paid Backlog cases	1. Backlog Reduction	
		b. Response to clients	2. Client complaints resolution turnaround time	
		c. Complaints resolved		
		d. Employers serviced at local contact point / office	3. Access to GEPF / GPAA	
		e. Members serviced at local contact point / office		
		f. Call Centre response	4. Responsiveness of Call Centre	
		g. Paid benefits within 90 days from the exit date	5. Timeous and accurate payment of exit benefits	
Goal 2: Improve service delivery to meet administrative obligations with speed, ease and accuracy.				
2.1 Employee satisfaction		h. Competent staff Training days per annum per person as per personal development plans	6. Level of competence (attitude, knowledge, experience, skill)	
		i. Absenteeism	7. Employee Environment	

Actual performance against target			Under / Over Achievement Comment
Target	Actual		
Reduce number of cases in investigation area to < 14 working days	Reduce number of cases by 40%	The volume of cases increased from 561 to a closing balance of 692 and there was no additional human resource to match the demand.	
Response < 2 working days	Clients attended to within the expected timeframe	There was no mechanism in place to measure whether it was within the indicated timeframe.	
Within 7 working days	Clients attended to within the expected timeframe	There was no mechanism in place to measure whether it was within the indicated timeframe.	
Train agents and Client Liaison Officers (CLOs) to be aware of fraudulent tactics	260 agents and CLOs, as well as employer HR forum members and brokers, sensitized	A huge investment was made in achieving this target; hence the over achievement.	
Train agents and CLOs to be aware of fraudulent tactics	260 agents and CLOs, as well as employer HR forum members and brokers, sensitized	A huge investment was made on achieving this target; hence the over achievement.	
Investigators available for consultation on fraudulent activities and tactics	Sensitization and training (sharing of information) occurs on an ad hoc basis with the Call Centre Team Leaders and Manager; new modus operandi are shared so that the employees can be made alert	Achieved.	
Reduce number of cases in investigation area to < 14 days	Reduce number of cases by 40%	The volume of cases increased from 561 to a closing balance of 692 and there was no additional human resource to match the demand.	
4 days per annum targeted training per employee, excluding induction	12 employees underwent 4 days of training within the Business Unit in the period under review	Fraud and Corruption African Summit: Senior Manager Attended (1). IT Governance Risk and Compliance: 1 Senior Manager attended. Public Finance Management Act: 3 Managers trained. E-Fraud Prevention Strategies: 1 Manager attended. ACFE Conference: 4 attended IIA Conference: 2 attended	
Complete skills audit and address gaps			
80% attendance at any one time	69.75% attendance at any one time	Legislative leave requirements for employees had to be adhered to and as a result 80% attendance could not be achieved.	
Participate in Employee Wellness Programme			

Goal 3: Build mutually beneficial relationships with stakeholders.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
3.1 Corporate governance		j. Compliant organisation	8. External audit rating	
		k. Response to stakeholders	9. Stakeholder complaints resolution turnaround time	
		l. Partnerships with stakeholders	10. Performance against SLA	
Goal 4: Create strategic partnerships with employer communities.				
4.1 Financial Management	C. Stakeholder Satisfaction Index rating	m. Approved Annual Report	11. Timeous submission of Annual Report	
		n. Quarterly variance reports	12. Budget	
		o. Compliance with Fund service levels	13. Performance against SLA	
		p. Compliance with National Treasury Service levels		
4.2 Enterprise-wide risk management		q. Mitigated risks	14. Enterprise-wide risk rating (risk register – Top 14)	
	r. Fraud prevention			

REPORT ON PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

	Actual performance against target		Under / Over Achievement Comment
	Target	Actual	
	Unqualified audit rating with no matters of emphasis Comply with relevant law, procedures and policies Internal audit	Unqualified audit opinion on fraud-related matters Developed and approved policies and procedures Acknowledgment and implementation of Internal Audit findings	No matter of emphasis was made as a finding on the 2009/2010 audit. Revised draft GPAA Fraud Prevention Plan. Revised draft GPAA Whistle Blowing policy. Out of 11 findings, 3 implemented and the rest in progress.
	Within 3 working days	Enquiries received and resolved within the specific timeframe	Although stakeholders were given feedback timeously the Unit had a challenge in that there was no mechanism in place to measure whether it was within the timeframe.
	SLAs in place by 31 March 2011; review existing contracts and SLAs	Quarterly reports to the GEPF	Reports submitted in terms of Admin Clause 4.5 of the SLA.
	Quarterly reports delivered to Strategy office 14 working days after each quarter	Quarterly Unit performance reports submitted regularly	Reports submitted to Strategy within the timeframe. Annual report submitted timeously.
	+/- 5% variance	59.9 % variance	This variance is due to the vacancy rate and late payment of service provider (PWC) who was not paid within the period under review.
	80% achievement of GEPF SLA of Unit-relevant deliverables	Quarterly reports to the GEPF	Reports submitted in terms of Admin Clause 4.5 of the SLA.
	80% achievement of National Treasury SLA of Unit-relevant deliverables	Quarterly reports to National Treasury	GPAA only signed the SLA with National Treasury at the end of the financial year under review.
	80% Risk and Fraud Prevention risk mitigated and managed	73% implementation of mitigation strategies on high level risks 50% implementation of mitigation strategies on operational risks	Risk mitigation depends on the implementation of actions therefore this measure will be reconsidered.
	Implement Fraud Prevention Strategy Evaluate and act on Fraud Hotline monthly reports	A draft Strategy Plan for GPAA 2011/12 to 2013/14 in place and currently being reviewed 101 cases recorded from November 2009 to date. Cases under analysis: 24; total cases finalised: 40; insufficient information: 1; 2 calls: GPAA employee reports on alleged irregular recruitment and procurement/supply chain processes. 8 cases of potential/ actual fraud valued at R 2 014 951.46 were received by the Hotline from November 2009 to date	Final strategy to be adopted and implemented in 2011/12.

Goal: 5 Enhance service delivery through enabling technology and well-documented processes.				
Key Performance Area	Output	Measure / Indicator		Actual perform
				Target
5.1 Systems reliability	D. Capability Index rating	s. Reliable, secure ICT systems	15. Availability of secure ICT systems (uptime)	
		t. Assurance of business continuity	16. Business continuity	
5.2 Systems utilization		u. Approved process used to deliver services	17. Process utilization	
		v. Approved applications used to deliver services	18. Application utilization	
5.3 Systems utilization		w. Corporate milestones	19. Strategic milestones	
5.4 Monitoring and Evaluation		x. Monitored progress feedback	20. Performance against desired results	
		y. Evaluated intervention results		

Performance against target		Under / Over Achievement Comment	Under / Over Achievement Comment
	Actual		
	Manage 99.99% Risk and Fraud Prevention ICT uptime Institution and management of Risk and Fraud Prevention OLAs		Achieved.
	Risk and Fraud Prevention continuity plan Successful business continuity plan test	Developed Business Continuity Plan for the Unit Business Continuity plan test conducted	The GPAA Business Continuity Plan is currently being drafted.
	Documented Risk and Fraud Prevention processes	First draft of the Investigation Manual Draft Risk Strategy	Achieved.
	Risk and Fraud Prevention Unit's ICT requirements audit	The purchase of the Encase software is not finalised	A similar database was created within the Unit electronically performing similar functions.
	80% milestone on Risk and Fraud Prevention objectives quarterly		
	Proactive action related to quarterly Risk and Fraud Prevention Corporate Monitoring and Evaluation report	Regular meetings and reports submitted Risk monitoring reports have been received in all the Business Units (100%)	Reports submitted to Monitoring Evaluation within the timeframe. Achieved.
	Integration of Risk and Fraud Prevention 'lessons learnt' in operations plan	Interventions discussed and implemented at regular meetings and as identified from the reports	Achieved.

2.3.2.4 LEGAL SERVICES DIVISION (PROGRAMME 4.5)

Purpose:

The purpose of this Division is to provide an enterprise-wide legal service. As GPAA is a service provider to both the GEPF and National Treasury, the Division is responsible for providing legal support in areas of operations for which GPAA is responsible.

Measurable objectives:

- To establish legal identity.
- To improve the governance and compliance framework.
- To improve service delivery through ensuring compliance with legislative requirements.

