



ANNUAL REPORT

2018/2019

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the gpaa

Department:
Government Pensions Administration Agency
REPUBLIC OF SOUTH AFRICA

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GENERAL INFORMATION

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LIST OF ABBREVIATIONS / ACRONYMS

AC	Audit Committee
AFS	Annual Financial Statements
AG	Auditor-General
AGSA	Auditor-General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
AIPF	Associated Institutions Pension Fund
AMDP	Advanced Management Development Programme
APP	Annual Performance Plan
ATC	Announcements, Tabling and Committee reports
BAS	Basic Accounting System
BC	Business Continuity
BCI	Business Continuity Institute
BEE	Black Economic Empowerment
BOT	Board of Trustees
BPA	Benefit Payment Automation
BPM	Business Process Management
BSS	Business Support Service
CAE	Chief Audit Executive
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer
CIP	Compulsory Induction Programme
CIVPEN	Civil Pensions
CLO	Client Liaison Officer
CM&E	Corporate Monitoring and Evaluation
COBIT	Control Objectives for Information and Related Technologies
COIDA	Compensation for Occupational Injury & Diseases Act
COSO	Committee of Sponsoring Organisations
CRM	Client Relationship Management
CRO	Chief Risk Officer
CSA	Client Service Agent
CSA	Continuity SA

LIST OF ABBREVIATIONS / ACRONYMS

DBC	Departmental Bargaining Chamber
DG	Director-General
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DQIM	Data Quality Improvement and Management
EB	Employee Benefits
ECB	European Central Bank
ECM	Electronic Content Management
EDM	Enterprise Data Management
EDMS	Enterprise Data Management Solution
EH&W	Employee Health and Wellness
EMDP	Emerging Management Development Programme
EMI	European Monetary Institute
ERM	Enterprise-wide Risk Management
ERP	Enterprise Resources Planning
ERW	Energy Reduction War-Frame
ESL	Employee Satisfaction Level
ETDP	Education Training and Development Practice
EWRM	Enterprise Wide Risk Management
EXCO	Executive Committee
FFPM	Forensics and Fraud Prevention Management Business unit
FM	Frequency Modulation
FMPPI	Framework for Managing Programme Performance Information
FPEC	Forensic Prevention and Ethics Committee
FRO	Fund Relationship Officer
FSCA	Financial Sector Conduct Authority
GCIS	Government Communication Information System
GEMS	Government Employees Medical Scheme
GEP	Government Employees Pension
GEPF	Government Employees Pension Fund
GPAA	Government Pensions Administration Agency

LIST OF ABBREVIATIONS / ACRONYMS

GRAP	Generally Recognised Accounting Practice
HCM	Human Capital Management
HCT	HIV Counselling and Testing
HDI	Historically Disadvantaged Individuals
HIRA	Hazard Identification and Risk Assessment
HIV	Human Immune Virus
HO	Head Office
HOA	Home Owner's Allowance
HOD	Head of Department
HR	Human Resource
HRA	Health Reimbursement Arrangement
HRD	Human Resources Development
IA	Internal Audit
IAM	Identity and Access Management
ICT	Information Communication Technology
IDMS	Integrated Document Management Solution
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IOD	Injury on Duty
IS	Information System
ISA	International Standards on Auditing
IT	Information Technology
ITIL	Information Technology Infrastructure Library
LAN	Local Area Networks
LED	Light Emitting Diode
MANCO	Management Committee
M&E	Monitoring and Evaluation
MIA	Management Information and Analytics
MoF	Minister of Finance
MPLS	Multiprotocol Label Switching

LIST OF ABBREVIATIONS / ACRONYMS

MTSF	Medium-Term Strategic Framework
MVM	McAfee Vulnerability Management
NACH	National Anti-Corruption Hotline
NEDLAC	National Development Advisor Council
NDP	National Development Plan
NT	National Treasury
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational Health and Safety
OHSA	Occupational Health Safety Act
OLA	Operational Level Agreement
OSS	Operation Support System
PAIA	Public Access to Information Act
PAYE	Pay-As-You-Earn
PCM	Pension Case Management
PDP	Personal Development Plan
PDP	Past Discriminatory Practices
PEO	Principal Executive Officer
PERSAL	Personnel Salary
PFMA	Public Finance Management Act
PIC	Public Investment Corporation
PMD	Performance Management Development
PMO	Project Management Office
PO	Purchase Order
POPI	Protection of Personal information act
PPM	Project portfolio management
PSA	Public Servants Association
PSA	Public Service Act
PSC	Public Service Commission
PSCBC	Public Service Co-ordinating Bargaining Council
PSIRA	Private Security Industry Regulatory Authority
PSRMF	Public Sector Risk Management Framework

LIST OF ABBREVIATIONS / ACRONYMS

QMS	Queue Management System
RFQ	Request for Quote
RFP	Request for Proposal
RMC	Retirement Member Campaign
SAMVA	South African Military Veterans Association
SABC	South African Broadcasting Corporation
SAPS	South African Police Service
SARS	South African Revenue Service
SASSA	South African Social Security Agency
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Programme
SDLC	Systems Development Life Cycle
SHE	Safety Health and Environment
SHERQ	Safety, Health, Environment, Risk and Quality
SIEM	Security Information and Event Monitoring
SLA	Service Level Agreement
SMS	Senior Management Service
SMS	Short Message Service
SOP	Standard Operating Procedure
SP	Strategic Plan
SSA	State Security Agency
TAD	Technical Architecture Design
TB	Tuberculosis
TEPF	Temporary Employees Pension Fund
TOGAF	The Open Group Architecture Framework
TOR	Terms of Reference
TQM	Total Quality Management
TV	Television
WAN	Wide Area Networks
WAR	Work Area Recovery
WIC	Walk-in Centre
WSP	Workplace Skills Plan





**MR T MBOWENI, MP
MINISTER OF FINANCE**

FOREWORD BY THE MINISTER OF FINANCE

The Government Pensions Administration Agency (GPAA) has been progressively making strides towards realising its vision of taking services to the people. The organisation strives to have a client-base that is satisfied, served, valued, dignified, cared for and empowered. We continue to provide pension fund administration services to current and former employees of government who have served with loyalty, and to their beneficiaries, some of whom solely depend on pension benefits.

The GPAA recognises the importance of continued member and pensioner communication and education, and this is executed through various methods. Through its numerous outreach programmes such as roadshows, retiring member campaigns and exhibitions, the organisation has made notable progress in educating members about the funds and benefits it administers as well as the changes currently taking place in the pensions fund administration space. This includes a massive outreach campaign that was embarked on to sensitise the public about Unclaimed Benefits, resulting in a good response from beneficiaries who had not been aware of the availability of benefits that they were eligible for. The GPAA media campaign has also yielded a lot of positive spinoffs, including member testimonies on the Khumbulekhaya TV programme. To me, this is not only proactive, but it speaks of service excellence in the public service sector.

The organisation continues to modernise its operations to improve efficiencies for members to receive their benefits on time. During the year under review, the GPAA rolled out the Self-Service solution and 18 280 Government Employees Pension Fund (GEPF) members were registered to use this service. The Pension Case Management (PCM) system was also successfully rolled-out to 98% of employers and 98.22% of resignation cases were electronically submitted for processing to ensure that members receive their benefits on time. I believe that such collaborations between stakeholders are an imperative and an integral part of good service delivery. The more efficient and seamless our systems

and processes are, the better we will be at serving the public and those who rely on our services.

The organisation further ensured sound financial management, which resulted in an unqualified audit opinion for the period under review. The organisation continues to promote ethical leadership and in doing so, a culture of zero tolerance to fraud and corruption was observed.

Continuous effort is made to attract and retain high performing, skilled and dedicated human resources to serve the public service. The GPAA continuously strives to be the employer of choice both in the public service and in the pension fund administration industry for up and coming young individuals and experienced civil servants.

The GEPF through its administration agency, the GPAA, has introduced the Child's Pension, which has replaced the Orphan's Pension which was disadvantaging many children. The roll-out is progressing well and benefiting vulnerable children who lost their parents. It is also worth mentioning that the GPAA has started with the payment of the previously disadvantaged civil servants who suffered greatly in the public service during the apartheid era.

Lastly, let me extend a word of appreciation to the CEO of the GPAA, Mr Krishen Sukdev and the executive management for the leadership and guidance it has shown in steering the GPAA in the mission to realise the mandate for which the organisation exists. A word of gratitude also goes to all employees for the continued dedication to ensuring the delivery of quality services to all clients and serving them in ways that ensure that their dignity is upheld.



MR T MBOWENI, MP
MINISTER OF FINANCE
31 July 2019



Mr Krishen Sukdev
Chief Executive Officer
Government Pensions Administration Agency (GPAA)

ACCOUNTING OFFICER'S NOTE

The GPAA is charged with the responsibility to administer pension fund benefits on behalf of GEPF and National Treasury. This responsibility entails safeguarding the information of new, existing and former public servants. As such, the GPAA continually strives to meet its strategic goals and objectives that are aimed at ensuring that the clients' needs are met by providing quality services, treating clients with dignity and paying their benefits on time.

Achievements

The 2018/2019 Annual Performance Plan (APP) was implemented and most of our performance targets were achieved. We continued to improve service delivery by striving to pay benefits on time, with 85.69% of GEPF benefits and 99.99% of National Treasury benefits paid on time. Through our Modernisation Programme, we continued to implement strategies that sought to improve service delivery efficiencies. During the year under review, we deployed the Pension Case Management (PCM) system to 98% of employer departments. This resulted in 98.22% of exit (resignations) cases being submitted electronically by employers to the GPAA for processing.

The Self-Service functionality was successfully rolled-out to 18 280 members at four employer departments, focusing on the authentication of the members and providing electronic access to benefit statements. A project to replace the legacy pension system, CIVPEN, has been initiated and new technology will be deployed to replace the capabilities and functionalities of the legacy system.

The GEPF's new Child's Pension was introduced on 1 June 2018 to replace the old Orphan's Pension and the GPAA continues to administer this benefit. This development was aimed at bridging the gaps that were identified in the implementation of the Orphan's Pension. The main gap was that both parents had to be deceased in order for a child to qualify for the Orphan's Pension. The new Child's Pension only requires proof of death of one parent who was our member or pensioner.

During the past year, the Public Service Coordinating Bargaining Council (PSCBC) concluded on the methodology to implement the Pension Redress Programme, also known as Past Discriminatory Practises (PDP). This programme was implemented at the end of the 2018/2019 financial year and will continue in the next financial year.

Another notable achievement was the implementation of a renewed Communications Strategy regarding products, members and beneficiaries. In implementing this strategy, we endeavoured to reach more of our clients with the aim to educate and create awareness on the GEPF services and benefits that are due to them. Some of the initiatives we embarked on were outreach programmes in the form of Community Roadshows and Retiring Member Campaigns as well as creating presence at various shopping malls around the country. We further continued to reach out to our members and pensioners through GEPF's Fundnews and Fundtalk newsletters.

We continued to improve service delivery by striving to pay benefits on time, with 85.69% of GEPF benefits and 99.99% of National Treasury benefits being paid on time.

IRREGULAR EXPENDITURE

DURING 2018/2019

Irregular expenditure as at 01 April 2018 was R28.7 million. An additional amount of R2.364 million incurred in the prior year was raised during the current financial year. Irregular expenditure of R2.1 million was incurred and raised during the financial year under review. No irregular expenditure was condoned, leaving the balance of R33.2 million at the end of the financial year awaiting condonement.

Conclusion

The GPAA has made strides to improve its reach to its clients to empower and deliver quality services to them on behalf of the GEPE. As an organisation we remain committed to supporting government in achieving its planned national outcomes aimed at improving the lives of all South Africans and contributing to economic transformation.

I hereby extend a word of gratitude to the political leadership for the guidance and oversight provided throughout the year under review. The employees of the GPAA are appreciated for their continuous dedication to serving clients with utmost care, dignity and dedication.



Mr Krishen Sukdev

Chief Executive Officer

Government Pensions Administration Agency

31 July 2019

ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY

Statement of responsibility and confirmation of accuracy for the Annual Report for the year ended 31 March 2019.

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

- All information and amounts disclosed throughout the Annual Report are consistent.
- The Annual Report is complete, accurate and free from any omissions in all material aspects.
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.
- The Annual Financial Statements have been prepared in accordance with the standards of GRAP and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance with regard to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the agency for the financial year ended 31 March 2019.



Mr Krishen Sukdev

CHIEF EXECUTIVE OFFICER

Government Pensions Administration Agency (GPAA)

31 July 2019

STRATEGIC OVERVIEW

1. STRATEGIC OVERVIEW

1.1 Introduction

The Government Pensions Administration Agency (GPAA) is a government component and entity of the National Treasury. The establishment of this organisation was Gazetted in March 2010 in terms of Section 7A (4) of the Public Service Act of 1994 (Proclamation No. 103 of 1994). The mandate of the GPAA is to provide benefits administration services on behalf of its two customers, the Government Employees Pension Fund (GEPF) and National Treasury's Programme 7 funds. The provision of benefits administration services is regulated by Service Level Agreements (SLAs) with the GEPF and National Treasury respectively. The benefits administration services include the processing and paying of benefits and claims to clients which are pensioners, members, spouses and orphans. All this is done in accordance with the Government Employees Pension (GEP) Law of 1996 and several other legislations which fall under the ambit of National Treasury's Programme 7 funds and schemes.

1.2 Vision, Mission and Values

The GPAA's vision, mission and values are as follows:

Vision:

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

Mission:

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

Values

■ Transparency

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

■ Respect

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

■ Integrity

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

■ Courtesy

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

■ Service excellence

We commit to giving our clients quality service

■ Passion

We serve our clients with passion and understanding.

TRANSPARENCY

RESPECT

PASSION

**SERVICE
EXCELLENCE**

INTEGRITY

COURTESY

LEGISLATIVE AND OTHER MANDATES

2. LEGISLATIVE AND OTHER MANDATES

2.1 Government mandate

At the beginning of 2010, Parliament adopted and approved 14 priority outcomes for the government of the Republic of South Africa. The priority outcomes are based on the Medium-Term Strategic Framework (MTSF) priorities and are aimed at developing an efficient, effective and development-oriented Public Service and an empowered, fair and inclusive citizenry. The National Development Plan (NDP) on the other hand, provides an indication of the capacity and developmental commitments of the state while the guidelines that inform policy and implementation of these commitments are provided by the Department of Public Service and Administration (DPSA).

The key actions for the 2014 - 2019 administration as articulated in the MTSF include "institutionalising long-term planning, forging a disciplined, people-centred and professional public service, empowering citizens to play a greater role in development and building an ethical public service" (DPM&E,n.d.).

The strategic goals and objectives of the GPAA are embraced in priority number 12 and in the DPSA focus areas. These strategic goals and objectives resonate with government's priorities to develop an efficient, effective and development oriented Public Service. On the other hand, performance indicators of the GPAA are meant to measure and support the achievement of the organisation's strategic objectives, as linked to government priorities.

The GPAA further adheres to government's overarching strategic service delivery principles, which include the Batho Pele Principles of consultation, service standards, access, courtesy, information, openness and transparency, redress and value for money. In line with these principles, the GPAA is continuously improving its processes in order to ensure that our clients are informed, empowered and can easily access services. Such improvements

increase clients' confidence, preparedness and decision making, while strengthening their trust in the organisation.

The GPAA therefore aims to provide significant support to government in achieving outcome 12, while being cognisant of international and national best practise in the pension benefits administration sphere. The organisation is committed to enhancing its operations to ensure it contributes to a sustainable future as far as developments within the pension administration space are concerned. It also aims to continuously strive to be the preferred pension administrator for government with a client-base that is satisfied, valued and empowered.