Goal 1: Improve client satisfaction.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
1.1 Client Satisfaction	A. Client Satisfaction Index rating	a. Paid Backlog cases	1. Backlog Reduction	
		b. Response to clients	2. Client complaints resolution turnaround time	
		c. Complaints resolved		
		d. Employers serviced at local contact point / office	3. Access to GEPF / GPAA	
		e. Members serviced at local contact point / office		
		f. Call Centre response	4. Responsiveness of Call Centre	
		g. Paid benefits within 90 days from the exit date	5. Timely and accurate payment of exit benefits	
Goal 2: Improve service delivery to meet administrative obligations with speed, ease and accuracy.				
2.1 Employee satisfaction		h. Competent staff Training days per annum per person as per personal development plans		
		i. Absenteeism		

Actual performance against target			Under / Over Achievement Comment
Target	Actual		
Reduce divorce case query time	1 working day		Achieved - processes streamlined and resources optimally allocated.
Reduce life partner's case query time	39.55 calendar days		Under achieved due to lack of staff.
Reduce maintenance case query time	1 working day		Achieved - processes streamlined and resources optimally allocated.
Reduce dispute / legal question query time	58 calendar days		Under achieved due to lack of staff.
Reduce read in / read out time to 3 days	1 working day		Achieved - staff compliance ensured through monitoring.
Response time reports about complaints lodged in the Legal Division	2 working days		
Real time reports about complaints lodged in the Legal Division	5 working days		Achieved - target compliance monitored.
Legal advice and opinion			
Telephonic or e-mail legal support as and when required	5 working days		Achieved - target compliance monitored.
Telephonic or e-mail legal support as and when required	5 working days		Achieved - target compliance monitored.
Telephonic or e-mail legal support as and when required	5 working days		Achieved - target compliance monitored.
Telephonic or e-mail legal support as and when required	5 working days		Achieved - target compliance monitored.
4 days per annum targeted training per employee, excluding induction	An average 4.2 days training per staff member		Achieved - staff underwent training as per target.
80% attendance at any one time Participate in Employee Wellness Programme	74.5% average attendance		Not achieved - due to sick leave and annual leave.

Goal 3: Build mutually beneficial relationships with stakeholders.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
3.1 Corporate governance		j. Compliant organisation	8. External audit rating	
		k. Response to stakeholders	9. Stakeholder complaints resolution turnaround time	
		l. Partnerships with stakeholders	10. Performance against SLA	
Goal 4: Create strategic partnerships with employer communities.				
4.1 Financial Management	C. Stakeholder Satisfaction Index rating	m. Approved Annual Report	11. Timeous submission of Annual Report	
		n. Quarterly variance reports	12. Budget	
		o. Compliance with Fund service levels	13. Performance against SLA	
		p. Compliance with National Treasury Service levels		
4.2 Enterprise-wide risk management		q. Mitigated risks	14. Enterprise-wide risk rating (risk register – Top 14)	
	r. Fraud prevention			
Goal 5: Enhance service delivery through enabling technology and well-documented processes.				
5.1 Systems reliability	D. Capability Index rating	s. Reliable, secure ICT systems	15. Availability of secure ICT systems (uptime)	
		t. Assurance of business continuity	16. Business continuity	
5.2 Systems utilization		u. Approved process used to deliver services	17. Process utilization	
		v. Approved applications used to deliver services	18. Application utilization	
		w. Corporate milestones	19. Strategic milestones	
5.3 Monitoring and Evaluation		x. Monitored progress feedback	20. Performance against desired results	
		y. Evaluated intervention results		

REPORT ON PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

	Actual performance against target		Under / Over Achievement Comment
	Target	Actual	
Unqualified audit rating with no matters of emphasis		n/a	
Comply with relevant law, procedures and policies			
Internal audit			
Within 3 working days		5 working days	Not achieved due to lack of staff.
All implemented SLAs to be managed in line with policy guidelines		Achieved	
Quarterly reports delivered to Strategy office 14 working days after each quarter		Submitted, but not within 14 days of the end of the quarter	Timeframe not achieved due to availability of data.
+/- 10% variance		24 % variance	Not achieved - mainly due to vacant positions.
80% achievement of GEPF SLA of Unit-relevant deliverables		72%	Not achieved - Overall under performance mainly due to lack of staff.
80% achievement of National Treasury SLA of Unit-relevant deliverables		72%	Not achieved - Overall under performance mainly due to lack of staff.
80% Legal Division risk mitigated and managed		72%	Not achieved - Overall under performance mainly due to lack of staff.
Implement a fraud prevention strategy		n/a	
Managed 99.99% Legal Division ICT uptime		Jutastat 100%	Achieved.
Institution and management of Legal Division OLAs			
Maintained Legal Division business continuity plan		No legal division continuity plan or successful business continuity test	Not achieved - as in process with broader institution.
Successful annual business continuity plan test			
Documented Legal Division processes		Process documentation not finalised	Not achieved - as in process and finalised during the first quarter of 2011/2012.
Legal Division ICT requirements audit		n/a	Information was not made available at the performance review
80% milestones on Legal Division objectives quarterly		n/a	Information was not made available at the performance review
Proactive action related to quarterly Legal Division Corporate Monitoring and Evaluation report		n/a	Information was not made available at the performance review
Integration of Legal Division 'lessons learnt' in operations plan		n/a	Information was not made available at the performance review

2.3.2.5 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) (PROGRAMME 4.6)

Purpose:

This Division directs and manages the organisation's ICT resources, including the data centre (servers and storage area network), wide and local area networks (LAN and WAN), applications, desktop equipment and databases. It is therefore the enabler of the organisation's operations and management as it provides the building blocks and the interoperability required to deliver on GPAA's mandate. The Division strives to provide leading-edge technology solutions and high-quality pension administration support services based on established best practice frameworks, models and standards. In this regard, the Division ensures the security and integrity of the organisation's ICT systems while maintaining a clear organisational chart which lays out the approved levels of authorisation for staff. The Division also maintains defined and role-based access controls with appropriate authorisation by both ICT and user Divisions.

Measurable objectives:

- To enhance service delivery through enabling technology and well-documented processes.

Goal I: Improve client satisfaction.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
I.1 Client Satisfaction	A. Client Satisfaction Index Rating	a. Paid Backlog cases	1. Backlog Reduction	
		b. Response to clients	2. Client complaints resolution turnaround time	
		c. Complaints resolved		
		d. Employers serviced at local contact point / office	3. Access to GEPF / GPAA	
		e. Members serviced at local contact point / office		
		f. Call Centre response	4. Responsiveness of Call Centre	
		g. Paid benefits within 90 days from the exit date	5. Timeous and accurate payment of exit benefits	

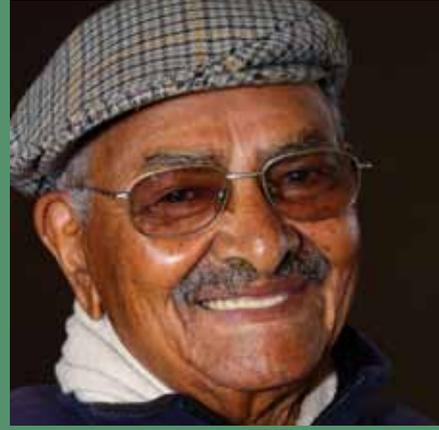
	Actual performance against target		Under / Over Achievement Comment
	Target	Actual	
Reduce number of embargoed document packs as a result of poor quality	ICT responsibility limited to technical support	ICT only provides technology and support to backlog reduction.	
Increase competency of staff using ICT systems	200 users trained on various systems and applications including Pekwa, Workflow, FB, and Civpen		
Real time reports	Identification of requirements and dependencies started		
Reduce backlog by exiting proven fraudulent cases			
1 hour to respond to a logged ICT call	Average of 96.59% for responding to telephone calls in 40 seconds	IT has recognised that not all calls will be responded to within the timeframe specified due to the level of difficulty in responding to calls logged via e-mail or fax.	
10 minutes response to a logged emergency ICT call	96.59% of emergency calls responded to in 10 minutes		
4 hours to resolve an ICT complaint	100% ICT complaints resolved in 4 hours		
2 hours to resolve an emergency ICT complaint	100% emergency ICT complaints resolved in 2 hours		
98% uptime in Regional Offices on all ICT equipment and software applications	100% uptime in Regional Offices on all ICT equipment and software applications	No unplanned down-time was experienced by the Regional Offices during the reporting period.	
98% uptime in Regional Offices on all ICT equipment and software applications	100% uptime in Regional Offices on all ICT equipment and software applications	No unplanned down-time was experienced by the regional offices during the reporting period.	
Define and implement the best practice Call Centre service level	No information	An effort was made towards the development of OLAs to ensure completeness and alignment to the needs of business. This exercise is not complete and will continue for a while into the next financial year; incorporating negotiations with the Divisional heads before implementation.	
Improve Call Centre reporting	Wallboard infrastructure installed; Cisco call manager integrated for consolidated reporting; reporting tool (Pro Essential 6) implemented		
Improve Call Centre agent competency	No information		
Review Call Centre SLA with supplier	SLA reviewed and approved		
Implement Call Centre OLA	Not achieved		
ICT systems uptime and accessibility	Achieved		

Goal 2: Improve service delivery to meet administrative obligations with speed, ease and accuracy.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
2.1 Employee satisfaction	B. Employee Satisfaction Index rating	h. Competent staff	6. Level of competence (attitude, knowledge, experience, skill)	
		Training days per annum per person as per personal development plans		
		i. Absenteeism	7. Employee Environment	
Goal 3: Build mutually beneficial relationships with stakeholders.				
3.1 Corporate governance	C. Stakeholder Satisfaction Index rating	j. Compliant organisation	8. External audit rating	
		k. Response to stakeholders	9. Stakeholder complaints resolution turnaround time	
		l. Partnership with stakeholders	10. Performance against SLA	
Goal 4: Create strategic partnerships with employer communities.				
4.1 Financial Management	C. Stakeholder Satisfaction Index rating	m. Approved Annual Report	11. Timeous submission of Annual Report	
		n. Quarterly variance reports	12. Budget	
		o. Compliance with Fund service levels	13. Performance against SLA	
		p. Compliance with National Treasury Service levels		
4.2 Enterprise-wide risk management		q. Mitigated risks	14. Enterprise-wide risk rating (risk register – Top 14)	
		r. Fraud prevention		

	Actual performance against target		Under / Over Achievement Comment
	Target	Actual	
	4 days per annum targeted training per employee, excluding induction	No information	Two of the three staff members attended five day conferences during the financial year. No formal training was conducted.
	80% attendance at any one time Participate in Employee Wellness Programme	90 -95% attendance maintained Two members participate in the GEPF football club	Leave was managed in such a way that attendance was high due to the criticality of ICT in supporting business.
	Unqualified audit rating with no matters of emphasis Comply with relevant law, procedures and policies Internal audit	The risk profile of external audit finds were: 0% High, 34% Medium, 66% low Achieved 33 audit findings resolved and ten accepted	A formula for computing the external audit rating based on findings and opinion was not concluded at the time of developing the report.
	Within 3 working days Intranet complaints resolution dashboard	No information	The tools and processes to measure this indicator were not in place.
	Manage and review ICT outsource SLA SLA term complete	Revised outsourcing proposal submitted to the Minister	
	Quarterly reports delivered to Strategy office 14 working days after each quarter	Not achieved	Format of reporting was not yet finalised at the time of the report.
	+/- 5% variance	Not achieved	Expenditure plans revised due to the envisaged impact of Modernisation.
	80% achievement of GEPF SLA of Unit-relevant deliverables	Achieved	Achieved.
	80% achievement of National Treasury SLA of Unit-relevant deliverables	Achieved	Achieved.
	80% ICT risk mitigated and managed	Partially achieved	The focus was more on resolving audit findings (both internal and external) with the understanding that this will result in risk mitigation.
	Develop an ICT fraud prevention strategy	Not achieved	This strategy cannot stand alone but must form part of the GPAA fraud prevention strategy. The matter will be discussed and finalised with the Risk Division.

Goal: 5 Enhance service delivery through enabling technology and well-documented processes.				
Key Performance Area	Key Performance Indicators	Output	Measure / Indicator	
5.1 Systems reliability	D. Capability Index rating	s. Reliable, secure ICT systems	15. Availability of secure ICT systems (uptime)	
		t. Assurance of business continuity	16. Business continuity	
5.2 Systems utilization		u. Approved process used to deliver services	17. Process utilization	
		v. Approved applications used to deliver services	18. Application utilization	
		w. Corporate milestones	19. Strategic milestones	
5.3 Monitoring and Evaluation		x. Monitored progress feedback	20. Performance against desired results	
		y. Evaluated intervention results		

	Actual performance against target		Under / Over Achievement Comment
	Target	Actual	
Managed 99.9% ICT Business Unit ICT uptime	Achieved	An effort was made towards the development of OLAs to ensure completeness and alignment to the needs of business. This exercise is not complete and will continue for a while into the next financial year incorporating negotiations with the Divisional heads before implementation.	
Review and implement network enhancements	Achieved		
Develop and modernise ICT architecture; implement the architecture	Documented "as is" architecture		
Develop information management framework	Not started		
Establish requirements for integrated DBMS	Not started		
Design a blue print for integrated DBMS	Not started		
Institution and management of ICT Business Unit OLA	Not started		
ICT business continuity plan	Achieved	Achieved.	
Successful business continuity plan test	Done in January 2011		
Review and define disaster recovery (DR) services plan	Technology POC done		
Documented ICT Business Unit processes	Not achieved	A decision is firstly required to determine a number of ICT Business processes. This will be done following ITIL training.	
Process mapping project	Not achieved		
Conduct business requirements analysis	Not achieved	The activities were moved to the Modernisation Programme.	
Conduct application consolidation and integration assessment	Not achieved		
Identify consolidation and integration projects	Not achieved		
80% milestones on ICT Business Unit objectives met quarterly	70% of milestones achieved	Under achieved due to limited resources and re-allocation of the objectives to another activity (i.e. Modernisation Programme).	
Proactive action related to quarterly ICT and Corporate Monitoring and Evaluation report	No information	Feedback reports never received to facilitate pro-active planning and delivery.	
Integrations of ICT 'lessons learnt' in operations plan	No information	Lessons learnt from projects and operations are to be kept in a library to facilitate review.	



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Annual Financial Statements

GOVERNMENT PENSIONS ADMINISTRATION AGENCY ANNUAL REPORT 2010/11

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REPORT OF THE ACCOUNTING OFFICER

General Overview

The Government Pensions Administration Agency (GPAA) is a newly established Government Component whose business was transferred from the Government Employees Pension Fund (GEPF). GPAA renders pension administration and related services to the GEPF and National Treasury. This is the first Annual Report being submitted to the Executive Authority.

Funding of GPAA

The GEPF and National Treasury are funding GPAA's business operations for services rendered. For the first five years the funding of GPAA will be budget based as opposed to GPAA charging fees.

For the year under review, GPAA received an amount of R463 866 million from its two clients. This amount was divided in the ratio of 93:7 from the GEPF and National Treasury respectively. An amount of R432 517 million of the 93% was spent, leaving a surplus of R31 million or 7%.

Service Delivery Challenges

GPAA signed Service Level Agreements (SLAs) with both the GEPF and National Treasury. GPAA acknowledges that it does not have sufficient capacity in terms of people, technology and processes to meet the full requirements of these Service Level Agreements. In response to this challenge, GPAA has partnered with SARS and designed a Modernisation Programme which is aimed at addressing the service delivery deficiency. This is a five year programme and targets the following areas:

- Reduce human intervention in the execution of simple, bulk and repetitive tasks.
- Leverage more on new and existing technological solutions.
- Focus on educating members, employers and beneficiaries.
- Increase client compliance to GPAA's requirements through introduction of effective controls.
- Provide simple, standard and consistent information.
- Enhance human capabilities to focus on the delivery of professional and efficient services.

Performance Information

This Annual Report includes performance information, as well as the Financial Statements. The key highlight in the report is the reduction of backlogs; however the timely payment of benefits upon a member's exit remains a challenge. More work is required in building a better working relationship with the employer Departments upon whom GPAA depends for information in order for it to exit members.