2.2 Legislative mandate

The GPAA reports to the Minister of Finance who is its Executive Authority. Its financial affairs are governed by the Public Finance Management Act (PFMA), while its human resources fall under the ambit of the Public Services Act.

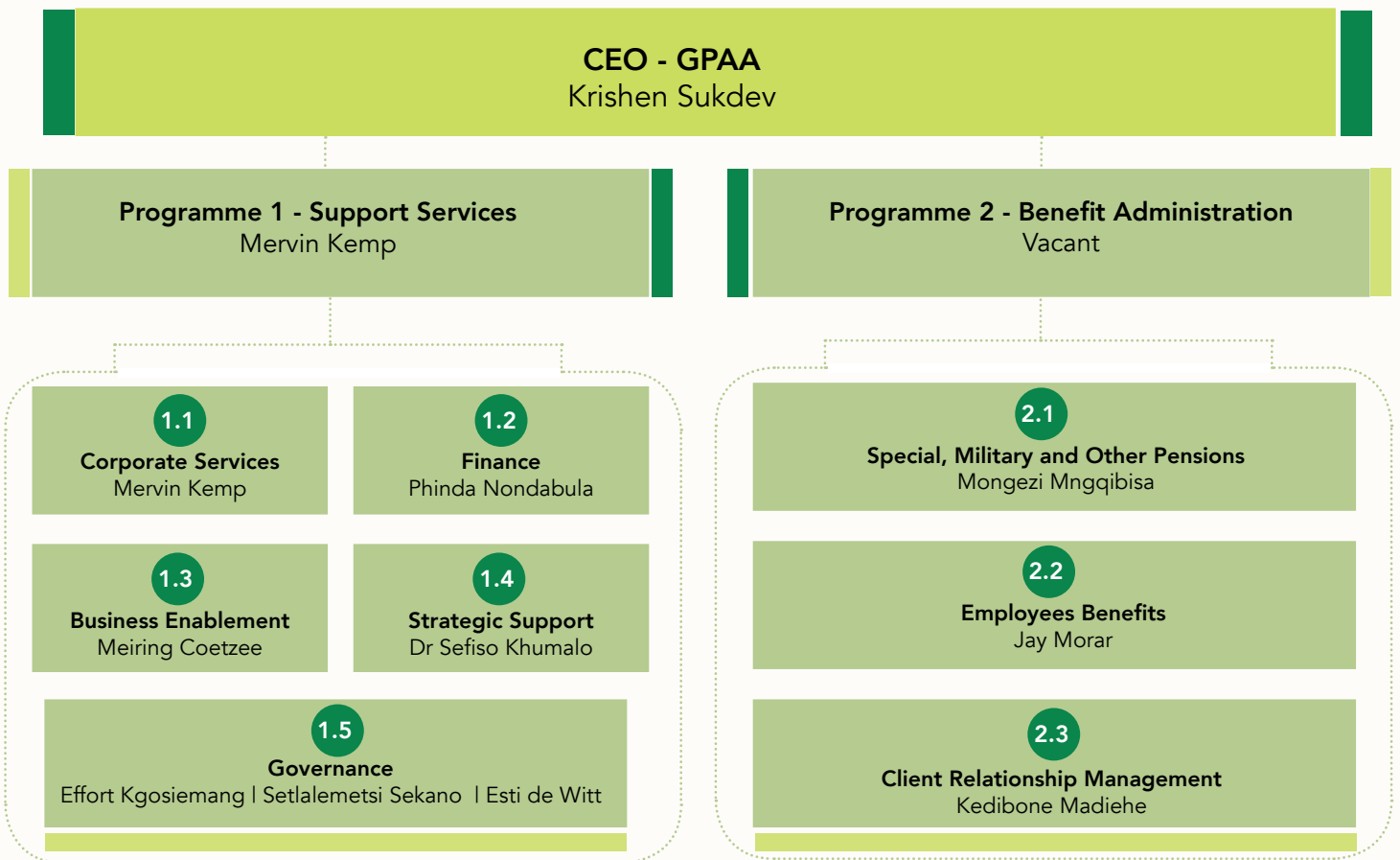
The GPAA provides administration services to the GEPP and National Treasury (Programme 7), an arrangement regulated by Service Level Agreements (SLAs). On behalf of the GEPP and its Board of Trustees, the GPAA administers government employees' pensions and funeral benefits in terms of the Government Employees Pension (GEP) Law of 1996.

The National Treasury administers the Temporary Employees Pension Fund (TEPF) in terms of the Temporary Employees Pension Fund Act (1979), and the Associated Institutions Pension Fund (AIPF) in terms of the Associated Institutions Pension Fund Act (1963). Post-Retirement Medical Subsidies are administered as provided for and regulated by the Public Services Bargaining Council (PSCBC); Military Pensions in terms of the Military Pensions Act (1976); Injury on Duty payments in terms of the Compensation for Occupational Injuries and Diseases Act (1993); and Special Pensions in terms of the Special Pensions Act (1996).

3. THE STRUCTURE FOR MANAGING THE GPAA'S STRATEGIC AND ANNUAL PERFORMANCE PLANS

The organisational structure of the GPAA is directed by the Chief Executive Officer (CEO); and consists of two Programmes, namely: Support Services and Benefits Administration. The two Programmes are divided into eight sub-programmes as depicted in **Figure 1**.

Figure 1- The GPAA Structure



THE GPAA EXECUTIVE MANAGEMENT



Mr Krishen Sukdev
Chief Executive Officer



Dr Sefiso Khumalo
Acting General Manager:
Management Support



Meiring Coetzee
Chief Information Officer



Effort Kgosiemang
Acting Chief Risk Officer



Setlalemetsi Sekano
Chief Audit Executive



Mervin Kemp
Acting Head: Corporate Services



Esti de Witt
General Manager: Legal



Kedibone Madihe
General Manager: Client Relations
Management



Mongezi Mngqibisa
General Manager: Special,
Military and other Pensions



Jay Morar
General Manager: Employee
Benefits



Phinda Nondabula
Acting Chief Financial Officer

PROGRAMME 1 - SUPPORT SERVICES

Programme 1 administers the business and governance affairs of the GPAA and gives rise to the strategic outcomes in support of the core business of Programme 2.

Sub-programme 1.1 - Corporate Services

The business units within Corporate Services play a supporting role to the provision of primary services including Human Resources and Facilities Management. The primary aim of this sub-programme is to support the GPAA in achieving its strategic goals through the management, coordination and oversight of human and physical resources and related services within the organisation. The sub-programme comprises of Employee Relations, Individual Performance Management, Recruitment, Training and Development, Physical Security and Facilities Management.

Sub-programme 1.2 – Financial Services

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

Sub-programme 1.3 – Business Enablement

This sub-programme directs and manages the organisation's ICT infrastructure including two data centres hosting the server, storage and application systems, Local Area Network (LAN), Wide Area Network (WAN) with a national footprint, and a whole range of end-user devices, such as desktops, laptops, tablets, printers and scanners. The sub-programme provides the GPAA with the enabling capabilities and technologies it needs to deliver on its mandate. In its current initiatives, through the Modernisation Programme, the GPAA is in the process of automating its core business processes and expanding its electronic outreach to provide its clients and customers with secure access to its services.

These initiatives are based on leading-edge technology solutions and established best practice frameworks, models and standards that promote and preserve the security and integrity of the organisation's information, as well as the systems that process and maintain them.

The Modernisation Programme spans the entire organisation and seeks to upgrade, automate and improve the efficiency and efficacy of the organisation's human capital, systems, processes and technology whilst fostering mutually beneficial relationships with clients and stakeholders. The programme has become a critical vehicle used by the organisation to transform and modernise its business processes and practices to achieve comparative levels of productivity, savings in administrative costs and compliance with legislative requirements, therefore making steady progress towards becoming a sustainable organisation.

Sub-programme 1.4 – Strategic Support

The purpose of Strategic Support (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 (SLAs). The sub-programme consists of Strategy, Policy, Management Information and Analytics, Corporate Monitoring and Evaluation as well as Communications.

This group of business units is responsible for ensuring that the GPAA is effectively managed in order to deliver services that meet or exceed the requirements of clients. It is also responsible for building relations and ensuring effective communication with various stakeholders, including the media and intergovernmental engagements which promote the achievement of government priorities and service delivery requirements. Finally, the Office of the CEO is responsible for oversight of the GPAA and the overall performance of the organisation.

Sub-programme 1.5 – Governance

The Governance sub-programme is aimed at ensuring that the required processes and advisory services are in place for decision making and implementation. This sub-programme ensures that the principles of accountability, transparency, compliance, following the rule of law, responsiveness, effectiveness and efficiency are built into the processes, procedures and policies governing of the GPAA, its stakeholders and decision making processes. The sub-programme consists of Internal Audit, Legal and Advisory Services, Enterprise-wide Risk Management as well as the Forensic and Fraud Prevention Management business units.

PROGRAMME 2 - BENEFITS ADMINISTRATION

Programme 2 consists of three sub-programmes that administer a range of benefits, and is responsible for client relationship management.

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

This sub-programme is responsible for administering funds on behalf of National Treasury's Programme 7. It provides for the payment of non-contributory benefits 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, Special Pensions and Injury on Duty (IOD) payments are the various benefits administered under this sub-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.

Sub-programme 2.2 Employee Benefits (GEPF)

The Government Employees Pension Fund (GEPF) is a contributory defined benefit pension fund that is administered by the GPAA on behalf of GEPF's Board of Trustees in terms of the Government Employees Pension (GEP) Law. Through this sub-programme, the GPAA provides the full spectrum

of benefit administration services, inclusive of member admissions, contribution collection, member / pensioner / beneficiary maintenance and benefit processing services for the GEPF. Benefit processing starts from the benefit application and the processing of all relevant forms and documentation, and ends with the finalisation of the benefit payment to the client. These processes are aimed at the accurate and timely payment of benefits to GEPF's members and beneficiaries.

Sub-programme 2.3 - Client Relationship Management (CRM)

The Client Relationship Management (CRM) sub-programme is aimed at managing relationships with all stakeholders, including clients, third parties and employers, by providing high quality, responsive client services based on the principles of Batho Pele. The service channel operations (the Call Centre and Walk-in Centres) ensure effective support for the interface between the GPAA and its client base through accepting, resolving and monitoring all service requests or queries made by clients. This sub-programme also provides employer education and training through its regional and employer liaison units. In addition, CRM oversees the document management process to support the GPAA's core functions and business processes. This includes the conversion of paper documents into electronic format, indexing, tracking and the storage of these documents.



| PART B |

PERFORMANCE INFORMATION

PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General South Africa (AGSA) performs certain audit procedures on performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management.

Refer to page 105 of the Annual Report for the report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF ORGANISATIONAL PERFORMANCE

2.1 Service Delivery Environment

The GPAA operates in an environment that is marked by high levels of unemployment, poverty and inequality. As such, the GEPF members and pensioners, as served by the GPAA, find themselves with the responsibility to make financial provisions for their immediate and extended families. This extended responsibility makes it even more critical for the GPAA to ensure the accurate maintenance of member and pensioner data to ensure timeous payment of benefits when they become due.

The GPAA environment is further marked by a dependency on employer departments for the submission of the information of new public servants as they become newly employed in order to ensure timeous admission to the Fund and as timeous and accurate collection of contributions.

The employer departments further play a critical role of ensuring timeous submission of benefits application information on behalf of the members. The unavailability of service level agreements between the GPAA and employer departments leads to an inability to hold employers accountable in instances of late submission of exit documents. The late submissions lead to late payments to members, leaving some members and beneficiaries without any source of income.

Significant collaborative efforts are continually made by the GPAA to enhance stakeholder relations with employer departments as one of the major stakeholders. The appointment of a dedicated Fund Relations Officer has assisted in improving strategic relations between the GPAA and employer departments. Client Liaison Officers (CLOs) also play a critical role in sustaining relations between the parties. A number of initiatives are in place to educate human resources officials at employer departments about the products delivered on behalf of the GEPF and National Treasury. Similarly, education campaigns aimed at members are also delivered on a continuous basis.

In efforts to ensure improved efficiencies in the delivery of services to clients, the GPAA is continuing with the Modernisation Programme with the aim to automate its core business processes and expand its electronic outreach to provide clients and customers with secure access to its services. This programme is a vehicle for transformation of organisational processes to a better client customer experience. Significant progress has been made with a number of projects in the modernisation programme being closed from the project development side and handed over to the service delivery environment. One of the successes of the modernisation programme is the automation of the submission of the benefit applications for exit (resignation) cases, allowing employer departments to submit exit documents electronically.

The GPAA strives to enhance service delivery through improved communication, enhanced member education, timely and accurate payment of benefits, and capacitated regional and satellite offices. Although traditional newsletters remain the main form of communication with clients, the GPAA is progressively introducing digital communication as another way of communicating with members.

The GPAA has embarked on a media campaign to educate members about their benefits and the importance of staying in service until retirement. It also encourages members to retire with the GEPP rather than to resign and transfer their savings out of the Fund and has further created awareness on unclaimed benefits.

2.2 Modernisation – the GPAA’s Service Delivery Improvement Programme (SDIP)

The SDIP of the GPAA is implemented in the form of a Modernisation Programme which seeks to ensure that services are provided in an efficient manner for the benefit of the clients

Refer to page 45 (sub-programme 1.3) for information on the Modernisation Programme.

2.3 Organisational Environment

The GPAA is governed through a number of legislative prescripts, most of which are applicable throughout the public service. The organisation ensures adherence to good governance principles and practices of transparency, integrity and accountability through the development and implementation of the GPAA specific policy frameworks. Service Level and Administrative Agreements with key customers of the organisation are also critical in governing towards the efficient and effective administration of benefits to all clients.

The Fraud Prevention and Integrity Framework is also implemented within the GPAA. This framework is aimed at anti-corruption and ethics training, improving awareness amongst both internal and external stakeholders as well as developing and improving policies and procedures. In addition, it encompasses the implementation of internal controls, conducting of fraud risk assessments, effective management of the whistleblowing mechanism and assists with co-operative agency liaison and effective investigations. The organisation has appointed Ethics Officers as part of implementing the DPSA’s initiatives towards creating an ethical public service.

This organisation adheres to the Batho Pele principles and aims to improve clients’ access to information and services through improved processes. A number of outreach initiatives, such as roadshows, mobile offices, satellite offices and the Self-Service system are used to ensure that clients are informed and empowered.

As a component of government, the GPAA continually strives to improve economic efficiencies by running its financial matters within the prescripts of the PFMA and its regulations. As such, the organisation continues to implement the National Treasury’s cost containment measures which are yielding cost savings for the GPAA.

2.4 Key Policy Developments and Legislative Changes

Proposed new pension regulations from National Treasury had a large impact on both exits from GEPP and on the reputation of the Fund during the year under review and the years preceding it. Over the past few years government, particularly through National Treasury, has begun formulating proposals regarding retirement reform to ensure maximum benefit for citizens during their retirement.

This is a process through which government, through policies, seeks to:

- a) Encourage people to save and provide adequately for retirement to ensure that they retire comfortably and have an income that lasts for their lives in retirement;
- b) Encourage employers to provide retirement saving plans for their employees as part of the employment contract;
- c) Ensure that people receive good value for money for their retirement savings and are treated fairly; that their savings are prudently and diligently managed; and that they are kept informed of their retirement savings; and
- d) Improve standards of retirement fund governance, including Trustee knowledge and conduct, and the protection of members' interests.

The above clearly indicate that retirement reform is an ongoing process, and the new reforms will take some time to complete. The aim is to ensure that whatever reforms are undertaken do not result in unintended consequences. In this regard, it is also imperative to learn from other countries that are going through similar policy debates and reforms.