Approval

The Annual Financial Statements set out on pages 72 to 89 have been approved by the Accounting Officer.



Phenias Tjje

31 July 2011

REPORT OF THE AUDITOR GENERAL

Report of the Auditor-General to Parliament on the Government Pensions Administration Agency

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the Government Pensions Administrative Agency (GPAA), which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the accounting officer's report as set out on pages 72 to 89.

Accounting Officer's Responsibility for the Financial Statements

The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practise (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the GPAA as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the PFMA.

Report on Other Legal and Regulatory Requirements

In accordance with the PAA and in terms of General Notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010, I include below my findings on the annual performance report as set out on pages 13 to 69 and material non-compliance with laws and regulations applicable to the Government Component.

PREDETERMINED OBJECTIVES

There were no material findings on the annual performance report concerning the presentation, usefulness and reliability of the information.

COMPLIANCE WITH LAWS AND REGULATIONS

Audit committees

The executive authority did not ensure that the department had an audit committee for the year as required by section 77 of the PFMA and Treasury Regulation (TR) 3.1.

Internal Control

In accordance with the PAA and in terms of General Notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

GOVERNANCE

There is no audit committee in place that promotes accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment including financial and performance reporting and compliance with laws and regulations.

Auditor-General

Pretoria
31 July 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Notes	2011 R'000
Assets		
Current Assets		
Cash and cash equivalents	7	625
Inventory	6	636
Loans and Receivables	5	25,374
Non- Current Assets		
Property, plant and equipment	3	34,157
Intangible assets	4	2,852
TOTAL ASSETS		63,644
Current Liabilities		
Trade and other payables	8	15,575
Provisions	9	16,720
TOTAL LIABILITIES		32,295
Net Assets		31,349
Net Assets		
Accumulated surplus/(deficit)		31,349
TOTAL NET ASSETS		31,349

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 R'000
REVENUE		463,866
Administration Fees	2.2	429,696
Discount on net assets acquired	2.3	34,046
Other income	2.4	124
EXPENSES		432,517
Personnel Costs	2.1	241,358
Travel & Subsistence		8,739
Depreciation	3	11,544
Amortisation	4	1,529
Cleaning and Maintenance		8,583
Leases		7,429
Professional services & Consulting		19,691
Communication		21,526
Printing & Stationary		10,907
Advertising		8,199
Computer Services		77,476
Training and staff development		5,778
Other operating expenses		9,751
Loss on sale of property, plant & equipment		7
SURPLUS FOR THE YEAR		31,349

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2011

	2011 R'000
Balance as at 1 April 2010	-
Surplus for the year	31,349
Balance as at 31 March 2011	31,349

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 R'000
Cash Flow from Operating Activities		
Cash generated from operations	10	16,668
Cash receipts from the customers		404,967
Cash paid to employees and suppliers		(388,299)
Net cash flow from operating activities		16,668
Net cash flow from investing activities		
Proceeds from sale of property, plant and equipment		49
Additions to property, plant and equipment		(50,138)
Net value of assets acquired for no value		34,046
Net Increase in cash and cash equivalents		625
Cash and Cash Equivalents at the beginning of the year		-
Cash and Cash Equivalents at the end of the year	7	625

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2011

I. Principal Accounting Policies

I.1 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The entity is currently established as a Government Component in terms of the Public Services Act. National Treasury is in the initial stages of formulating the migration process from a Modified Cash Basis to a Generally Recognised Accounting Practices (GRAP) framework, in terms of which all National Departments will be required to report in the future.

GPAA has obtained approval from the Accountant General for an early application of GRAP, hence the financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices as determined by Directive 5 (Determining the GRAP Reporting Framework), including any interpretations, guidelines and directives issued by the Accounting Standards Board, in accordance with section 55 and 89 of the Public Finance Management Act No. 1 of 1999 (as amended by Act 29 of 1999).

The financial statements are prepared in concurrence with the going concern principles and on accrual basis with the measurement based applied being the historic cost unless stated otherwise.

In complying with the accounting policies, management is required to make various judgements, apart from those involving estimates, which may affect the amounts of items recognised in the financial statements.

Management is also required to make estimates of the effects of uncertain future events which could affect the carrying amounts of certain assets and liabilities at the reporting date.

Actual results in the future could differ from estimates which may be material to the financial statements.

Details of any significant judgements and estimates are explained in the relevant policy where the impact on the financial statements may be material.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2011 (CONTINUED)

1.2 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment is stated at historic cost less accumulated depreciation.

Depreciation is calculated on a historic cost using the straight line method over the estimated useful life. Residual values and useful lives are assessed annually.

The recorded values of these depreciated assets are periodically compared to the anticipated recoverable amounts if the assets were to be sold.

Depreciation rates are as follows:

Asset classes	Annual depreciation rate %
Computer Equipment	25%
Furniture & Fittings	15%
Office Equipment	15%
Motor Vehicle	20%
Tools	15%

The depreciation charge is to depreciate the book value over the useful life of the asset to its assessed residual value. Depreciation is calculated and provided for on an annual basis. If the residual value of an asset is at least equal to its carrying amount, depreciation will cease.

The following factors were considered to determine the useful life of the asset:

- Expected usage of the asset;
- Expected physical wear and tear of the asset;
- Technical obsolescence; and
- Legal or other limits on the use of the asset.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised).

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

1.3 INTANGIBLE ASSETS

Intangible assets held for use are stated in the statement of financial position at amortised cost, being the initial cost price less any amortisation and impairment.

Amortisation is charged so as to write off the cost of intangible assets over their estimated useful lives, using the straight-line method as follows:

Computer Software	33%
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2011 (CONTINUED)

1.4 INVENTORY

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

The cost of inventories is assigned using the weighted average cost of inventory method. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

1.5 LOANS AND RECEIVABLES

1.5.1 Accounts Receivable:

Accounts and other receivables are stated at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

1.5.2 Other Receivables:

Other receivables consist of amounts receivable relating to mainly administration claims incurred by the GPAA on behalf of National Treasury.

These receivables are measured at fair value at initial recognition and appropriate allowances for estimated irrecoverable amounts are recognised in the statement of changes in net assets and funds where there is objective evidence that the asset is impaired.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and the default or delinquency in payments are considered indicators that the trade receivable is impaired.

1.6 CASH & CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and deposits held at banks and are measured at fair value.

1.7 ACCOUNTS PAYABLE

Accounts payable are measured at fair value at initial recognition, if normal payment terms are exceeded, and are subsequently measured at amortised cost using the effective interest rate method.

1.8 PROVISIONS

Provisions are recognised when the GPAA has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits and a reliable estimate can be made of the obligation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2011 (CONTINUED)

1.9 LEASES

Operating leases include rental properties and office equipment. Rental expenses are recognised on a straight line basis over the lease term.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Payments made under operating leases are charged to the income statement based on actual straight lined and accrued payments.

1.10 RELATED PARTIES

GPAA operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. All national departments of government and state-controlled entities are regarded as related parties in accordance with Circular 4 of 2005: Guidance on the term "state controlled entities" in context of IAS 24 (AC 126) - Related Parties, issued by the South African Institute of Chartered Accountants. Other related party transactions are also disclosed in terms of the requirements of the accounting standard.

1.11 COMMITMENTS AND CONTINGENCIES

Commitments comprise those future expenses that GPAA has committed itself to contractually, but for which a present obligation for the payment thereof does not exist at the reporting date. Accordingly these commitments are not recognised as liabilities but are disclosed in the notes to the annual financial statements.

1.12 JUDGEMENTS & ESTIMATES

Critical judgements in applying the entities accounting policies are as follows:

1.12.1 Residual values and useful lives

Residual values and useful lives of equipment are assessed annually. Equipment is assessed for impairment annually, or more frequently when there is an indication that an asset may be impaired and the related impairment loss recognised in the statement of changes in net assets and funds in the period in which the impairment occurred.

1.12.2 Provision for Impairment & Receivables

The provision of impairment of receivables is raised on all receivable amounts aged 120 days and older; amounts due from individuals who have attained the age of 70 years and older as well as all fraud case receivables.

1.12.3 Accumulated Leave Pay Provision

The leave pay provision accounts for vested leave pay to which employees may become entitled upon exit from the service of GEPP.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2011 (CONTINUED)

1.12.4 Performance Bonus Provision

This provision accounts for performance bonuses payable based on the outcome of the performance evaluation of employees and relevant approval.

Further information about the key assumptions concerning future and other key sources of estimation are set out in the relevant notes to the financial statements.

1.12.5 Revenue

Revenue comprise the fair value of the considerations received or receivable from the administration services provided to the customers of GPAA.

Where the extended payment terms are granted, where explicit or implicitly, the effect of time value of money is taken into account in the measurement of revenue.

Revenue is recognized when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the organization.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2011 (CONTINUED)

2. Administrative Revenue and Expenditure

	2011 R'000
2.1 Personnel remuneration and expenses	
Remuneration to permanent and contract employees	172,921
Contributions to the GEPF	18,945
Other benefits (housing, medical, etc)	49,492
	<u>241,358</u>
2.2 Administration Expenses Recovered	
<p>GPAA manages and administers pensions and related benefits on behalf of the GEPF and National Treasury (Programme 8). All costs incurred by the GPAA are refunded by these entities on a monthly basis.</p>	
2.3 Discount on net assets acquired	
<p>At the commencement of the operations of GPAA, the net assets value of the administration component of the GEPF, amounting to R34,046 million, were transferred to GPAA for a nominal value of R1, resulting in a discount of R34,046 million.</p>	
2.4 Other Income	
Commission earned	86
Other income	8
Parking debt recovered	30
	<u>124</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2011 (CONTINUED)

3. Property, Plant and Equipment

	Computer equipment R'000	Furniture and fittings R'000	Office equipment R'000	Motor vehicles R'000	Tools R'000	Total R'000
Current year, 2011						
Gross carrying amount	18,707	10,544	14,545	1,871	10	45,677
At beginning of year	0	0	0	0	0	0
Transferred from GEPF	15,847	9,229	13,688	969	3	39,736
Additions	2,886	1,363	858	907	7	6,021
Disposals	(26)	(48)	(1)	(5)	0	(80)
Accumulated depreciation and impairment	(6,947)	(2,361)	(1,802)	(409)	(2)	(11,520)
At beginning of year	-	-	-	-	-	-
Depreciation	(6,956)	(2,372)	(1,802)	(412)	(2)	(11,544)
Impairment	-	-	-	-	-	-
Accumulated depreciation on disposals	9	11	0	3	0	23
Net carrying amount at end of year	11,760	8,183	12,743	1,462	8	34,157

4. Intangible assets

	2011 R'000 Computer software
Current year, 2011	
Gross carrying amount	4,381
At beginning of year	0
Transferred from GEPF	3,231
Additions	1,150
Amortisation	(1,529)
Net carrying amount at end of year	2,852

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2011 (CONTINUED)

5. Loans and Receivables

	2011 R'000
Loans and Receivables - gross	25,460
Provision for bad debts	86
Loans and Receivables – net	<u>25,374</u>

Loans and Receivables consist of outstanding claims from National Treasury, rental deposits and amounts owing from staff members who have left the employment of the GPAA and can be broken down as follows:

	2011 R'000
Staff Debtors	427
Rental Deposits	304
National Treasury claims	24,729
	<u>25,460</u>

Loans and Receivables Impaired

As of 31 March 2011 the provision for doubtful debts on trade & other receivables was R86,280 (2010:R0).

The carrying amount of trade and other receivables is denominated in Rands.

The executives of GPAA consider the carrying amount of trade and other receivables to approximate fair value.

6. Inventory

	2011 R'000
Inventory consists of consumables	636

7. Cash and Cash Equivalents

	2011 R'000
Cash and Cash equivalents consists of :	
Petty cash	31
Cash at Bank	594
	<u>625</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2011 (CONTINUED)

8. Trade and other payables

2011
R'000

Trade and other payables are made up as follows:

Administrative creditors		14,626
Operating lease accrual	8.1	848
Sundry Creditors		101
		<u>15,575</u>

8.1 OPERATING LEASES

2011
R'000

Minimum lease payments under non-cancellable lease are as follows:

Recognised as an expense:	848
Future minimum lease payments under non-cancellable operating leases are as follows:	

2011
R'000
11,547

Payable in <1 year	3,024
Payable in 2-5 years	6,631
Payable in >5 years	1,892

9. Provisions

2011
R'000

Provision for accumulated leave pay	6,705
Balance at beginning of year	-
Transferred from the GEPF	6,979
Provided	4,387
Utilised	(4,661)
Provision for bonuses	10,015
Balance at beginning of year	-
Transferred from the GEPF	6,651
Provided	7,693
Utilised	(4,329)
Balance at end of period	<u><u>16,720</u></u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2011 (CONTINUED)

10. Reconciliation of net cash flows from operating activities to surplus for the year

	2011 R'000
Surplus for the year	31,349
Add: non-cash items	(3,398)
Depreciation and amortisation	13,073
Lease smoothing adjustment	848
Discount on acquisition of business	(34,046)
Increase in provisions	16,720
Loss on disposal of property, plant and equipment	7
Less changes in working capital	(11,283)
Increase in trade creditors	14,727
Increase in trade receivables	(25,374)
Increase in inventory	(636)
	16,668

11. Material Losses Through Criminal Conduct, Irregular, Fruitless And Wasteful Expenditure

To the best of our knowledge, no material losses through criminal conduct, or irregular, fruitless and wasteful expenditure were incurred during the year ended 31 March 2011.

12. Related Party Transactions

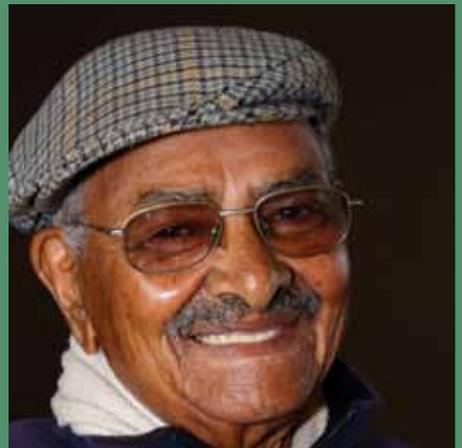
12.1 THE RELATED PARTY TRANSACTIONS RELATE TO SERVICES PROVIDED TO NATIONAL TREASURY IN RESPECT OF PROGRAMME 8.

	2011 R'000
Total revenue	42,401
Outstanding debt	24,729

12.2 DISCLOSURE OF EXECUTIVE REMUNERATION

Name	Designation	Salary, allowances	Bonus	Total
Tjie MP	Chief Executive Officer	R1,433,572	-	R 1,433,572
Kola MJ	Chief Operations Officer	R1,077,046	R41,650	R 1,118,696
Mafolo SL	Chief Information Officer	R735,022		R 1,735,022
De Witt E	Head of Legal	R735,022	R17,486	R 1,752,508
Total Executive Managers		R3,980,662	R59,136	R4,039,798

4



Human Resources Report

GOVERNMENT PENSIONS ADMINISTRATION AGENCY ANNUAL REPORT 2010/11

4. HUMAN RESOURCES REPORT

The statistics and information published in the Human Resources Management part of this Annual Report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2002, and have been prescribed by the Minister for Public Service and Administration for all Departments within the Public Service.

4.1 EXPENDITURE

The following table summarises final audited expenditure by salary bands. In particular, it provides an indication of the amount spent on personnel costs in terms of each of the salary bands within GPAA.

Personnel costs by salary bands, 2010/11

Salary Band	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	2 884	1	107
Skilled (Levels 3-5)	32 540	13	335
Highly skilled production (Levels 6-8)	87 605	36	159
Highly skilled supervision (Levels 9-12)	70 917	29	371
Senior management (Levels 13-16)	16 458	29	823
Contract workers	34 583	14	2 470
Total	2 44 987	100	2 36 702

The following table provides as summary, as per salary bands, of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2010/11

Salary Band	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	2 166	62	37	1	206	7	412	14
Skilled (Levels 3-5)	26 092	69	526	2	1 290	4	3 127	10
Highly skilled production (Levels 6-8)	72 546	71	989	1	3 398	4	6 140	7
Highly skilled supervision (Levels 9-12)	60 621	74	324	0.5	1 470	2	2 585	4
Senior management (Levels 13-16)	19 365	78	0	0	560	2	358	2
Total	1 80 790	73	1 876	1	6 924	2.8	12 622	5.1

4.2 EMPLOYMENT AND VACANCIES

The following table summarises the number of posts in GPAA, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of salary bands.