With effect from 1 June 2018, the GPAA administered a new Child's Pension benefit after the GEPF amended its rules to introduce the Child's Pension. The new Child's Pension benefit does not require that both parents of the eligible child must be deceased. Accordingly, this amendment to the GEPF rules addresses the exclusion of children from qualifying for an Orphan's Pension benefit because they had a surviving parent. This new Child's Pension benefit is only applicable to eligible children whose parent/s were members of the GEPF prior to their death after introduction of the benefit. The Child's Pension benefit is also payable to eligible children up to the age of 22 irrespective of whether he/she is a full time student or not.

3. STRATEGIC OUTCOME-ORIENTED GOALS

The Minister’s contract, the National Development Plan (NDP), the GPAA’s environment, different analysis methods, the intended outcomes of Modernisation, as well as the previous year’s performance were all taken into consideration when developing the strategic goals of the GPAA. The strategic goals and objectives are depicted in **Figure 2**.

Figure 2: Strategic Goals and Objectives

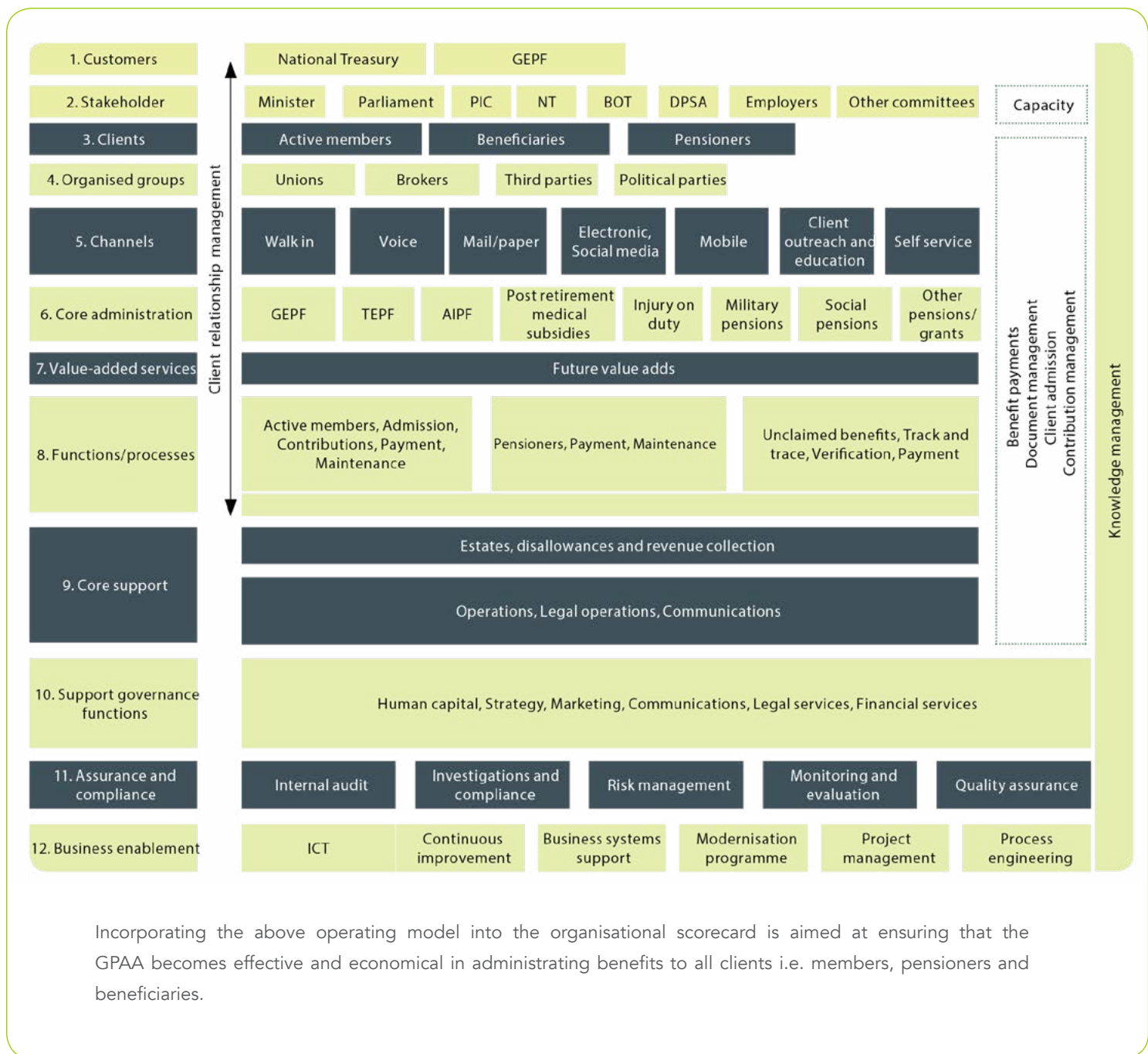


For the purpose of measuring the achievement of the strategic goals and objectives, a total of 23 performance indicators were tracked during the financial year. Performance scorecards for Programme one and Programme two reflect the targets for the financial year, together with the achievements and challenges towards attainment of the set targets (see page 30). The performance scorecards are further reflected per sub-programme from page 33 to 60.

The performance areas for the organisation are aligned to the GPAA's operating model and have been incorporated into the organisational scorecard as contained in the Annual Performance Plan (APP) for the 2018 / 2019 financial year.

The GPAA's operating model complements its structure, processes and capabilities as depicted in Figure 3.

Figure 3 - GPAA'S Operating Model



Incorporating the above operating model into the organisational scorecard is aimed at ensuring that the GPAA becomes effective and economical in administrating benefits to all clients i.e. members, pensioners and beneficiaries.

Institutionalisation of Outcomes-Based Planning in the GPAA

The GPAA, as a component of government has embraced the outcomes-based approach. Both the strategic planning and organisational performance monitoring approaches of the organisation are outcome-based. The Strategic Plan and APP were produced within the ambits of the GPAA Strategic Planning Framework, which outlines the planning, budgeting, implementation and reporting cycle of the organisation.

The performance of the organisation in implementing the APP was monitored through the guidance of the Monitoring and Evaluation (M&E) Framework, which outlines results-based M&E approach of the organisation in alignment with the results-based approach of government. This framework is also aligned to the Framework for Managing Programme Performance Information and the National Evaluations Policy Framework. It further provides for various types of evaluations employed by the GPAA in evaluating the effectiveness and efficiency of various initiatives.

It is on this basis that the outcomes-based approach has been embedded in the GPAA's planning, monitoring and evaluation instruments.

Performance against Strategic Objectives

The GPAA has delivered on most of its predetermined objectives for the 2018/2019 financial year. A total of 18 out of 23 (78.26%) performance targets were achieved.

A number of highlights have been recorded for the financial year under review, the greatest being that an average of 92.80% (GEPF: 85.69% and National Treasury: 99.99%) of benefits were paid on time after receipt of duly completed documentation and an average of 99.51% new members were admitted within 21 days. The number of un-serviced clients at Walk-in Centres was reduced by 50% however there was a 9% of abandoned calls at the Call Centre.

Another notable achievement is the roll-out of the Self Service system to four government departments which saw 18 280 members registered at the end of the 2018/2019 financial year.

The GPAA administered benefits on behalf of GEPF, with a membership of 1.2 million at the end of March 2019. Contributions of approximately R75.3 billion were received in 2018/2019 and benefits of approximately R93.4 billion were paid. A summary of the cases administered in 2018 / 2019 is tabulated below.

CASES ADMINISTERED AND FINALISED AT THE GPAA	CASES PAID 2016 / 2017	CASES PAID 2017 / 2018	CASES PAID 2018 / 2019
Resignation from GEPP	30 932	26 690	23 362
Retirement from GEPP	32 196	35 571	35 931
Transfer from GEPP	3 510	3 345	3 186
Beneficiaries paid due to death of members	7 126	7 760	5 922
Total	73 764	73 366	68 401
RECIPIENTS OF MONTHLY PAYMENTS FROM THE FUND	MONTHLY PAYMENTS 2016 / 2017	MONTHLY PAYMENTS 2017 / 2018	MONTHLY PAYMENTS 2018 / 2019
Injury on Duty (IOD) payments	9 765	9 720	9 833
Post-retirement Medical Benefits	104 325	109 979	117 407
Military Pensions	5 149	5 025	4 980
Special Pensions	7 201	6 939	6 672
Other benefits	972	926	891
Pension benefits (GEPP)	282 600	292 437	302 916
Spouses benefits (GEPP)	153 079	156 681	159 621
Orphans benefits (GEPP)	1 372	1 204	1 601
Pension benefits (AIPF)	63 720	4 997	4 702
Spouses benefits (AIPF)	34 452	2 826	2 797
Pension benefits (TEPF)	2 652	207	196
Spouses benefits (TEPF)	1 500	128	130
Total benefits paid per month (averaged)	667 787	591 069	611 633

The initiatives that were high on the agenda were:

- Stakeholder management to enhance employer department support and improvement on payment turn-around time;
- Continuous monitoring of backlogs by the Backlog Committee;
- Implementation of consequence management to improve governance;
- Process reengineering;
- Rollout of Self-Service functionality;
- Electronic communication through SMS and email;
- Education and outreach programmes - with more focus on rural and far flung areas;
- Continuous member data cleansing to improve communication to members;
- Rollout of member profiling campaign to reduce Unclaimed Benefits;
- Employee engagement and support to enhance productivity;
- Resolution of audit findings; and
- Implementation of strategic risk actions.

The key initiatives were aimed at improving the pension administration services provided by the GPAA to clients on behalf of the GEPP and National Treasury.



4. PERFORMANCE INFORMATION BY PROGRAMME

Performance of the organisation in implementing the 2018 / 2019 Annual Performance Plan (APP) is reflected as follows:

PROGRAMME 1: SUPPORT SERVICES

Strategic Goal	Strategic Objective	Performance Indicator	Actual Achievement 2017 / 2018
Optimal Core Services	To provide support to core business to deliver quality service to GPAA customers and clients	% of unclaimed benefits aging balance within the current year	67% of the new (current year) unclaimed benefits of the accumulated unclaimed benefits total
		% reduction in administration costs per member	-4% reduction in administration costs per member
		Number of fraud prevention activities implemented (PSC)	9 fraud prevention activities implemented (PSC)
		% of cases submitted through the Pension Case Management (PCM) System	100% of Pension Case Management (PCM) system implemented
		% of cases processed through the Benefit Payment Automation (BPA) System	76% of Benefit Payment Automation (BPA) system implemented
		% increase in clients enrolled on Self-Service	100% of Self-Service system implemented for access to clients
		Clean audit	New measure
		% of disabled employees	New measure
		% of female employees as a total employees	New measure
		% black employees of total employees	New measure

	Planned Target 2018 / 2019	Actual Achievement 2018 / 2019	Deviation from planned target to actual achievement for 2018 / 2019	Comment on deviations
	85% of unclaimed benefits aging balance within the current year	59.65% of unclaimed benefits aging balance within the current year	Target missed by 25.35%	The suspension and termination of contracts for unclaimed benefits tracing panel. To engage Provincial Branch Managers to distribute the unclaimed benefits list to other Provincial stakeholders
	8% reduction in administration costs per member	8.93% reduction in administration costs per member	Target achieved as planned	Cost reduction as a result of cost saving on Consultants and modernisation cost
	14 fraud prevention activities implemented (PSC)	18 fraud prevention activities implemented (PSC)	Target exceeded by 4	More efforts were put in place to ensure that all planned activities are done, including the finalisation of governance documents
	100% of cases submitted through the Pension Case Management (PCM) System	98.22% of cases submitted through the Pension Case Management (PCM) System	Target missed by 1.78%	The majority of the exits are submitted on PCM; Only exceptional cases (pre-amalgamation exits, HOD exits etc.) are submitted manually and also by employers who do not have access to ICT services to utilise PCM
	70% of cases processed through the Benefit Payment Automation (BPA) System	9.70% of cases processed through the Benefit Payment Automation (BPA) System	Target missed by 60.03%	Test, sign off and release BPA Retirement to Production a.s.a.p.; Adoption of proposals to increase BPA throughput
	40% increase in clients enrolled on Self-Service	2754.77% increase in clients enrolled on Self-Service	Target exceeded by 2714.77%	The roll out to the DPSA, SARS, NT and SASSA was successful thus more clients were enrolled
	Clean audit	Unqualified Audit with matters of emphasis	Clean Audit not Achieved	The deviation is as a result of misstatements in the AFS and AoPOs which had to be corrected
	2% of disabled employees	5.19% of disabled employees	Target exceeded by 3.19%	Disability campaign was conducted and more people have declared
	51% of female employees as a total employees	63.42% of female employees as a total employees	Target exceeded by 12.42%	The organisation has employed more female employees
	75% black employees of total employees	82.67% black employees of total employees	Target exceeded by 7.67%	The organisation has employed more black employees

PROGRAMME 2: BENEFITS ADMINISTRATION

Strategic Goal	Strategic Objective	Performance Indicator	Actual Achievement 2017 / 2018	Planned Target 2018 / 2019	
Well preserved pension funds	To influence client and stakeholder behaviour	% client satisfaction levels	94% client satisfaction levels	94% client satisfaction levels	
		% reduction of abandoned calls in the call centre	94% of post voice call resolution	20% reduction of abandoned calls in the call centre	
Satisfied clients	To register new members or employers in a compliant manner	% of NT members admitted within 21 days	99% of NT members admitted within 21 days	96% of NT members admitted within 21 days	
		% of GEPF members admitted within 21 days	98% of GEPF members admitted within 21 days	96% of GEPF members admitted within 21 days	
	To process contributions in a compliant manner	% of GEPF contributions reconciled by the 22 nd of the month	98% of GEPF contributions reconciled by the 22 nd of the month	95% of GEPF contributions reconciled by the 22 nd of the month	
	To ensure contributions are valid, accurate and complete				
	To ensure that member and beneficiary data is accurate and usable	% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)	32% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)	25% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)	
		% of NT pensioner records maintained	99% of NT pensioner records maintained	95% of NT pensioner records maintained	
		% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates	100% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates	100% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates	
	To process contributions in a compliant manner	% of NT membership certificates issued within 30 days of admission	99% of NT membership certificates issued within 30 days of admission	92% of NT membership certificates issued within 30 days of admission	
Less than 30-day turnaround time for the payment of benefits	To process benefits in a compliant manner to the satisfaction of clients	% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received	92% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received	70% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received	
		% of GEPF benefits paid on time	71% of GEPF benefits paid on time	81% of GEPF benefits paid on time	
		% of NT benefits paid on time	99% of NT benefits paid on time	85% of NT benefits paid on time	
Well preserved pension funds	To influence client and stakeholder behaviour	% reduction of un-serviced clients in the Walk in Centre	New measure	20% reduction of un-serviced clients in the Walk in Centre	

	Actual Achievement 2018 / 2019	Deviation from planned target to actual achievement for 2018 / 2019	Comment on deviations
	94% client satisfaction levels	Target achieved as planned	Regular coaching and provision of positive feedback to employees interacting with clients. Quality assurance: Employees strived to offer quality service to clients at all times
	9% reduction of abandoned calls in the call centre	Target missed by 11%	Shortage of Call Centre Agents to handle all incoming calls. During February 2019 the Call Centre lost 19 contract workers which impacted on ability to answer calls. Average agents available since February 2019 were few (only 30 agents)
	99.96% of NT members admitted within 21 days	Target exceeded by 3.96%	This is attributed to effective and efficient administration of member admission process
	99.07% of GEPF members admitted within 21 days	Target exceeded by 3.07%	This is attributed to effective and efficient administration of member admission process
	98.19% of GEPF contributions reconciled by the 22 nd of the month	Target exceeded by 3.19%	Contributions are received and reconciled to withholdings of contributions payable by the employer through payroll deductions. Achievement is dependent on timeous payment of such to the GPAA
	35.60% of GEPF Existing Member data confirmed annually with the member and/ or the Employer Departments (to cleanse member data)	Target exceeded by 10.60%	Member data confirmed as planned
	99.98% of NT pensioner records maintained	Target exceeded by 4.98%	This is attributed to sound management and maintenance of pensioner records
	100% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates	Target achieved as planned	This is attributed to effective administration of member and pensioner maintenance
	99.67% of NT membership certificates issued within 30 days of admission	Target exceeded by 7.67%	This is attributed to excellent admission processes in place
	90.85% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received	Target exceeded by 20.85%	This is attributed to effective and efficient administration of death benefits
	85.62% of GEPF benefits paid on time	Target exceeded by 4.69%	This is attributed to improved payment processes
	99.99% of NT benefits paid on time	Target exceeded by 14.99%	This is attributed to effective administration of benefits payment turnaround time
	50% reduction of un-serviced clients in the Walk in Centre	Target exceeded by 30%	Dedicated employees: Staff and management ensured that all clients are serviced before close of business. The no shows mostly relate to clients that have limited time available and will rather return another time

PROGRAMME 1: SUPPORT SERVICES

Sub-programme 1.1: Corporate Services

Purpose of the Sub-programme

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

List of business units

- Human Resource Management
- Facilities Management

Strategic Objectives for 2018 / 2019

- To provide support to core business to deliver quality service to GPAA customers and clients.