The vacancy rate reflects the percentage of posts that are not filled.

Employment and vacancies by salary bands, 31 March 2011

Salary Band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	35	27	22.86%	6
Skilled (Levels 3-5)	104	96	7.69%	15
Highly skilled production (Levels 6-8)	611	554	9.33%	73
Highly skilled supervision (Levels 9-12)	233	186	20.17%	22
Senior management (Levels 13-16)	43	19	55.81%	4

It is clear that the highest vacancy rate is at Senior Management level. The reason for this is the moratorium that was placed on the filling of Senior Management positions. This information reflects the situation as at 31 March 2011. For an indication of changes in staffing patterns over the year under review, please refer to later sections of this report.

4.3 JOB EVALUATION

The Public Service Regulations, 1999, introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in their organisations. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for Public Service and Administration that all Senior Management Services (SMS) jobs must be evaluated before 31 December 2002.

The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Job Evaluation, 1 April 2010 to 31 March 2011

Salary Band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	35	3	100%	n/a	n/a	n/a	n/a
Skilled (Levels 3-5)	104	14	100%	n/a	n/a	n/a	n/a
Highly skilled production (Levels 6-8)	611	169	100%	n/a	n/a	n/a	n/a
Highly skilled supervision (Levels 9-12)	233	110	100%	n/a	n/a	n/a	n/a
Senior Management Service Band A	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Senior Management Service Band B	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Senior Management Service Band C	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Senior Management Service Band D	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	983	296	50%	n/a	n/a	n/a	n/a

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2010/ 11	None
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4.4 EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in GPAA's employment profile. The following tables provide a summary of turnover rates by salary band.

Annual turnover rates by salary band for the period 1 April 2010 to 31 March 2011 – Permanent employees

Salary Band	Number of employees per band as on 1 April 2010	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	28	1	2	7.14%
Skilled (Levels 3-5)	92	12	4	4.35%
Highly skilled production(Levels 6-8)	544	35	27	4.96%
Highly skilled supervision(Levels 9-12)	182	12	10	5.49%
Senior Management Service Band A	20	0	4	20%
Senior Management Service Band B	3	0	1	33.3%
Senior Management Service Band C	1	0	0	0%
Senior Management Service Band D	0	0	0	0%
Total	870	60	48	5.52%

During this financial year, the turnover rate was 5.52% as opposed to the 3.96% of the previous financial year. The general turnover rate in GPAA is still lower than the norm in the industry of $\pm 10\%$. The slight increase in the turnover rate as compared to the previous financial year is due to the fact that 27.08% of the terminations were either employees who retired or who passed away, which is not within GPAA's control.

Annual turnover rates by salary band for the period 1 April 2010 to 31 March 2011 – Contract workers

Salary Band	Number of employees per band as on 1 April 2010	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	13	0	8	61.54%
Skilled (Levels 3-5)	17	6	6	35.29%
Highly skilled production (Levels 6-8)	26	53	7	26.29%
Highly skilled supervision (Levels 9-12)	18	8	4	22.22%
Senior Management Service Band A	3	0	0	0%
Senior Management Service Band B	4	0	1	25%
Senior Management Service Band C	0	0	0	0%
Senior Management Service Band D	1	0	0	0%
Total	82	67	26	31.71%

The turnover rate for contract workers for this period was high, which is not unusual. Of the total termination figure, 23.08% received permanent positions in GPAA and 30.77% were due to normal contract expiry. The temporary nature of contract employment leads to uncertainty and job insecurity and as a result many contract workers resign to take up permanent positions.

Reasons why staff are leaving GPAA – Permanent employees

Termination Type	Number	% of total
Death	8	16.67%
Resignation	19	39.58%
Expiry of contract	0	0%
Dismissal – operational changes	0	0%
Dismissal – misconduct	6	12.50%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	1	2.08%
Retirement	4	8.33%
Transfers to other Public Service Departments	10	20.03%
Other	0	0%
Total	48	100%
Total number of employees who left as a % of the total employment		5.52%

Six employees were dismissed on fraud-related charges and eight employees passed away. Most of the terminations were resignations and some of the reasons given by these workers indicate that there are better opportunities and prospects for advancement and career growth in the private sector.

However, a total of 29, excluding the employees who passed away, retired and were dismissed, in an organisation as comparatively large as GPAA, this is not very significant. Certainty and stability contributed to the small numbers.

Reasons why staff are leaving GPAA – Contract workers

Termination Type	Number	% of total
Death	1	3.85%
Resignation	9	34.62%
Expiry of contract	8	30.77%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	0	0%
Transfers to other Public Service Departments	1	3.85%
Other	6	23.08%
Total	26	100%
Total number of employees who left as a % of the total employment		31.71%

Promotions by salary band

Salary Band	Employees 1 April 2010	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progres- sions as a % of employees by salary band
Lower skilled (Levels 1-2)	28	0	0%	5	17.86%
Skilled (Levels 3-5)	92	4	4.35%	83	90.22%
Highly skilled production (Levels 6-8)	544	13	2.39%	322	59.19%
Highly skilled supervision (Levels 9-12)	182	1	0.55%	108	59.34%
Senior management (Levels 13-16)	24	0	0%	25	104.17%
Total	870	18	2.07%	543	62.41%

With the filling of vacancies, GPAA continues to give preference to internal candidates in order to promote career advancement and to retain staff. During this reporting period, 18 employees were promoted, as opposed to 90 employees in the previous financial year. The reason for the decline in promotions is due to the fact that the vacancies were significantly reduced, resulting in less opportunity for promotion.

4.5 EMPLOYMENT EQUITY

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2011 – Permanent employees

Occupational Categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	8	1	1	3	4	0	0	2	19
Professionals	78	5	6	11	62	6	3	15	186
Technicians and associate professionals	118	10	6	13	287	31	11	78	554
Clerks	34	1	0	1	43	6	0	11	96
Elementary occupations	7	0	0	0	20	0	0	0	27
Total	245	17	13	28	416	43	14	106	882
Employees with disabilities	4	1	0	1	3	0	0	0	10

Comparing the demographic profile (inclusive of contract workers) of GPAA with the previous financial year, the employees increased as follows: African Male (23), African Female (33), Indian Male (1) and White male employees decreased by 4. The number of African employees increased by 56, thereby improving GPAA's equity profile. With these appointments, good progress was made towards reaching employment equity targets.

Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2011 – Contract Workers

Occupational Categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	6	0	0	1	0	0	0	0	7
Professionals	13	0	1	2	1	0	0	5	22
Technicians and associate professionals	26	0	0	2	38	0	0	7	73
Clerks	8	0	0	0	5	0	0	2	15
Elementary occupations	2	0	0	0	4	0	0	0	6
Total	55	0	1	5	48	0	0	14	123
Employees with disabilities	0	0	0	1	0	0	0	0	1

Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2011 – Permanent employees

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	1	0	1	0	0	0	3
Senior Management	7	1	0	3	3	0	0	2	16
Professionally qualified and experienced specialists and mid-management	78	5	6	11	62	6	3	15	186
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	118	10	6	13	287	31	11	78	554
Semi-skilled and discretionary decision making	34	1	0	1	43	6	0	11	96
Unskilled and defined decision making	7	0	0	0	20	0	0	0	27
Total	245	17	13	28	416	43	14	106	882

Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2011 – Contract workers

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	0	0	0	0	0	0	0	4
Senior Management	2	0	0	1	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	13	0	1	2	1	0	0	5	22
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	26	0	0	2	38	0	0	7	73
Semi-skilled and discretionary decision making	8	0	0	0	5	0	0	2	15
Unskilled and defined decision making	2	0	0	0	4	0	0	0	6
Total	55	0	1	5	48	0	0	14	123

Recruitment for the period | April 2010 to 31 March 2011

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	9	0	0	0	3	0	0	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	9	0	0	0	23	1	1	1	35
Semi-skilled and discretionary decision making	5	0	0	0	7	0	0	0	12
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
Total	23	0	0	0	34	1	1	1	60

Employees with disabilities	0	0	0	0	0	0	0	0	0
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These statistics reflect all the new appointments from outside GPAA. The number of new appointments for the reporting period totals 60 as opposed to the 248 new appointments in the previous reporting period. The decline can be attributed to the fact that the vacancies were significantly reduced, as well as the fact that a moratorium was placed on the filling of Senior Management positions during the reporting period and that the advertising of positions in the external media was put on hold for the last seven months of the reporting period resulting in a decline in the filling of permanent positions.