Performance against Predetermined Objectives

Strategic Goal	Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to actual achievement for 2018 / 2019	Comment on deviations
Optimal Core Services	To provide support to core business to deliver quality service to GPAA customers and clients	% of female employees as a total employees	Not measured	51% of female employees as a total employees	63.42% of female employees as a total employees	Target exceeded by 12.42%	The organisation has employed more female employees
		% black employees of total employees	Not measured	75% black employees of total employees	82.67% black employees of total employees	Target exceeded by 7.67%	The organisation has employed more black employees
		% of disabled employees	Not measured	2% of disabled employees	5.19% of disabled employees	Target exceeded by 3.19%	Disability campaign was conducted and more people have declared their disability status.

Note: The Achievements and challenges of HR are covered in Part D: Human Resource Management, and the achievements and challenges of Facilities Management are covered in Part C: Governance.

Linking Performance with Budgets

The budget expenditure that supported the performance of sub-programme 1.1 was as follows:

Programme 1.1 Corporate services	2017/2018			2018/2019		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
	202 215	178 732	23 483	188 244	168 076	20 168
Total	202 215	178 732	23 483	188 244	168 076	20 168

This budget expenditure assisted sub-programme 1.1 in supporting the organisation with recruitment and other human resources functions. It further assisted with the leasing of buildings, motor vehicles, office equipment and parking as well as provision of security services to ensure the delivery services to our clients.

Sub-Programme 1.2: Financial Services

Purpose of the sub-programme

Financial Services manages the financial resources available to administer pensions and other benefits. In this regard, the sub-programme adheres to financial policies, applies relevant frameworks for record keeping, and maintains sufficient cash flow levels for operational activities. This sub-programme prepares the financial statements of the GPAA, GEPP, Associated Institutions Pension Fund (AIPF) and Temporary Employees Pension Fund (TEPF).

List of business units

- Finance: Administration.
- Finance: Employee Benefits.
- Supply Chain Management.
- Unclaimed Benefits.
- Taxation.

Strategic objectives for 2018 / 2019

- To provide support to core business to deliver quality service to GPAA customers and clients.

Performance against Predetermined Objectives

Strategic Goal	Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to actual achievement for 2018 / 2019	Comment on deviations
Optimal Core Services	To provide support to core business to deliver quality service to GPAA customers and clients	Clean audit	Not measured	Clean audit	Unqualified Audit with matters of emphasis	Clean Audit Not Achieved	The deviation is as a result of misstatements in the AFS and AoPOs which had to be corrected
		% of unclaimed benefits aging balance within the current year	67% of the new (current year) unclaimed benefits of the accumulated unclaimed benefits total	85% of unclaimed benefits aging balance within the current year	59.65% unclaimed benefits aging balance within the current year	Target missed by 25.35%	The suspension and termination of contracts for unclaimed benefits tracing panel had a negative impact towards this Engage Provincial Branch Managers
		% reduction in administration costs per member	-4% reduction in administration costs per member	8% reduction in administration costs per member	8.93% reduction in administration costs per member	Target achieved as planned	Cost reduction as a result of cost saving on Consultants and modernisation cost

Achievements:

- During the year under review Financial Services managed to reach clients through HR forums and roadshows as part of education and outreach regarding Unclaimed Benefits.
- The financial outcomes of the GPAA's activities for the year under review are reported in the Annual Financial Statements (AFS) of this Annual Report. The AFS are prepared as required by the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended by Act 29 of 1999) (PFMA), Treasury Regulations and Generally Recognised Accounting Practice (GRAP).
- The GPAA has implemented a number of initiatives aimed at improving its Supply Chain Management (SCM) process. These initiatives include, among others, the following:
 - The introduction of an electronic system for handling contract management;
 - Updating and reviewing of the Standard Operating Procedure (SOP) user manual;
 - Approval of the Supply Chain Management (SCM) Policy;
 - The development of an Annual Procurement Plan; and
 - Monitoring of the Annual Procurement Plan by the Executive Committee (EXCO).

Challenges:

The continuing growth of the Unclaimed Benefits account.

Strategies to Overcome Challenges:

- Implementation of the Communication Strategy to reach people who are eligible for unclaimed benefits which will include the following:
 - Print media, Radio, TV stadium and outdoor advertisement
 - Conducting media interviews to raise awareness on unclaimed benefits
 - Exhibitions (shopping malls across the country)
 - Interactions with Community Development Workers
 - Partnership with Government Communicators' Forum.

Linking Performance with Budgets

The budget expenditure that supported the performance of sub-programme 1.2 was as follows:

Programme 1.2 Finance Services	2017/2018			2018/2019		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
	58 959	54 113	4 846	59 583	54 341	5 242
Total	58 959	54 113	4 846	59 583	54 341	5 242

The budget expenditure assisted, amongst others, with increasing the reach of people who are eligible for Unclaimed Benefits; and for the services of the tracing company whose services were unfortunately terminated during the course of the financial year.

Sub-programme 1.3: Business Enablement

Purpose of the sub-programme

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

List of business units:

- Business Support Services (BSS).
- Information Security (IS).
- ICT Service Management.

- ICT Acquisition and Demand.
- ICT Infrastructure.
- Project Management Office (PMO).
- ICT Applications and Middleware.
- Process Innovation and Business Analysis.

Strategic Objectives for 2018 / 2019

- To provide support to core business to deliver quality service to GPAA customers and clients.

Performance against Predetermined Objectives

Strategic Goal	Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to actual achievement for 2018 / 2019	Comment on deviations
Optimal Core Services	To provide support to core business to deliver quality service to GPAA customers and clients	% of cases submitted through the Pension Case Management (PCM) System	100% of Pension Case Management (PCM) system implemented	100% of cases submitted through the Pension Case Management (PCM) System	98.22% of cases submitted through the Pension Case Management (PCM) System	Target missed by 1.78%	The majority of the exits are submitted on PCM; Only exceptional cases (pre-amalgamation exits, HOD exits etc.) are submitted manually and also by employers who do not have access to ICT services to utilise PCM
		% of cases processed through the BPA System	76% of Business Payment Automation (PCM) system implemented	70% of cases processed through the BPA System	9.70% of cases processed through the BPA System	Target missed by 60.03%	Test, sign off and release BPA Retirement to Production ASAP; Adoption of proposals to increase BPA throughput
		% increase in clients enrolled on Self-Service	100% of Self-Service system implemented for access to clients	40% increase in clients enrolled on Self-Service	2754.77% increase in clients enrolled on Self-Service	Target exceeded by 2714.77%	The roll out to the DPSA, SARS, NT and SASSA was successful thus more clients were enrolled

Achievements:

- PCM was successfully deployed to the employer administrators responsible for the submission of the exit claim documents. ICT and CRM ensured that 98% of all exits are submitted via the electronic channel to the administration.

- BPA was deployed to allow for the paperless processing of exit claims within the administration. The BPA resignation process was tested and implemented and is used by the operational units responsible for the payment of benefits.
- A total of 18 280 clients were enrolled on the Self-Service solution. A technical team is assisting the clients to resolve any issues experienced with the system. A mailbox facility is also available to the clients if they have any questions on the solution and the information available on the solution. The focus of the roll-out was to allow for authentication of the clients and to give electronic access to benefit statements.
- ICT ensured that the production systems and applications were available for 99% of the time during the production window. Minimal service interruptions were experienced during the financial period.
- The CIVPEN replacement project has started and the ICT team deployed the ORACLE Fusion Stack technology that will be utilised to replace the available capabilities and functionality that is currently available in the CIVPEN legacy system.
- The necessary data tools required by the GPAA business to identify data errors are available for use and the required training and access to the tools were implemented.

Challenges:

- The employers using the PCM system require more functionality on the PCM solution. The added functionality includes access to benefit statements, benefit calculators, management information and information dashboards to distribute information.
- The deployment of BPA was not completed in the financial year, resulting in a low percentage of cases processed via BPA. Several data issues were also identified that resulted in the manual processing of exit claims instead of using the automated BPA system.
- Additional functionality is required on Self-Service and the deployment of the functionality was not delivered.
- The scope, deliverables and timelines for the delivery on the CIVPEN Replacement project are in the process of being reviewed by both GPAA and the GEPF. The success of the project will be based on sound project management and the required capacity in the administration to deliver the solution.

Strategies to Overcome Challenges:

- ICT is in the process of increasing capacity in the development space to allow for the development and deployment of additional functionalities to the end users.
- BPA retirement deployment will be expedited to allow for a bigger percentage of cases processed via the electronic channel. ICT will work with the business process owners to deliver on solutions to reduce and correct the data errors and other issues. The reduction of data errors will ensure that more cases are processed via BPA, reducing turn-around times and streamline the validations for PCM.
- The GEPF and the World Bank issued findings and recommendations to ensure that the CIVPEN replacement project and the completion of the Modernisation Programme are managed properly and to allow for accurate reporting to the Fund. The recommendations from the World Bank will be implemented to assist the GPAA to have better programme management and acquire the necessary ICT resources to execute on its deliverables. The core objectives of the project will be to improve on service delivery to the GPAA clients and customers and reduce turn-around times.

Linking Performance with Budgets

The budget expenditure that supported the performance of sub-programme 1.3 was as follows:

Programme 1.3 Business Enablement	2017/2018			2018/2019		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
	311 327	278 760	32 567	376 248	254 958	121 290
Total	311 327	278 760	32 567	376 248	254 958	121 290

The budget expenditure supported the provision of ICT infrastructure and software for the organisation. It further assisted with the rollout of the self-service functionality to GEPF members at four employer departments, the rollout of PCM and the execution of other modernisation projects.

Sub-programme 1.4: Strategic Support

Purpose of the sub-programme

The purpose of this sub-programme (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 (SLAs).

This group of business units is responsible for ensuring that the GPAA is effectively managed in order to deliver services that meet or exceed the requirements of clients. It is also responsible for building relations and ensuring effective communication with various stakeholders, including the media and intergovernmental engagements, which promote the achievement of government priorities and service delivery. Finally, the Office of the CEO is responsible for oversight of the GPAA and the overall performance of the organisation.

List of business units

- Communications.
- Complaints Management.
- Corporate Monitoring and Evaluation.
- Management Information and Analytics.
- Strategy, Policy and Business Continuity Management.

Strategic Objectives for 2018 / 2019

- To provide support to core business to deliver quality service to GPAA customers and clients

Performance against Predetermined Objectives

Sub Programme 1.4 had no APP targets for the 2018 / 2019 financial year.

Achievements:

Policy

- During the financial year under review, a total of 28 policies were reviewed in consultation with organised labour. Eight of these policies were approved by the executive committee. This has assisted in resolving some of the audit findings.
- A project to review all policies is in place to ensure that GPAA policies are relevant, efficient and succinct.

Business Continuity

- The GPAA has trained 22 Business continuity practitioners and the following processes were completed by the end of the financial year:
 - Business impact analysis
 - Business Continuity Strategy
 - Review of the Business Continuity plans
 - Two successful invocation tests:
 - At Continuity SA in Midrand where 85 people tested and worked online
 - At SARS in Worcester in the Western Cape
- Successful relocation of Cape Town office on the 27th-28 February 2019.

Education and Outreach

- During the financial year under review, the GPAA held discussions with the GEPF regarding the Communication Strategy for its products, members and beneficiaries.
- The GPAA implemented this strategy as follows:
 - The GPAA conducted outreach programmes in the form of community roadshows and Retirement Member Campaign (RMC workshops).
 - Nine community roadshows were successfully hosted in Northern Cape, North West, Limpopo, Gauteng, Eastern Cape, Mpumalanga, Western Cape, Kwa-Zulu Natal and the Free State. A total of 9401 from a target of 9000 members attended the events.
 - Ten pre-retirement workshops (RMCs) targeted at active members in the age category of 50 – 65 took place in all nine provinces. A total of 6707 from a target of 4360 members attended these workshops.
- The GPAA once again participated at the annual Rand Show which took place from 30 March – 08 April 2018. The show was held at Nasrec, Johannesburg, in the Gauteng province. Our Client Liaison Officers (CLOs) interacted with over 1 200 members on various queries.

- The GPAA strives to reach the Fund's members, pensioners and beneficiaries in all corners of the country. Because people generally go to their nearest shopping malls for grocery shopping, entertainment etc., the GPAA has therefore endeavored to create presence at shopping malls, as this is a convenient way for potential Fund members and the public at large to get in contact with the GPAA / GEPF and get their queries resolved.

Shopping mall exhibitions

- Shopping mall exhibitions took place at the following provinces and malls from 19-31 March 2019: Eastern Cape (Nonesi Mall in Queenstown), North West (Matlosana Mall in Klerksdorp), Northern Cape (Kuruman, Mall in Kuruman), Mpumalanga (Mall Emba in Secunda). Over 2 200 members visited our exhibition stands at the four malls.
- Over 100 000 information packs, including leaflets on Child's Pension and Post-Retirement Medical benefits were produced, printed and distributed to members at various platforms.

GEPF Brand Visibility

- 100 000 posters on GEPF's portfolio of benefits as well as on the Child's Pension benefit were produced for display at all the departments nationwide.
- Approximately 500 000 leaflets on the Fund's benefits as well as the member's guide were dispatched to all Regional Offices for distribution to members. Pre-packed branded information material was arranged for Client Liaison Officers (CLOs) to distribute at various workshops. The packs contain all benefits leaflets, member's guide, and branded notepads and pens.
- Signage and branding visuals in line with GEPF's corporate identity have been installed at the Durban, Mthatha and Kimberley offices.

Media Campaign

- The GPAA engaged in a multi-media campaign with the purpose to educate, promote and raise awareness and assure members about the GEPF brand, products, and benefits.
- This was achieved using 13 SABC radio stations and newspapers, including Capricorn FM, North West FM, Rise FM, Sowetan, Daily Sun, Sunday World City Press and LED screens nationally.
- About 70 community radio stations were used to address the prevalence of fraud and people masquerading as GEPF representatives.
- The GEPF's Principal Executive Officer addressed the community radio stations on two occasions with the objective to address the issue of fraud.
- Our relationship with the media continued to improve, with a "meet and greet" of ten (10) media houses nationwide.
- The GPAA advertised the GEPF services and products such as Unclaimed Benefit, Funeral Benefit and the newly introduced Child's Pension through outdoor LED outlets.
- In an effort to address the issue of unclaimed benefits, for the first time, the GPAA published a list with names of possible beneficiaries in Limpopo, Eastern Cape and Mpumalanga provinces. The response was phenomenal with claimants calling in from as far as Australia.
- The GEPF was invited to participate in the SABC Amalungelo Akho TV programme where members were afforded the opportunity to call in with their challenges.
- Nine radio interviews were conducted, and nineteen media queries were attended to within the agreed timeframe.

Member Communication

- Four member newsletters i.e. FundTalk and FundNews were sent to members and pensioners. The purpose of the newsletters is to keep members, pensioners and beneficiaries informed about their benefits and other Fund related matters.
 - A total of 1 200 000 FundTalk were sent to members per quarter, while 400 000 FundNews were sent to pensioners per quarter.
- A total of 680 857 email communication was sent to both active members and pensioners (572 488 to active members and 108 369 to pensioners).
- A total of 369 999 newsletters were sent to members electronically (317 698 active members and 52 301 pensioners).
- Monitoring of the Retirement Member Campaign (RMC) in all the nine provinces shows that the attendance of the events stood at 6 707 and the overall satisfaction rate for the organisation, presentation, question and answer session during the event was 93%.

Roadshows and Mobile Office: taking the services to the people

- A total of 9 401 roadshow participants were interviewed in relation to accessibility, services received, presentations and the question and answer sessions. Of these 41% were active members, 52% were pensioners, 6% were beneficiaries and 1% non-members (which includes unclassified names and those who have recently resigned and have not yet received payment).
- Overall, the satisfaction level of clients during the period under review is above 95% in all aspects of the events.
- A mobile office client satisfaction survey was conducted through face-to-face interviews in all the nine provinces. A total of 359 clients were interviewed in all provinces. On average, all variables tested were Between 96% and 100%. The overall level of client satisfaction for mobile offices is 97% for the financial year.

Client Feedback and Complaints Resolution

- Complaints Resolution: GPAA has established a platform for clients to escalate their issues and complaints. A number of complaints were resolved and there was positive feedback from the Public Protector and the Presidential Hotline as 99, 60% of the complaints received through the platform were resolved.
- Approximately 56 470 responses were sourced from clients in Walk-In Centres. On average, all variables tested were at 94% level of client satisfaction while the overall clients' satisfaction was 96% for the financial year.

Quarterly Benefit Administration

- The reports which highlighted trends analysis and predictions for exits were produced to inform the GEPP on the administration performance.
- According to this report, the resignation of public service members was steadily decreasing as members began to see the value and the benefits of retiring as opposed to resignation.
- The constant monitoring of organisation performance yielded positive results in terms of the quality of service delivery. For instance, client satisfaction is well above 90%, which indicates that clients are satisfied with the services provided by the GPAA on behalf of the GEPP.

Linking Performance with Budgets

The budget expenditure that supported the performance of sub-programme 1.4 was as follows:

Programme 1.4 Strategic Support	2017/2018			2018/2019		
	Final appropriation R'000	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
	92 006	65 719	26 286	81 613	72 729	8 884
Total	92 006	65 719	26 286	81 613	72 729	8 884

This expenditure supported, amongst others, the implementation of the Communication Strategy which ensured the reach out to members, pensioners and beneficiaries through various platforms.

Sub-programme 1.5: Governance

Purpose of the sub-programme

The Governance sub-programme is responsible for ensuring that issues of accountability, transparency, compliance, adherence to the rule of law, responsiveness, effectiveness and efficiency are built into policies and procedures governing the GPAA.

List of business units:

- Enterprise-wide Risk Management.
- Forensics and Fraud Prevention Management (FFPM).
- Legal and Advisory Services.

Strategic Objectives for 2018 / 2019

- To provide support to core business to deliver quality service to GPAA customers and clients

Forensics and Fraud Prevention Management (FFPM) Objectives:

- Promoting and building a fraud-free environment based on a strong ethical business conduct
- Creation of proactive mechanisms to detect fraud and corruption
- Prevention of fraud and corruption
- Investigation and support of effective criminal and disciplinary prosecutions and stakeholder liaison

Risk Management Objectives:

- Conduct and facilitate enterprise risk assessments at organisational, programme and functional level focusing on likelihood and impact of risks
- Create awareness of EWRM throughout the GPAA through articles published in internal media, posters published in all GPAA offices and presentations delivered in various forums

Performance against Predetermined Objectives

Strategic Goal	Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to actual achievement for 2018 / 2019	Comment on deviations
Optimal Core Services	To provide support to core business to deliver quality service to GPAA customers and clients	Number of fraud prevention activities implemented (PSC)	9 fraud prevention activities implemented (PSC)	14 fraud prevention activities implemented (PSC)	18 fraud prevention activities implemented (PSC)	Target exceeded by 4	More efforts were put in place to ensure that all planned activities are done, including the finalisation of governance documents

Forensics and Fraud Prevention Management (FFPM)

Achievements:

- During the year under review, the FFPM unit achieved 73% annual actual performance against the 60% planned target.
- A total of 619 cases were received and referred for investigation during 2018/2019 financial year. Out of the 619 cases received, 568 (92%) cases were finalised.
- During the course of 2018/2019, the unit presented fraud, integrity and ethics awareness sessions at inductions, training sessions and road shows. Fraud risk assessments were conducted at Head Office and Regional Offices with the intention to establish an integrated identity for the achievement of optimal profile for stakeholders.
- Data extraction and analysis were conducted through the use of a detection tool for fraud detection and prevention of fraudulent benefits claims.

Challenges:

- **Late submission of applications:**
Some of the applicants for spouse pensions seem to have only received information during road shows and as such submitted late applications. These applications needed to be verified before payments could be processed.

- **Modus operandi:**

When analyzing the trends in terms of the current modus operandi, family members continued colluding and issuing fraudulent affidavits and fraudulent lobola letters. Confirmation of these marriages remained a challenge. The other prominent modus operandi was reading beneficiary validation, where fraudulent applications targeting the unclaimed benefits account, were received.

Strategies to Overcome Challenges:

- To invest in acquiring pro-active tools to identify possible fraud before payments are made.
- The application of the biometrics system to minimize the risk of identity theft.

Enterprise-wide Risk Management

Achievements:

- Strategic and Operational Risk Assessments, as well as risks monitoring were conducted at Head Office and in all the Regional Offices for all the programmes. The following governance documents were reviewed and approved:
 - Risk Management Framework
 - Risk Management Strategy supported by the Risk Implementation Plan
 - Risk Management Committee Charter
- Four Risk Management Committee meetings were successfully held.
- Risks awareness sessions were conducted on various aspects of risk management and presentations were delivered in various forums to raise awareness on risk management matters.

How the achievements have contributed towards the achievement of strategic objectives of the organisation:

- Risks that may impact the achievement of strategic and business objectives were identified and assessed throughout the 2018/2019 financial year.
- The top 10 risks were prioritised by severity in the context of risk appetite. A risk appetite was established and aligned with strategic and business objectives, and served as a basis for identifying, assessing, and responding on risks.
- The overall achievement in terms of the implementation of strategic action plans for 2018/2019 was 77%.

Challenges:

- Shortage of human resources:
The position of the ICT Risk Specialist became vacant during the financial year under review.

Strategies to Overcome Challenges:

- Appointment of service providers to assist with the activities that should be performed by the ICT Risk Specialist whilst awaiting the finalisation of HR processes (for filling of the vacant position).

Legal Services

Legal Services aim to render effective enterprise-wide legal support and advisory services and facilitate all legal aspects of transactions that are strategically important to the GPAA.

Achievements:

- Legal Services provided legal advice through numerous legal opinions across the enterprise and continued to direct the organization in respect of all divorce and maintenance court matters. The aforementioned contributed to the effective and economical administration of benefits.
- Legal Services managed litigious matters and protracted litigation was kept to a minimum.
- The turn-around time applicable to clean break divorce cases has also improved with a positive impact on the payment of interest.
- Assorted contracts and/or agreements were assessed and settled by Legal services.
- Legal Services assisted in the conclusion of internal policies and process efficiency improvements within the organisation.
- Legal Services also provided guidance in respect of legal risks and possibilities of mitigating such through sound legal judgement.
- Legal Services were also intrically involved in the development of proposed law amendments and implementation of rule amendments.

Challenges:

- As Legal Services provides services across all functions of the business, capacity to attend to the workload demand remained a challenge.

Strategies to Overcome Challenges:

- Continuous process improvements to support the core business in service delivery.
- Improved turn-around times and efficiency will remain a primary focus.
- Complementing the current capacity to improve turnaround times and efficiency.

Linking Performance with Budgets

The budget expenditure that supported the performance of sub-programme 1.5 was as follows:

Programme 1.5 Governance	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
	57 329	47 793	9 536	59 343	43 582	15 761
Total	57 329	47 793	9 536	59 343	43 582	15 761

The expenditure supported the sub-programme in reaching clients in all parts of the country for forensic investigations of fraud cases. It further assisted with reaching regional offices with risk awareness sessions. Litigious and other legal matters were also handled through this budget expenditure.

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

Purpose of the sub-programme

This sub-programme administers Special, Military and Other Benefits on behalf of National Treasury Programme 7. The sub-programme provides for the payment of non-contributory pensions to the beneficiaries of various public sector bodies. Non-contributory pensions are funded by National Treasury and are required to operate in terms of different statutes, collective bargaining agreements and other commitments. Military Pensions, Post-Retirement Medical Subsidy, Special Pensions and Injury on Duty (IOD) payments are also administered by the sub-programme. Statutory commitments serve as the framework for the payment of military pension benefits and medical claims arising from treatment for disability, medical assistance devices and other related expenses.

List of business units

- Post-retirement medical subsidy.
- Injury on duty.
- Special Pension.
- Military Pension.
- Other benefits.

Strategic Objectives for 2018 / 2019

- To process benefits in a compliant manner to the satisfaction of clients
- To register new members or employers in a compliant manner
- To ensure that member and beneficiary data is accurate and usable
- To process contributions in a compliant manner

Performance against Predetermined Objectives

Strategic Goal	Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to actual achievement for 2018 / 2019	Comment on deviations
Less than 30-day turnaround time for the payment of benefits	To process benefits in a compliant manner to the satisfaction of clients	% of NT benefits paid on time	99% of NT benefits paid on time	85% of NT benefits paid on time	99.99% of NT benefits paid on time	Target exceeded by 14.99%	This is attributed to effective administration of benefits payment turnaround time
Satisfied clients	To register new members or employers in a compliant manner	% of NT members admitted within 21 days	99% of NT members admitted within 21 days	96% of NT members admitted within 21 days	99.96% of NT members admitted within 21 days	Target exceeded by 3.96%	This is attributed to effective and efficient administration of member admission process
	To ensure that member and beneficiary data is accurate and usable	% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates	100% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates	100% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates	100% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates	Target achieved as planned	This is attributed to effective administration of member and pensioner maintenance
Less than 30-day turnaround time for the payment of benefits	To process benefits in a compliant manner to the satisfaction of clients	% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received	92% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received	70% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received	90.85% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received	Target exceeded by 20.85%	This is attributed to effective and efficient administration of death benefits
Satisfied clients	To process contributions in a compliant manner	% of NT membership certificates issued within 30 days of admission	99% of NT membership certificates issued within 30 days of admission	92% of NT membership certificates issued within 30 days of admission	99.67% of NT membership certificates issued within 30 days of admission	Target exceeded by 7.67%	This is attributed to excellent admission processes in place
	To ensure that member and beneficiary data is accurate and usable	% of NT pensioner records maintained	99% of NT pensioner records maintained	95% of NT pensioner records maintained	99.98% of NT pensioner records maintained	Target exceeded by 4.98%	This is attributed to sound management and maintenance of pensioner records

Achievements:

- The sub-programme achieved 100% (6/6 performance indicators); and paid 99.99% of benefits on time (within 25 days) against a target of 85%.
- This can be attributed to team's efforts and continuous monitoring of production; improvement in internal controls and implementation of Risk Action Plans; and addressing Internal and External Audit findings.
- The number of pensioners and beneficiaries in this sub-programme increased by 1% during the financial year under review, i.e. from 132 407 in 2017/2018 to 133 670 in 2018/2019. The increase in applications received can be attributed to Post-Retirement Medical Subsidy.
- The sub-unit participated in the various member campaigns held throughout the country.

Challenges:

- Many employer departments are not adequately trained on Injury on Duty and Post-Retirement medical subsidy.
- The delays in the finalisation of the amendment to the Special Pension Act pose challenges to the administration.

Strategies to Overcome Areas of Under-performance:

- Management will communicate and arrange IOD training with employer departments.

Linking Performance with Budgets

The budget expenditure that supported the performance of sub-programme 2.1 was as follows:

Programme 2.1: Civil Pensions and Military Pensions - National Treasury	2017/2018			2018/2019		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
	65 196	53 856	11 340	68 856	54 748	14 108
Total	65 196	53 856	11 340	68 856	54 748	14 108

The sub-programme managed to deliver on its mandate of providing services on behalf of National Treasury, with the delivery supported by this budget expenditure.

Sub-programme 2.2: Employee Benefits (GEPF)

Purpose of the sub-programme

The GPAA, through this sub-programme, provides the full spectrum of benefit administration services, inclusive of member admissions, contribution collection, member / pensioner / beneficiary maintenance and benefit processing services for GEPF. Benefit processing starts from the benefit application and the processing of all relevant forms and documentation, and ends with the finalisation of the benefit payment from the Fund. These processes aim to achieve accurate and timely payment of benefits to GEPF's members and beneficiaries.

List of business units

- Membership Management.
- Contributions Management.
- Withdrawals where all exit claim payments are processed.
- Special Projects where benefits of special nature are processed.
- Pensioner Maintenance where spouse pensions, recalculations, orphans / child pensions are processed and paid.
- Funeral Benefits for active members, pensioners and beneficiaries.

Strategic Objectives for 2018 / 2019

- To process benefits in a compliant manner to the satisfaction of clients
- To register new members or employers in a compliant manner
- To process contributions in a compliant manner
- To ensure contributions are valid, accurate and complete
- To ensure that member and beneficiary data is accurate and usable

Performance against Predetermined Objectives

Strategic Goal	Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to actual achievement for 2018 / 2019	Comment on deviations
Less than 30-day turnaround time for the payment of benefits	To process benefits in a compliant manner to the satisfaction of clients	% of GEPF benefits paid on time	71% of GEPF benefits paid on time	81% of GEPF benefits paid on time	85.69% of GEPF benefits paid on time	Target exceeded by 4.69%	This is attributed to improved payment processes
Satisfied clients	To register new members or employers in a compliant manner	% of GEPF members admitted within 21 days	98% of GEPF members admitted within 21 days	96% of GEPF members admitted within 21 days	99.07% of GEPF members admitted within 21 days	Target exceeded by 3.07%	This is attributed to effective and efficient administration of member admission process
	To process contributions in a compliant manner	% of GEPF contributions reconciled by the 22 nd of the month	98% of GEPF contributions reconciled by the 22 nd of the month	95% of GEPF contributions reconciled by the 22 nd of the month	98.19% of GEPF contributions reconciled by the 22 nd of the month	Target exceeded by 3.19%	Contributions are received and reconciled to withholdings of contributions payable by the employer through payroll deductions. Achievement is dependent on timeous payment of such to the GPAA
	To ensure that member and beneficiary data is accurate and usable	% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)	32% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)	25% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)	35.60% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)	Target exceeded by 10.60%	Member data confirmed as planned

Achievements:

During the period under review, the sub programme was able to achieve the following:

- Exceeded the GEPF SLA targets in respect of:
 - Manual admissions of members into the Fund. 99% of members were admitted into the Fund within 21 days of receipt of correctly completed documents as per the SLA with GEPF.
 - In respect to electronic admissions, 100% of admissions were effected within 21 days of receipt of the pay-roll data sets.
 - GEPF Benefits Statements issued to 91% of the membership against a target of 75%.
 - GEPF existing member data confirmed annually with the member and/or the employer department (to cleanse data), the sub-programme achieved 35.6% against a target of 25%.
 - Contribution reconciliations completed by the 22nd day of the following month, for the year under review was 98% compared to the SLA target of 95%.
- The sub-programme implemented rule changes on behalf of the GEPF, namely the Child's Pension and the Pension Redress Program system changes as approved by the Board of Trustees.
- The table below is indicative of the number of transactions processed by the sub-programme.