Promotions for the period | April 2010 to 31 March 2011

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	0	0	1	4	0	0	3	13
Semi-skilled and discretionary decision making	3	0	0	0	1	0	0	0	4
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	8	0	0	1	6	0	0	3	18

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Terminations for the period 1 April 2010 to 31 March 2011 – Permanent employees

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	2	0	0	1	1	0	0	0	4
Professionally qualified and experienced specialists and mid-management	3	1	0	1	3	0	0	2	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	15	0	0	1	6	1	0	4	27
Semi-skilled and discretionary decision making	2	0	0	0	1	1	0	0	4
Unskilled and defined decision making	0	0	0	0	2	0	0	0	2
Total	22	1	0	3	14	2	0	6	48

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Terminations for the period 1 April 2010 to 31 March 2011 – Contract workers

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	1	2	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	2	1	0	1	3	0	0	0	7
Semi-skilled and discretionary decision making	1	0	1	0	4	0	0	0	6
Unskilled and defined decision making	1	0	0	0	7	0	0	0	8
Total	5	1	1	2	17	0	0	0	26

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Disciplinary action for the period 1 April 2010 to 31 March 2011

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	20	1	0	2	8	2	2	0	35

Skills development for the period 1 April 2010 to 31 March 2011

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	31	2	1	6	15	1	1	7	64
Professionals	44	5	5	5	52	5	0	16	133
Technicians and associate professionals	39	5	1	7	76	4	2	41	175
Clerks	167	7	6	9	272	33	10	46	550
Service and sales workers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Skilled agriculture and fishery workers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Craft and related trades workers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Plant and machine operators and assemblers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Elementary occupations	8	0	0	0	10	0	0	1	19
Total	289	19	13	27	425	43	13	111	941
Employees with disabilities	2	0	0	1	2	0	0	1	6

4.6 PERFORMANCE REWARDS

To encourage good performance, GPAA has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability and salary bands.

Performance Rewards by race, gender and disability for the period 1 April 2010 to 31 March 2011

Race, gender and disability	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	498	618	80.58%	2,772	5,567.01
Male	177	230	76.96%	1,097	6,198.49
Female	321	388	82.73%	1,675	5,218.81
Asian	19	27	70.37%	154	8,099.95
Male	8	13	61.54%	84	10,510.19
Female	11	14	78.57%	70	6,347.05
Coloured	54	61	88.52%	259	4,789.29
Male	15	17	88.24%	81	5,400.08
Female	39	44	88.64%	178	4,554.37
White	130	150	86.67%	877	6,743.73
Male	27	35	77.14%	240	8,899.44
Female	103	115	89.57%	636	6,178.65
Employees with a disability	8	11	72.73%	34	4,229.78
Total	701	856	81.89%	4,062	5,567.01

Performance Rewards by salary bands for personnel below Senior Management Service for the period 1 April 2010 to 31 March 2011

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	26	26	100.00%	54	2,063.81	1.32%
Skilled (Levels 3-5)	83	97	85.57%	294	3,541.53	7.24%
Highly skilled production (Levels 6-8)	417	518	80.50%	1,775	4,256.28	43.70%
Highly skilled supervision (Levels 9-12)	152	185	82.16%	1,407	9,258.93	34.65%
Total	678	826	82.08%	3,530	5,206.24	86.91%

Performance-related Rewards (cash bonus) by salary band, for Senior Management Service for the period 1 April 2010 to 31 March 2011

Salary Band	Beneficiary Profile			Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	19	23	82.61%	379	19,963.75	9.34%
Band B	3	6	50.00%	111	36,928.11	2.73%
Band C	1	1	100.00%	42	41,650.33	1.03%
Band D	0	0	0.00%	0	0.00	0.00%
Total	23	30	76.67%	532	23,119.39	13.09%

The above figures include all GPAA and Programme 8 staff members (permanent and contract). Due to downscaling to stay within the limit of the 1.5% budget limitation, staff received only 44% of their original bonus amounts. The payout amounts above are reflected after the downscaling.

4.7 LEAVE UTILISATION FOR THE PERIOD 1 APRIL 2010 TO 31 MARCH 2011

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Sick leave for the period 1 April 2010 to 31 March 2011

Salary Band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1-2)	109	85.67%	39	1.97%	2.79	23
Skilled (Levels 3-5)	701	89.56%	214	10.79%	3.28	246
Highly skilled production (Levels 6-8)	4 474	88.52%	1 346	67.84%	3.32	2 170
Highly skilled supervision (Levels 9-12)	1 149	83.00%	359	18.09%	3.20	1
Senior management (Levels 13-16)	79	77.53%	26	1.31%	3.04	146
Total	6 512		1 984	100%	3.28	3 704

The average number of days sick leave taken per employee increased slightly from 3.11 days in the previous reporting period to 3.28 days in the current reporting period.

Disability leave (temporary and permanent) for the period 1 April 2010 to 31 March 2011

Salary Band	Total days taken	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0%	0	0%	0	0
Skilled (Levels 3-5)	21	100%	2	10.53%	10.50	8
Highly skilled production (Levels 6-8)	322	100%	15	78.95%	21.47	158
Highly skilled supervision (Levels 9-12)	13	100%	2	10.53%	6.50	12
Senior management (Levels 13-16)	0	0%	0	0%	0	0
Total	356	100%	19	100%	18.74	178

The number of disability leave days increased during this reporting period from 317 to 356 days. Although there was a slight increase in the number of days, the Health Risk Manager plays an important role in managing incapacity leave. Quite a number of applications were declined after the evaluation of applications was done by the Health Risk Manager.

The following table summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Annual Leave for the period 1 April 2010 to 31 March 2011

Salary Band	Total days taken	Average per employee
Lower skilled (Levels 1-2)	489	5.62
Skilled (Levels 3-5)	1 923	5.71
Highly skilled production (Levels 6-8)	11 923	5.90
Highly skilled supervision (Levels 9-12)	3 998	5.84
Senior management (Levels 13-16)	530	6.16
Total	18 863	5.86

Managers are advised to compile a Leave Plan to manage annual leave to ensure effective service delivery throughout the year. Employees are encouraged to utilize their annual leave in the prescribed 18-month period to avoid leave pay-outs.

Capped leave for the period 1 April 2010 to 31 March 2011

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 March 2011
Lower skilled (Levels 1-2)	1	1	1
Skilled (Levels 3-5)	59	59	1
Highly skilled production (Levels 6-8)	82.38	5.15	16
Highly skilled supervision (Levels 9-12)	3	1.50	2
Senior management (Levels 13-16)	0	0	0
Total	145.38	7.27	20

The average number of days capped leave taken per employee was 7.27 days which did not have a significant impact on service delivery.

Leave payouts for the period 1 April 2010 to 31 March 2011

The following table summarises payments made to employees as a result of leave that was not taken.

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2010/11 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2010/11	167	9	18 542.20
Current leave payout on termination of service for 2010/11	283	40	7076.44
Total	450	49	9 182.39

Payouts for capped leave were made for 9 employees. Capped leave can only be paid out on retirement, death and medical boarding.