Description	2018/19	2017/18	2016/17
Exit Claims	79 523	91 595	100 066
Active Membership	234 466	218 862	181 383

- The GPAA is responsible for the collection and reconciliation of contributions on behalf of the GEPF. The table below details the contributions collected and the number of members who contributed.

	2018/19	2017/18
Contributions Received	R74.958 billion	R 71.420 billion
Membership	1.26 million	1.27 million

- The number of claims received versus the claims paid in the past five financial years was as follows:

Financial Year	Received	Paid	%Age Claims Paid to Received
2019	70 995	68 401	96.34%
2018	73 957	73 336	99.16%
2017	74 689	73 764	98.76%
2016	81 090	79 783	98.38%
2015	83 209	75 329	90.52%

- The GPAA also paid the following benefits:

Other Benefit Paid	2018/19	2017/18	2016/17
Funeral Benefits	25 568	24 789	24 783
Spouses Pension	7 065	6 635	6 778
Clean-break Payments	8 062	7 484	6 803
Five Year Balances	3 758	2 930	2 760
Orphans/Childs Pensions	1 564	1 055	1 492
Third Pensions	14	27	38
Special Nature Benefits	950	1 187	494
Purchase of Service Quotations	951	867	621
Purchase of Service Periods Recognised	1 306	1 051	668

Challenges:

The sub-programme had the following challenges:

- The quality of the information received from employer departments systems was poor, resulting in corruption of the data, regardless of any internal efforts to maintain reliable member information.
- Pensionable salary confirmations upon exit remains a challenge given the manual processing of arrear calculations by employer departments.
- Late submissions of documents by employer departments, which resulted in delayed payment of benefits to the member.
- The benefit payment processing is still paper based and given the high number of incomplete/erroneous exit documents completed by employer departments, many claims are delayed/ returned to employer departments for correction.
- The automation of business applications is slow, resulting in high volumes of claims being processed manually.
- The lack of a workflow system has resulted in work still being processed on paper, thereby increasing turn-around times.

Strategies to overcome challenges:

- Additional resources employed to clear the backlog caused by Nomination Forms.
- Data quality and corruption issues will be addressed through the data quality improvement initiatives.
- Automated contribution arrear calculation functionality will address the challenges within contributions management.
- Additional BPA functionality will be tested and implemented in the 2019/2020 financial year to improve turn-around times in payment of benefits.
- Enhanced processes and structures for the efficient administration of death benefits will also be implemented in the coming year.
- Additional staff will be employed for new business services.

Linking performance with budgets

The budget expenditure that supported the performance of sub-programme 2.2 was as follows:

Programme 2.2 Government Employees	2017/2018			2018/2019		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
	83 085	78 119	4 966	81 710	76 159	5 551
Total	83 085	78 119	4 966	81 710	76 159	5 551

The sub-programme managed to deliver on its mandate of providing services on behalf of the GEPF, with the delivery supported by the budget expenditure.

Sub-programme 2.3: Client Relationship Management (CRM)

Purpose of the sub-programme

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

List of business units

- Call Centre.
- Mobile Offices.
- Regional Offices.
- Back Office.
- Outreach Events.

Strategic Objectives for 2018 / 2019

- To process benefits in a compliant manner to the satisfaction of clients
- To register new members or employers in a compliant manner
- To process contributions in a compliant manner
- To ensure that member and beneficiary data is accurate and usable

Performance against predetermined objectives

Strategic Goal	Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to actual achievement for 2018 / 2019	Comment on deviations
Well preserved pension funds	To influence client and stakeholder behaviour	% reduction of un-serviced clients in the Walk in Centre	Not measured	20% reduction of un-serviced clients in the Walk in Centre	50% reduction of un-serviced clients in the Walk in Centre	Target exceeded by 30%	Dedicated employees: staff and management ensured that all clients are serviced before close of business. The no shows mostly relate to clients that have limited time available and will rather return another time
	To influence stakeholder behaviour	% client satisfaction levels	94% client satisfaction levels	94% client satisfaction levels	94% client satisfaction levels	Target achieved as planned	Regular coaching and provision of positive feedback to employees interacting with clients. Quality assurance: Employees strived to offer quality service to clients at all times
	To influence stakeholder behaviour	% reduction of abandoned calls in the call centre	94% of post voice call resolution	20% reduction of abandoned calls in the call centre	9% reduction of abandoned calls in the call centre	Target missed by 11%	Shortage of Call Centre Agents to handle all incoming calls. During February 2019 the Call Centre lost 19 contract workers which impacted on ability to answer calls. Average agents available since February 2019 were few (only 30 agents)

Achievements:

CRM, through its client and stakeholder engagements have achieved the following activities for the year:

- A total of 518,787 walk-in clients (members, pensioners and beneficiaries) serviced across 16 walk-in centres across the country.
- The Call Centre received 1,102,714 calls and answered 683,173 calls. 419,541 calls were abandoned.
- A total of 11,741 employer sites were visited.

- 5,547 employer education sessions were conducted on GEPF products, processes and procedures.
- A total of 736 employer on-site RMC group sessions were conducted to educate members on their readiness for retirement.
- A total of 17,448 one-on-one RMC interviews were conducted to educate members on their readiness for retirement.
- A total of 2,738 member awareness sessions were conducted at employer work sites to educate active members on GEPF's benefit products, processes and procedures.
- A total of 848 mobile sites were visited nationally servicing 89,965 clients. 15,918 documents were received and processed through the mobile offices.
- The PCM was successfully rolled out to employer departments; 98% of employers are now submitting cases via PCM.
- The QMS was successfully rolled out to 15 Regional Offices and 11 Mobile Offices.

Challenges:

- Delays in finalising the official GPAA structure and moratoriums on appointments and finalisation on the filling of key vacancies.

Strategies to overcome challenges:

- Allocation of adequate resources in the Call Centre and Mobile Offices.
- Filling of vacant positions and finalisation of organisational structure.
- Implementation of a fully integrated line of business system; including implementation of key functionality to improve effectiveness, efficiency and claims payment turnaround times.
- Review the national client/stakeholder servicing footprint.

Linking performance with budgets

The budget expenditure that supported the performance of sub-programme 2.3 was as follows:

Programme 2.3 Client Relations	2017/2018			2018/2019		
	Final	Actual	(Over)/	Final	Actual	(Over)/
	appropriation	expenditure	Under expenditure	appropriation	expenditure	Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
	214 855	212 597	2 913	219 620	232 579	-12 959
Total	214 855	212 597	2 913	219 620	232 579	-12 959

The sub-programme delivered direct client services through the Walk-in Centres, mobile offices in all nine provinces and the call centre. Stakeholder engagements were also carried out through the support of this budget expenditure.

A brass balance scale is shown in a close-up, low-angle shot. The scale is positioned on a dark wooden base. The pans are empty, and the scale is slightly tilted. The background is a blurred office setting with a laptop and papers. The text is overlaid on the right side of the image.

| PART C |

GOVERNANCE

1. INTRODUCTION

The GPAA recognises that the effective management of risks is essential for the achievement of its strategic goals and objectives, with the ultimate satisfaction of stakeholder needs. Accordingly, the GPAA has an Enterprise-wide Risk Management Programme that focuses on the management of risks at operational and strategic levels of the organisation. During the year under review, the GPAA managed its risks and fraud preventive activities in a pro-active manner, considering mainly factors affecting the achievement of strategic objectives and operational targets.

The Risk Management Committee and the Executive Management Committee (EXCO) have, in terms of the PFMA and Treasury Regulations, approved key risk management governance documents which include the following: the Enterprise Wide Risk Management (EWRM) strategy, policy, framework and implementation plan together with the Fraud Prevention strategy, Forensic Investigation methodology and response plan.

The Risk Management Committee consists of the GPAA Executive Management and two external members, who are instrumental in supporting EWRM processes within the organisation. The GPAA developed its risk appetite and risk tolerance statement using a qualitative approach, and this is assessed as part of the organisation's strategic and operational risk assessment exercise. The GPAA has a zero tolerance appetite level when it comes to fraud and corruption.

The organisation has an Internal Audit (IA) function, which executes its duties under the guidance of a written charter as approved by the Audit Committee. The charter provides the role and functions as envisaged in the Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The IA function assists the Accounting Authority to achieve the strategic objectives of the GPAA by evaluating and developing recommendations for the enhancement or improvement of business processes. IA follows a risk-based Internal Audit Plan which is

approved by the Audit Committee. In developing this plan, IA considered the approved 2018/2019 Strategic Risk Register as approved by the Risk Management Committee. The Internal Audit reports all identified findings and matters of significance to the Audit Committee on a regular basis.

The organisation is committed to continuously improving its risk management processes and enhancing its fraud prevention activities in pursuit of its objectives, with the ultimate aim of creating and ensuring the sustainability of its core business as well as creating an improved control environment in minimising its exposure to risks, fraud and operational inefficiencies.

Recognition of the need for a pro-active risk management process is an essential element of good corporate governance and a crucial enabler in making the most of opportunities. It is essential that risk management is understood as an integral component of all processes and that it is not identified as an add-on to core business activities.

The ability of the GPAA to evolve into a mature risk environment is highly dependent on the level of continuous training, education and awareness provided to its employees and management. This is critical for the organisation, because it has committed itself to an enterprise-wide risk management process. In order to achieve risk maturity, the GPAA will continue to align risk management processes to the approved EWRM framework, policy and strategy together with the Fraud Prevention Strategy, Forensic Investigation methodology and response plan.

2. RISK MANAGEMENT

The GPAA acknowledges that it does not operate in a risk free environment. It is therefore important for management to ensure that effective internal controls are put in place to mitigate the risks.

The Risk Management function resides within Sub Programme 1.5: Governance. This is to ensure that the function is properly positioned to influence the leadership of the organisation and decision-making at the highest level, advise management on the materialisation of the high risks, and to optimise opportunities presented by the identified risks.

The GPAA has continued to implement Risk Management processes as per the approved Risk Management Framework, Methodology, Policy, Implementation Plan and Strategy. For the year under review, risk assessments were conducted with more focus on risks at a strategic, operational, process and project level. At a strategic level, the top ten risks were identified and the risk profile included risks relating to:

- Fraud and corruption
- Human Resources
- Compliance and Regulatory
- Information Technology

The risk profile assisted to direct Internal Audit activities for the year under review (development of the 3 year risk-based rolling plan).

The strategic assessment was aligned to operational and annual performance plans in order to ensure that there is an efficient and effective management of risks and that this contributed to improved performance of the GPAA. The continuous identification of emerging risks was done as part of risk management monitoring, thus resulting in improved organisational performance.

The GPAA has established a Risk Management Committee that is chaired by an independent chairperson. Four (4) quarterly meetings took place in line with the committee's approved charter to consider and review the risk management policies and provide oversight on the effectiveness of risk management within the GPAA.

The governance documents that were considered and approved include the Risk Management Framework and the Risk Management Strategy as supported by the Risk Implementation Plan (2018 / 2019).

The Committee continued to render advice and oversee the management of key enterprise-wide and compliance risks. Business Continuity plans were reviewed to ensure their completeness and ability to guide the organisation to recover from a significant loss or event in case of a disaster.

The Risk Management Committee chairperson is also a member of the Audit Committee. The chairperson presents the Risk Management report to the Audit Committee to appraise them on Risk Management activities and to afford them an opportunity to advise where necessary.

3. FRAUD AND CORRUPTION

Treasury Regulation 27.2.1 of the PFMA requires the GPAA to develop and maintain a Risk Management Strategy, which must include a Fraud Prevention Plan, with the objective to direct internal audit effort and priority and to determine the skills required of managers and staff to improve controls and to manage identified risks. The GPAA has an approved Fraud Prevention Strategy which covers a period of three years as per the directive of Treasury Regulation 29.1.1 (e). The Fraud Prevention Plan is developed and implemented yearly in order to realize the strategy.

The purpose of the Fraud Prevention Strategy is to positively change the attitudes of all employees, external service providers and suppliers of the agency towards corruption and fraud. Fraud prevention can be seen as the cumulative effect of both preventative and detection systems incorporated by management. Detection of fraud can only lead to the prevention thereof, if the response thereto acts as a deterrent.

The GPAA has an approved Fraud Prevention Plan. This plan is aimed at ensuring that employees and management act legally, ethically and in the public's interest. Furthermore, it promotes a culture that does not tolerate any act of fraud or corruption. It seeks to prevent the risk of fraud occurrence, provides guidance in the detection and investigation of fraud when it occurs and further guides on taking appropriate corrective action.

As directed by the Fraud Prevention Plan together with the Fraud Prevention Strategy, the following Governance documents were developed and approved during the year under review:

- Forensic Investigation Methodology
- Fraud Response Plan

The Whistleblowing policy was developed, however it is still under consideration from relevant committees.

The approved Fraud Prevention Plan includes the following fourteen (14) Fraud Prevention Strategies which were implemented during the period under review:

- a) Investigation capacity
- b) Improved access to report wrongdoing
- c) Protection of whistle blowers and witnesses
- d) Prohibition of corrupt individuals and businesses from doing business with the GPAA
- e) Improved management policies and practices
- f) Managing professional ethics
- g) Partnership with stakeholders
- h) Social analysis, research and policy advocacy
- i) Awareness, training and education
- j) Conducting fraud risk assessments
- k) Conducted data extraction and analysis through use of a detection tool for fraud detection and prevention
- l) Vetting and administration of financial disclosures
- m) Development of a Fraud Prevention Plan
- n) Implementation of the Fraud Prevention and Ethics Committee (FPEC).

3.1 Mechanisms in place to report fraud and corruption and how these operate

The GPAA had a whistle blowing hotline which was managed by an independent service provider. This ceased to exist upon expiry of the contract. Plans are on track to enlist the services of an accredited and independent service provider to implement a fraud hotline.

Employees and members of the public are encouraged to report fraud and corruption anonymously using a toll free number, an email facility and a fax line. The public service National Anti-Corruption Hotline (NACH) remains an alternative option for reporting un-ethical behaviour for GEPF members/pensioners/dependants.

The GPAA further has internal investigation capacity to investigate fraud-related matters. During the period under review, a panel of service providers was appointed to assist the internal team in dealing with backlog and complex cases.

Once an internal investigation is finalised, all suspected cases of fraud or corruption are referred to the South African Police Service (SAPS) for further criminal investigation. Suspected cases of misconduct against employees are referred to the Labour Relations unit for disciplinary action.

3.2 How these cases are reported and what action is taken

All suspected cases of fraud, corruption, unethical behaviour are reported internally through the following channels: Whistleblowing hotline, email facilities, fax line, SMS or directly to supervisors, managers, and regional managers and / or any member of senior management.

The Public Service NACH hotline remains an alternative option for reporting any unethical behaviour whilst GEPF is still in the process of appointing a new service provider.

The GPAA has internal investigation capacity to investigate such matters. However, some of the cases received or deemed to be of a complex nature are referred to an external service provider through the standard Supply Chain Management (SCM) procurement processes.

All the cases received or reported for investigation are captured in a case management system called Barn-owl. The case management system assists in the maintenance of data and the allocation of case numbers. In instances where a full scale investigation is warranted, cases are allocated internally to the forensic investigation team. On completion of the investigation, reports are sent to the Accounting Officer for approval of disciplinary actions or referred to the SAPS for further investigation. Some cases are also referred to the Legal section to pursue civil action.

4. MINIMISING CONFLICT OF INTEREST

The processes are prescribed in that all participants to the evaluation processes are required to sign a declaration of interest at each respective evaluation meeting. The declaration process has been included in the SCM Standard Operating Procedures. In the event that a conflict of interest is either declared or identified at the meeting, the affected individual is recused from the respective committee.

SCM practitioners are also required to annually declare any interests in companies. This process is managed by HR as part of financial disclosures in the GPAA.

In addition it should be noted that SCM practitioners do not have a voting right in the committees unless they are appointed as members to the specification and/or evaluation committees. As a rule SCM practitioners attend in the capacity of strategic support to the committees.

5. CODE OF CONDUCT

The GPAA considers the Code of Conduct and Ethics as an important pillar in the establishment of good governance and ethical conduct; and as a critical element to building a culture of ethical behaviour. Mechanisms and systems are put in place to monitor adherence and compliance to the Public Service Code and Service Charter.

To date, the following have been done:

- A gift register was established and is maintained.
- Compliance to the Code of Conduct was monitored, and cases of non-compliance were reported to the Labour Relations unit for handling, consequence management was applied where misconduct was committed.
- An ethics risk campaign was conducted at the Head Office and Regional Offices to promote an ethical culture within the GPAA.

- Requests were made and granted by SMS members to the Chief Executive Officer (CEO) to do remunerative work outside the public service in terms of the Public Service Regulations 2016 (PSR, 2016).

The processes followed for the breach of the Code of Conduct are as follows:

- The breach of the GPAA Code of Conduct was applied according to the DPSA's Public Service Disciplinary Code of Conduct to ensure remedy and consequent management.
- The breaches were investigated by the Human Resource section, and disciplinary steps and actions were taken to remedy the misconducts.
- The registers of misconduct and disciplinary action are kept by HR and reported in Part D of this Annual Report under human resource matters.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Safety, health and protection of the environment form an integral part of planning and decision making. In order to comply with the Health Safety and Environmental policy, the GPAA has to implement and maintain its activities in such a manner as to prevent harm or damage to persons and property. The GPAA's non-compliance to the Occupational Health & Safety Act (OHSA) and other related regulations may result in serious health and safety risks to employees, customers and other visitors to its premises. These directly impact on employee productivity and the safety of our assets.

The following is a summary of current non-compliances found in the different GPAA offices nationally.

- Appointments of Occupational Health & Safety Act (OHSA) committees and SHE representatives not done.
- Hazard identification and assessment of all GPAA's office accommodation buildings not yet conducted to identify and quantify OHS hazards and risks.

- Fire and other emergencies – location of equipment and evacuation during emergencies is problematic due to old building infrastructure.
- Safety security, access control and subsequent emergency handling require attention and improvement.
- Inadequate physical condition of office equipment and storage practices due to shortage of office and storage space.
- Energy Reduction War-frame (ERW), 3 Lighting – a lighting survey has not yet been done, thus we are unable to confirm if illumination is at a suitable level.
- ERW 5 Ventilation – a ventilation survey has not yet been done to confirm the air quality in the office.
- Ergonomics in the office is poor due to layout of the office, poor storage practices and redundant equipment.
- Evacuation drills not done.
- Occupational hygiene survey not done.
- Safety glass survey not done.

Corrective measures to enforce compliance to health safety and environmental issues

Appointment of Occupational Health & Safety Act (OHSA) committees and SHE representatives according to Section 16.2 and 8(2) (1).

- Hygiene surveys on illumination, ventilation/ indoor air quality, and ergonomics.
- The development of a risk assessment methodology.
- Sourcing new office accommodation for Head Office and Regional Offices compliant to Occupational Health & Safety Act (OHSA)
- Address the issue of redundant equipment, and re-look office lay-out.
- Conduct safety glass survey to ensure safety of the glass fittings and structures.
- A rigorous contractor monitoring system to be implemented.
- Effective inclusion and addressing of risks associated with aggressive and difficult customers into Hazard Identification and Risk

Assessment (HIRA). The security personnel must be registered and in possession of Private Security Industry Regulatory Authority (PSIRA) cards.

- Conduct fire risk assessment to identify required equipment appropriate to the related level of risk.
- Provision of fire extinguishers that are appropriately situated, identifiable and accessible at all times.
- Inclusion of off-site emergencies (hijacking, road accidents) and on-site emergencies, in the Emergency Plan.
- The testing of the Emergency Plan to be considered and inadequacies addressed.
- Services of an approved Inspection Authority to assess the adequacy of the lighting in the offices.
- Conduct occupational hygiene survey and evacuation drills.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

7.1 The Internal Audit (IA) unit

Internal Audit objectives

The main objective of Internal Audit is to review the adequacy and effectiveness of the management systems of internal controls, risk management and governance processes to ensure that:

- Laws, regulations and contracts are complied with;
- Operations are effective and efficient;
- Financial and operational information are reliable; and
- Assets are properly safeguarded.

Key activities

- Prepare a flexible three-year rolling Strategic Internal Audit Plan and Annual Audit Plan for approval by the Audit Committee (AC) using an appropriate risk based methodology, including any risks or control concerns identified by relevant stakeholders;
- Evaluate and assess significant governance, risk management and control services, processes, operations, and control processes as per the approved Annual Internal Audit Plan;

- Perform consulting services, where applicable, to assist Management in meeting its objectives. Examples may include facilitation, process design, training, and advisory services;
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of the organisation and its Charter;
- Report quarterly to the AC and Management summarising the results of audit activities and detailing its performance against the Annual Internal Audit Plan, to allow effective monitoring and possible intervention;
- Keep the AC informed on emerging trends and successful practices in Internal Auditing;
- Co-ordinate with other internal and external providers of assurance to ensure proper coverage and to minimise duplication of effort in terms of Section 3.2.10 of the Treasury Regulations;
- Establish a quality assurance programme by which the Chief Audit Executive (CAE) can assure the operation of internal auditing activities.

7.2 Summary of audit work done

Type	Total Planned Audits	Total No (%) Completed
Approved Internal Audit plan 2018/2019		
Regularity Audit	19	14 (74%)
Performance Audit	5	0 (0%)
Information Technology Audit *	9	4 (44%)
Total	33	18 (55%)

* 2 audit reports were signed on 9 April 2019

Consulting projects 2018/2019		
Ad-hoc Audits	2	2 (100%)
SCM: Tender evaluations	12	12 (100%)

7.3 The Audit Committee

Audit Committee objectives

To review the adequacy and effectiveness of the actions taken by the various parties in discharging its oversight responsibilities in terms of the:

- Integrity of the GPAA's financial statements
- Internal and external auditor qualifications and independence
- Performance of the GPAA's internal audit function and external auditor
- Effectiveness of internal controls
- GPAA's compliance with legal and regulatory requirements
- Identification of the material risks that may affect the corporation and the implementation of appropriate measures to manage such risks.

Activities in relation to IA

The Audit Committee periodically informs the Board about its work and advises it about its recommendations.

- The committee examines the appointment, replacement, reassignment or dismissal of the CAE and reviews the mandate, annual audit plan, and resources of the internal audit function.
- The committee meets the CAE to review the results of the internal audit activities, including any significant issues reported to management by the internal audit function and management's responses and/or corrective actions.
- The committee reviews the performance, degree of independence and objectivity of the internal audit function and the adequacy of the internal audit process.
- The committee together with the CAE reviews any issues that may be brought forward by the CAE, including any difficulties encountered by the internal audit function, such as audit scope, access to information and staffing restrictions.
- The committee ensures the effectiveness of the coordination between the internal audit and the external audit.

Attendance of Audit Committee meetings by Audit Committee members

Name	Qualifications	Internal or external	If internal, position in the GPAA	Position in the Committee	Date appointed	Date resigned	Number of meetings attended
Ms Octavia Matloa	CA (SA), CTA, B.Com (Hons)	External	External	Chairperson	01 March 2016	-	11 of 11
Mr Luyanda Mangquku	CA (SA), MBL, B.Acc. (Hons) and B.Com (Hons), B Com, Advanced Company Law I & II	External	External	Member	01 July 2015	30 June 2018	1 of 11
Mr Ameen Amod	MBA, B.Com, CIA, CGAP and CRMA, Chartered Director (SA)	External	External	Member	01 July 2015	30 June 2018	1 of 11
Ms Anna Badimo	MBA, MSc, B.Sc (Hons) Computer Science, ,B.Sc Computer Science, CISM, CGEIT, M. InstD, Cobol Programming Diploma, Project Management Diploma	External	External	Member	01 July 2015	-	11 of 11
Mr Brandon Furstenburg	MSc Financial Management, MCom Economics, B.Com (Hons), B.Com and FAIS exams:RE1,RE3 & RE5.M.InstD	External	External	Member	01 June 2016	-	11 of 11
Mr. Charl de Kock	Masters IT Auditing, Hons Accounting. CISA, CIA, SAIPA	External	External	Member	01 February 2017	-	11 of 11
Ms Phumla Mzizi	CA(SA), CTA, , (Hons), B.AccSC (Hons), B.Com (Hons), B.BusSC	External	External	Member	01 October 2018	-	3 of 11

8. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2019.

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities in accordance with Section 38 (1) (a) of the Public Finance Management Act and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal control is designed to provide cost-effective assurance that assets are safeguarded, and that liabilities are effectively managed. As per the PFMA requirements, internal audit primarily and the Auditor-General of South Africa evaluate the internal controls of an organisation for adequacy and effectiveness. This is achieved by assessing the effectiveness of risk management and identifying corrective actions and enhancements to controls and internal processes. Based on these evaluations, the Audit Committee considers the internal control environment as requiring improvement.

Internal audit

The Audit Committee reviewed and approved the annual internal audit plan for 2018/19 and has monitored the performance of the internal audit against that plan on a quarterly basis. The Audit Committee has noted that the internal audit plan was not completed and thus not satisfied that the internal audit function is operating effectively and that it has addressed the risks specific to GPAA in conducting the reviews.

The following internal audit assignments were completed during the year under review and the committee will continue to monitor the progress made against the corrective action plans implemented by management:

- Performance management systems;
- Risk Management;
- Fraud and Forensic;
- Occupational Health and Safety;
- Communications;
- Business Continuity Review Quarter 2 and 4;
- ICT Governance;
- Performance Information Quarter 1 - 4;
- Service Level Agreement Quarter 1 - 4;

- Annual Performance Plan Smart Principle;
- Access Management Review-Civpen;
- Unclaimed Benefit Payment; and
- Debt Write Off.

The internal control environment requires overall improvement more so in the area of ICT governance, user access management, Unclaimed Benefits and risk management.

Risk management

Management is responsible for the establishment and maintenance of an effective system of governance, risk management as well as the prevention and detection of fraud and internal controls. Internal Audit was guided by the consolidated risk profile, provided by the Enterprise Risk Management unit, the critical audit areas and managements inputs in the formulation of its three-year strategic and the annual plans. The GPAA has established a Risk Management Committee that is chaired by an independent chairperson. Four (4) quarterly meetings took place in line with its approved charter to consider and review the risk management policies and to provide oversight on the effectiveness of risk management within the GPAA. A risk register is updated annually to ensure that all major risks, including emerging risks facing the organisation are effectively managed. The Committee also monitors management's implementation of the risk management plans on a quarterly basis.

Compliance with laws and regulations

The Committee has reviewed the in-year management and quarterly reports submitted in terms of the Public Finance Management Act and is satisfied that no material deviations were noted. The Committee also noted managements' policies and procedures to ensure compliance with applicable laws and regulations. It has further taken note of concerns regarding the organisation's non-compliance with some of the legislative requirements relating to procurement and contract management as reflected in the audit report.

The Committee remains concerned with the slow progress in the finalisation of irregular expenditure. The current status of the implementation of the guideline(s) as issued by National Treasury to resolve irregular expenditure is inadequate.

Evaluation of Financial Statements

The Committee submits that it has:

- Reviewed the 2018/19 unaudited and audited Annual Financial Statements prepared by the organisation.
- Reviewed the 2018/19 draft and final Annual Performance report.

Auditor-General's Report

The Audit Committee has met with the Auditor-General South Africa to discuss their audit report, in order to ensure that there are no unresolved issues. We have also reviewed the management responses to the audit issues raised in the AGSA management report and continuous oversight will be exercised to ensure that unresolved findings are adequately addressed.

We have reviewed the organisation's implementation plan for audit issues raised in the previous year and we are satisfied that the matters raised were substantially resolved.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements should be accepted and read together with the report of the Auditor-General.

Appreciation

The Audit Committee expresses its sincere appreciation to the Executive Authority, Accounting Officer, AGSA, Management, and internal audit for their support and co-operation.

Pumla Mzizi CA(SA)

Pumla Mzizi CA (SA)

Chairperson of the Audit Committee

31 July 2019



| PART D |

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the Annual Report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

During the year under review, the GPAA concluded the normalisation of its structure and it has been approved in line with the delegated powers. The ninety nine (99) contract workers are additional to the approved establishment and are continuing to perform work of a permanent nature.

2.1 Human resource unit priorities for the year under review and the impact thereof

The Human Resource Unit continued to review and evaluate jobs in line with the normalized structure and the DPSA requirements. The GPAA underwent the annual Department of Labour's Director-General (DG) Review. The outcome of the review resulted in the constitution of the Employment Equity Forum which is representative. The GPAA also rolled out a Disability Campaign, which resulted in an increase of the Employment Equity statistics for persons living with disabilities, from 1.2 % to 5.19%.

2.2 Workforce planning and key strategies to attract and recruit a skilled and capable workforce

The GPAA has in line with the DPSA Circular No: HRD 1 of 2018, Directive on the Employment of Persons to Developmental Programs in the Public Service, recruited interns for a period of twenty four (24) months. The GPAA shall continue to recruit skilled and capable employees with the guidelines of the Human Resources Strategy.

2.3 Employee performance management

The Human Resources unit reviewed the Departmental Performance Management policy in line with new Public Services Regulation 2016 and DPSA Directive and Determination on Incentive Policy Framework 2017. All GPAA employees fully complied with the Departmental PMDS policy.