4.8 HIV AND AIDS AND HEALTH PROMOTION PROGRAMMES

Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
Client Relationship Unit – Client Liaison Officers	Quarterly HCT
Drivers	Quarterly HCT and Education
Managers	Quarterly HCT

Details of Health Promotion and HIV and AIDS Programmes

Question	Yes	No	Details, if yes
1. Has GPAA designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mr M Matsobane
2. Does GPAA have a dedicated Unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		2 employees
3. Has GPAA introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		HIV/AIDS and TB Management; Health and Productivity Management; SHERQ; Wellness Management
4. Has GPAA (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter I of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		See list below
Mr M Matsobane - Acting GM Ms D Mosikili – Manager: Employee Relations Unit Mr S Ngcobo – Manager: Physical Security Unit Ms D Kganyago - Officer Responsible: Employee Health and Wellness Mr H Kriel – Manager: Information Security Ms S Bester - Sectional Representative Mr O Moumakwe - Sectional Representative Mr O Phlad - Sectional Representative Ms E van Wyk - Sectional Representative Ms Y Makama - Sectional Representative Mr P Serepo - Sectional Representative			Ms N Mathibe - Manager: Training Unit Ms M Doubell - Sectional Representative Ms S Grobler - Sectional Representative Mr A Kobuoe - Sectional Representative Mr R Mophuting - Sectional Representative Ms T Bopape - Sectional Representative Ms A Motloi - Sectional Representative Ms R Els - Sectional Representative Mr F Malherbe - Sectional Representative Ms H Buda - Sectional Representative Ms D Nel - Sectional Representative
5. Has GPAA reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		No	In the process of developing policies because the organisation has changed from GEPF to GPAA
6. Has GPAA introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		HCT, Education and Health-promotion activities
7. Does GPAA encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		We have quarterly HCT sessions
8. Has GPAA developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		The Monitoring and Evaluation Unit is assisting with this

4.9 LABOUR RELATIONS

The following collective agreements were entered into with trade unions within GPAA.

Collective agreements for the period 1 April 2010 to 31 March 2011

Total collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within GPAA for the year under review.

Misconduct and disciplinary hearings finalised for the period 1 April 2010 to 31 March 2011

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	4	11,4%
Written warning	15	43%
Final written warning	7	20%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	9	26%
Not guilty	0	0%
Case withdrawn	0	0%
Total	35	100%

Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Insubordination	7	17%
Displaying disrespect, prejudicing administration	6	14%
Late coming	2	5%
Negligence	5	12%
Wrongful use of state property	2	5%
Conducting self in unacceptable manner	4	10%
Fraud	8	19%
Poor performance	2	5%
Failure to submit leave form timeously	1	2%
Unlawfully keeping a pool car without permission	1	2%
Giving false statement	2	5%
Absenteeism	6	14%
Misrepresentation	1	2%
Total	42	100%

Grievances lodged for the period 1 April 2010 to 31 March 2011

	Number	% of Total
Number of grievances resolved	11	100%
Number of grievances not resolved	0	0%
Total number of grievances lodged	11	100%

Disputes lodged with Councils for the period 1 April 2010 to 31 March 2011

	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	0	0%
Total number of disputes lodged	0	0%

Strike actions for the period 1 April 2010 to 31 March 2011

Total number of person working days lost	132 days
Total cost of working days lost	R45 375.05
Amount recovered as a result of no work no pay	R45 375.05

Precautionary suspensions for the period 1 April 2010 to 31 March 2011

Number of people suspended	5
Number of people whose suspension exceeded 30 days	5
Average number of days suspended	180
Cost of suspensions	R414, 948,61

4.10 SKILLS DEVELOPMENT

This section highlights GPAA's efforts with regard to skills development.

Training needs identified for the period 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 1 April 2010	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	64	None	3	3	6
	Male	63	None	3	3	6
Professionals	Female	33	5	6	3	14
	Male	33	5	6	3	14
Technicians and associate professionals	Female	26	None	3	3	6
	Male	9	None	3	3	6
Clerks	Female	446	None	4	2	6
	Male	224	None	4	2	6
Service and sales workers	Female	None	None	None	None	None
	Male	None	None	None	None	None
Elementary occupations	Female	35	None	None	2	2
	Male	17	None	None	2	2
Sub Total	Female	604	5	16	13	34
	Male	346	5	16	13	34
Total		950	10	32	26	68

Internship Programme: There are five people participating in the internship programme. Their contracts end at the end of August 2011.

Disabled People: We have six disabled female employees and four disabled males. The number of skills programmes for females and males was four. The number of other forms of training was two for both males and females.

Training provided for the period 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 1 April 2010	Training provided within the reporting period			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	64	None	12	5	17
	Male	63	None	17	5	22
Professionals	Female	33	4	46	27	77
	Male	33	2	49	30	81
Technicians and associate professionals	Female	26	None	19	61	80
	Male	9	None	33	55	88
Clerks	Female	446	None	14	27	41
	Male	224	None	17	25	42
Service and sales workers	Female	None	None	None	None	None
	Male	None	None	None	None	None
Elementary occupations	Female	35	None	5	6	11
	Male	17	None	2	6	8
Sub Total	Female	604	2	96	126	226
	Male	346	4	118	121	241
Total		950	6	214	247	467

4.11 INJURY ON DUTY

The following table provides basic information on injury on duty.

Injury on duty for the period 1 April 2010 to 31 March 2011

Nature of injury on duty	Number	% of total
Required basic medical attention only	10	100%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
Total	10	100%

Ten injuries on duty were reported for the reporting period and all required basic medical attention.

4.12 UTILISATION OF CONSULTANTS

Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Job Evaluation	1	260	R374 000.00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rands
1	1	260	R374 000.00

Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Job Evaluation	100%	100%	1

ANNEXURE A - GLOSSARY OF TERMS AND ABBREVIATIONS

Term	Definition
GEPF	The Government Employees Pension Fund. A pension fund governed by the Government Employees Pension (GEP) Law of 1996, as amended, administered by GPAA on behalf of the GEPF's Board of Trustees.
GPAA	Government Pensions Administration Agency
TEPF	The Temporary Employees Pension Fund, as per the TEPF Act 75 of 1979, administered by GPAA on behalf of National Treasury.
AIPF	The Associated Institutions Pension Fund, as per the AIPF Act 41 of 1963, administered by GPAA on behalf of National Treasury.
BOT	Government Employees Pension Fund Board of Trustees. (The GEPF is governed by a Board of Trustees in terms of the GEP Law.)
PSA	Public Service Act of 1994
Government Component	A Government Component can be established through Proclamation by the President on a recommendation from the Minister of Public Service and Administration.
Programme 8	National Treasury portfolio of non-contributory pension and Post-retirement Medical Benefits, Military Pensions, Special Pensions, Injury on Duty (IOD) payments and other benefits.
PFMA	Public Finance Management Act (No.1 of 1999 as amended by Act 29 of 1999)
GEP LAW	Government Employees Pension Law of 1996, as amended
The Executing Authority of the GPAA	The Minister of Finance
SLA	Service Level Agreement
Client	A customer of a professional service provider, or the principal of an agent or contractor.
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 a business/organisation include creditors, customers, directors, employees, Government (and its agencies), owners (shareholders), suppliers, unions and the community from which the business draws its resources.
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.
Shareholder	An individual, group or organisation that holds one or more shares in a firm, and in whose name the share certificate is issued.

Term	Definition
Government	The Government of the Republic of South Africa
ICT	Information and Communication Technology
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.
Internal Audit	A frequent or ongoing audit conducted by a firm'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 firm's employees, they normally do not audit themselves or their own departments, but usually entrust this function to independent/external auditors.
Human Capital	Health, knowledge, motivation and skills, the attainment of which is regarded as an end in itself (irrespective of their income potential) because they yield fulfilment and satisfaction to the possessor. In an organisational context, human capital refers to the collective value of the organisation's intellectual capital (competencies, knowledge, and skills).
Key Performance Area(s) (KPA(s))	Areas that, if the business focuses on and does well, will determine its competitive edge/differentiation or competitive advantage.
Key Performance Indicator(s) (KPIs) (Indices)	Key performance indicators (KPIs) are quantifiable measurements agreed on beforehand that reflect the critical success factors of an organisation.
Elements of the KPI used for Measuring (indicator / Measure)	Quantitative or qualitative factors or variables that provide a simple and reliable means to measure achievement and/or to reflect the changes connected to an intervention.
Expected Results	Outputs, outcomes or impacts
Target Milestone	Targets are milestones that lead to the achievement of expected results. They are expressed in terms of quantity or timeframes.
Strategic Interventions	Strategic actions/interventions/projects to be undertaken to achieve expected results.
Output(s)	Products, capital goods and services which result from an intervention.
Outcome(s)	Short- and medium-term effects of an intervention's output.
Impact(s)	Long-term effects produced by an intervention.

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the gpaa

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