2.4 Employee wellness programme

The employee Health and Wellness programme is being implemented successfully within the four (4) pillars (Safety Health Risk and Quality Management, Health and Productivity Management, HIV, AIDS and TB Management, Wellness Management). The programme is in compliance with the requirements of the Public Service Regulations.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances and medical aid

Table 3.1.1: Personnel expenditure by programme for the period 1 April 2018 to 31 March 2019

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Business Enablement	72 301 250.64	51 432 824.36	-	20 868 426.28	71.14	871 099.41
Client Relations Management	172 071 621.90	164 983 217.88	-	7 088 404.02	95.88	384 947.70
Corporate Services	48 688 812.88	42 538 832.57	3 468 895.90	2 681 084.41	87.37	446 686.36
Employee Benefits	70 342 046.56	70 342 046.56	-	-	100.00	399 670.72
Financial Services	29 208 390.60	27 220 267.65	-	1 988 122.95	93.19	449 359.86
Governance	86 819 568.59	81 348 220.79	245 367.54	5 225 980.26	93.70	438 482.67
National Treasury Prg 2.1	29 241 573.69	29 241 573.69	-	-	100.00	395 156.40
Strategic Support	26 794 023.15	26 631 675.36	7 015.00	155 332.79	99.39	546 816.80
Total	535 467 288.01	493 738 658.86	3 721 278.44	38 007 350.71	92.21	445 851.20

Table 3.1.2: Personnel costs by salary band for the period 1 April 2018 to 31 March 2019

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	5 380 304.76	1.09	28	192 153.74
Skilled (level 3-5)	24 179 285.86	4.90	85	284 462.19
Highly skilled production (levels 6-8)	216 616 880.46	43.87	600	361 028.13
Highly skilled supervision (levels 9-12)	164 352 440.81	33.29	233	705 375.28
Senior and Top management (levels 13-16)	34 200 748.93	6.93	30	1 140 024.96
Contract (Levels 1-2)	297 447.84	0.06	2	148 723.92
Internships	721 096.84	0.15	81	8 902.43
Contract (Levels 3-5)	3 423 380.99	0.69	25	136 935.24
Contract (Levels 6-8)	23 469 571.19	4.75	90	260 773.01
Contract (Levels 9-12)	5 921 678.36	1.20	10	592 167.84
Contract (Levels 13-16)	13 329 271.47	2.70	11	1 211 751.95
Periodical remuneration	1 846 551.34	0.37	6	307 758.56
Total	493 738 658.86	100.00	1201	411 106.29

Table 3.1.3: Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2018 to 31 March 2019

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Business Enablement	33 464 437.81	10.31	205 766.37	2.16	537 287.00	4.21	1 220 058.98	5.40
Client Relations Management	108 862 784.23	33.53	3 992 817.36	41.84	4 907 504.97	38.48	9 341 780.94	41.33
Corporate Services	26 579 338.01	8.19	1 120 509.44	11.74	1 521 071.92	11.93	2 455 942.63	10.87
Employee Benefits	46 560 512.28	14.34	2 840 941.34	29.77	2 064 295.03	16.19	3 417 413.50	15.12
Financial Services	18 138 220.47	5.59	686 219.80	7.19	682 651.82	5.35	1 153 756.65	5.10
Governance	53 542 557.44	16.49	536 330.73	5.62	1 939 296.58	15.21	2 980 565.43	13.19
National Treasury Prog 2.1	19 557 566.20	6.02	33 775.60	0.35	666 666.18	5.23	1 350 089.19	5.97
Strategic Support	17 953 072.78	5.53	126 614.49	1.33	433 292.81	3.40	682 511.16	3.02
Total	324 658 489.22	100.00	9 542 975.13	100.00	12 752 066.31	100.00	22 602 118.48	100.00

Table 3.1.4: Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2018 to 31 March 2019

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	3 189 289.94	0.98	38 598.72	0.40	430 860.53	3.38	667 853.01	2.95
Skilled (level 3-5)	15 074 981.90	4.62	1 014 936.49	10.64	1 190 125.68	9.33	2 208 769.37	9.77
Highly skilled production (levels 6-8)	145 370 900.93	44.53	6 501 691.92	68.13	8 083 022.68	63.39	14 606 705.01	64.63
Highly skilled supervision (levels 9-12)	112 940 601.82	34.60	1 210 926.61	12.69	2 619 693.19	20.54	4 906 196.09	21.71
Senior management (level 13-16)	21 179 477.24	6.49	-	-	412 510.25	3.23	120 348.00	0.53
Contract Levels 1-2)	207 265.50	0.06	748.10	0.01	-	-	-	-
Contract (Levels 3-5)	2 144 233.96	0.66	180 508.27	1.89	-	-	-	-

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Contract (Levels 6-8)	15 758 460.56	4.83	586 254.62	6.14	15 853.98	0.12	47 325.00	0.21
Contract (Levels 9-12)	2 336 179.16	0.72	9 310.40	0.10	-	-	9 282.00	0.04
Contract (Levels 13-16)	5 769 146.34	1.77	-	-	-	-	35 640.00	0.16
Periodical Remuneration	1 800 606.08	0.55	-	-	-	-	-	-
Internships	687 951.87	0.21	-	-	-	-	-	-
Total	326 459 095.30	99.79	9 542 975.13	100.00	12 752 066.31	100.00	22 602 118.48	100.00

3.2 Employment and vacancies

The tables in this section summarise the statistics of the GPAA with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, 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 three key variables:

- Programme
- Salary band
- Critical occupations

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1: Employment and vacancies by programme as at 31 March 2019

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Programme 1.1	117	104	11%	4
Programme 1.2	97	85	12%	14
Programme 1.3	72	65	10%	7
Programme 1.4	42	35	17%	3
Programme 1.5	51	41	20%	2
Programme 2.1	105	98	7%	16

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Programme 2.2	178	162	9%	21
Programme 2.3	364	351	4%	31
Total	1026	941		98

Table 3.2.2: Employment and vacancies by salary band as at 31 March 2019

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (1-2)	28	28	0%	2
Skilled (3-5)	93	86	8%	10
Highly skilled production (6-8)	611	578	5%	68
Highly skilled supervision (9-12)	252	223	12%	8
Senior management (13-16)	42	26	38%	10
Total	1026	941	8%	98

Table 3.2.3: Employment and vacancies by critical occupations as at 31 March 2019

The GPAA has not yet determined critical occupations and scarce skills and cannot report on this for the year ending 31 March 2019

3.3 Filling of SMS posts

The tables in this section provide information on employment and vacancies in relation to members of the Senior Management Service (SMS) by salary level. It also provides information on advertising and filling of SMS posts; the reasons for not complying with prescribed timeframes; and disciplinary steps taken.

Table 3.3.1: SMS post information as at 31 March 2019

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director–General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	-	0	-
Salary Level 15	3	0	0%	3	100%
Salary Level 14	9	6	67%	3	33%
Salary Level 13	29	20	69%	9	31%
Total	42	27	65%	15	35%

Table 3.3.2: SMS post information as at 30 September 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director–General/ Head of Department	1	1	100%	0	-
Salary Level 16	0	0	-	-	-
Salary Level 15	3	0	0%	3	100%
Salary Level 14	9	6	67%	3	33%
Salary Level 13	29	21	72%	8	28%
Total	42	28	67%	14	33%

Table 3.3.3: Advertising and filling of SMS posts for the period 1 April 2018 to 31 March 2019

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised within 6 months of being vacant	Number of vacancies per level filled within 12 months of being vacant	Number of vacancies per level not filled within 12 months of being vacant
Director–General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	3
Salary Level 14	2	1	1
Salary Level 13	4	1	8
Total	6	2	12

Table 3.3.4: Reasons for not complying with the filling of funded vacant SMS positions - advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2018 to 31 March 2019

Reasons for vacancies not advertised within six months
One of the deliverables of the GPAA Modernisation Programme is the development and implementation of a new organisational structure linked to redesigned business processes and systems automation to ensure operational improvement.
The design of the organisational structure has been completed but it was decided that the implementation of the structure should be put on hold, pending the finalisation of the Modernisation Programme and the investigation on the form of the GPAA. A decision was however taken to start with the recruitment of SMS positions in the current structure.
The positions on level 15 were advertised in the previous financial year and the finalisation of the recruitment process is dependent on the Minister of Finance. The GPAA has not yet received feedback on the final interview processes.
Three level 14 positions were advertised during the financial year under review and are in an advanced stage of filling. One offer has already been made and the incumbent assumed duty on 1 April 2019.
Six level 13 positions were advertised and are at different stages of the recruitment process. One offer was made as at 31 March 2019 and the candidate started on 1 April 2019.

3.4 Job evaluation

Within a nationally determined framework, executive authorities may evaluate or re-evaluate any job in their organisation. In terms of the regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. 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.

Table 3.4.1: Job Evaluation by salary band for the period 1 April 2018 to 31 March 2019

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Skilled (level 1-2)	28	0	0	0	0	0	0
Skilled (level 3-5)	88	1	1.14%	0	0	2	2.3%
Highly skilled production (levels 6-8)	616	3	0.5%	10	1.62%	0	0
Highly skilled supervision (levels 9-12)	252	1	0.4%	0	0	0	0
Senior management (level 13-16)	42	0	0	0	0	0	0
Contract Levels 1-2)	2	0	0	0	0	0	0
Contract (Levels 3-5)	10	0	0	0	0	0	0
Contract (Levels 6-8)	68	0	0	0	0	0	0
Contract (Levels 9-12)	8	0	0	0	0	0	0
Contract (Levels 13-16)	10	0	0	0	0	0	0
Periodical Remuneration	0	0	0	0	0	0	0
Total	1124	5	2.04%	10	1.62%	2	2.3%

The following table provides a summary of the number of employees whose positions were upgraded due to their post 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 may also be vacant.

Table 3.4.2: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2018 to 31 March 2019

Gender	African	Asian	Coloured	White	Total
Female	5	0	1	0	6
Male	2	0	0	0	2
Total Employees with a disability	0	0	0	0	0

3.5 Employment changes

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

Table 3.5.1: Annual turnover rates by salary band for the period 1 April 2018 to 31 March 2019

Salary band	Number of employees at beginning of period-1 April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	28	0	0	0%
Skilled (Levels3-5)	81	5	0	0%
Highly skilled production (Levels 6-8)	582	26	23	4%
Highly skilled supervision (Levels 9-12)	226	7	13	6%
Senior Management Service Bands A	20	2	2	10%
Senior Management Service Bands B	8	0	2	25%
Senior Management Service Bands C	0	0	0	0%
Senior Management Service Bands D	0	0	0	0%
Contracts	132	1	35	27%
Total	1077	41	75	7%

Table 3.5.2: Annual turnover rates by critical occupation for the period 1 April 2018 to 31 March 2019

The GPAA has not yet determined critical occupations and scarce skills and cannot report on this for the year ending 31 March 2019.

The table below identifies the major reasons why employees left the Department.

Table 3.5.3(a): Reasons why staff left the department for the period 1 April 2018 to 31 March 2019 (Permanent employees)

Termination type	Number	% of total resignations
Death	0	0%
Resignation	28	64%
Expiry of contract	0	0%
Dismissal – operational changes	0	0%
Dismissal – misconduct	4	9%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	1	2%
Retirement	8	18%
Transfer to other public service departments	3	7%
Other	0	0%
Total	44	
Total number of permanent employees who left as a % of total employment		5%

Table 3.5.3(b): Reasons why staff left the department for the period 1 April 2018 to 31 March 2019 (Contract employees)

Termination type	Number	% of total resignations
Death	1	3%
Resignation	3	9%
Expiry of contract	25	71%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	0	0%
Transfer to other public service departments	0	0%
Other	6	17%
Total	35	
Total number of contract employees who left as a % of total employment		27%

Table 3.5.4: Promotions by critical occupation for the period 1 April 2018 to 31 March 2019

The GPAA has not yet determined critical occupations and scarce skills and cannot report on this for the year ending 31 March 2019.

Table 3.5.5: Promotions by salary band for the period 1 April 2018 to 31 March 2019

Salary band	Employees 1 April 2015	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progression to another notch within a salary level	Notch progression as a % of employees by occupation
Lower skilled (Levels 1-2)	28	0	0%	-	-
Skilled (Levels3-5)	81	0	0%	-	-
Highly skilled production (Levels 6-8)	582	6	1%	-	-
Highly skilled supervision (Levels 9-12)	226	6	3%	-	-
Senior Management (Levels 13-16)	28	0	0%	-	-
Total	945	12	1%	-	-

3.6 Employment equity

Table 3.6.1(a): Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2019 (Permanent Employees)

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	13	1	2	3	5	0	0	2	26
Professionals	85	5	5	10	81	8	3	26	223
Technicians and associate professionals	151	8	2	7	330	22	8	50	578
Clerks	39	1	0	0	39	3	0	4	86
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	5	0	0	0	23	0	0	0	28
Total	293	15	9	20	478	33	11	82	941
Employees with disabilities	14	1	1	3	24	1	1	7	52

Table 3.6.1(b): Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2019 (Contract employees)

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	0	1	4	1	0	0	3	10
Professionals	5	0	0	0	2	0	0	1	8
Technicians and associate professionals	29	0	0	0	39	0	0	0	68
Clerks	2	0	0	1	7	0	0	0	10
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	0	0	0	0	2	0	0	0	2
Total	37	0	1	5	51	0	0	4	98
Employees with disabilities	0	0	0	1	1	0	0	0	2

Table 3.6.2: Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2019 (Permanent employees)

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	1	1	0	1	0	0	1	6
Senior management	11	0	1	3	4	0	0	1	20
Professionally qualified and experienced specialists and mid-management	85	5	5	10	81	8	3	26	223
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	151	8	2	7	330	22	8	50	578
Semi-skilled and discretionary decision making	39	1	0	0	39	3	0	4	86
Unskilled and defined decision making	5	0	0	0	23	0	0	0	28
Total	293	15	9	20	478	33	11	82	941

Table 3.6.3(a): Recruitment for the period 1 April 2018 to 31 March 2019 (Permanent employees)

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	2	0	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	3	0	0	1	3	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	10	0	0	0	15	1	0	0	26
Semi-skilled and discretionary decision making	1	0	0	0	4	0	0	0	5
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	16	0	0	1	22	1	0	0	40
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.3(b): Recruitment for the period 1 April 2018 to 31 March 2019 (Contract employees)

Occupational band	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	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	1	0	0	0	1
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4: Promotions for the period 1 April 2018 to 31 March 2019

Occupational band	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	3	0	0	0	2	1	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	4	0	0	0	6
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	5	0	0	0	6	1	0	0	12
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5(a): Terminations for the period 1 April 2018 to 31 March 2019 (Permanent employees)

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	0	0	0	1	0	0	0	2
Senior management	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	5	1	0	2	5	0	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	0	1	0	12	1	1	4	27
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	15	1	1	2	19	1	1	4	44
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5(b): Terminations for the period 1 April 2018 to 31 March 2019 (Contract employees)

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	0	0	0	8	2	0	1	17
Semi-skilled and discretionary decision making	5	0	0	0	10	0	0	0	15
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	13	0	0	0	19	2	0	1	35
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6: Disciplinary action for the period 1 April 2018 to 31 March 2019

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Gross Dishonesty/ gross dishonesty in the form of Fraud	2	0	0	0	0	0	0	0	2
Use of derogatory language	1	0	0	0	0	0	0	0	1
Insubordination	2	0	0	0	0	0	0	0	2
Late coming	4	0	0	0	0	0	0	0	4
Intimidation	1	0	0	0	0	0	0	0	1
Total	10	0	0	0	0	0	0	0	10

Table 3.6.7: Skills development for the period 1 April 2018 to 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	8	0	0	4	3	0	0	4	19
Professionals	67	6	4	8	76	6	3	15	185
Technicians and associate professionals	159	9	2	5	318	20	9	36	558
Clerks	36	0	1	1	39	0	0	1	78
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	4	0	0	0	24	0	0	0	28
Total	274	15	7	18	460	26	12	56	868
Employees with disabilities	2	1	0	1	2	0	0	0	6

3.7 Signing of performance agreements by SMS members

All members of the SMS must conclude and sign performance agreements by 31 May each year. Information regarding the signing of performance agreements by SMS members, the reasons for not complying with the prescribed timeframes and disciplinary steps taken at presented here.

Table 3.7.1: Signing of performance agreements by SMS members as on 31 May 2018

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/Head of Department	1	1	1	100%
Salary Level 16	-	-	-	-
Salary Level 15	3	1	1	100%
Salary Level 14	9	6	6	100%
Salary Level 13	29	27	27	100%
Total	42	35	35	100%

3.8 Performance Rewards

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

Table 3.8.1: Performance rewards by race, gender and disability for the period 1 April 2018 to 31 March 2019

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	760	884	86%	R5 614 614	R7 388
Male	286	341	84%	R2 371 127	R8 291
Female	474	543	87%	R3 243 487	R6 843
Asian	21	22	95%	R178 219	R8 487
Male	9	10	90%	R103 270	R11 474
Female	12	12	100%	R74 949	R6 246
Coloured	48	52	92%	R427 927	R8 915
Male	15	16	94%	R147 086	R9 806
Female	33	36	92%	R280 841	R8 510
White	102	118	86%	R1 133 193	R11 110
Male	21	27	78%	R273 037	R13 002
Female	81	91	89%	R860 156	R10 619
Total	931	1076	87%	R 14 707 906	R7 899

Table 3.8.2: Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2018 to 31 March 2019

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	30	30	100%	R93 117	R3 104	1%
Skilled (Level 3-5)	102	105	97%	R413 409	R 4 053	6%
Highly skilled production (Level 6-8)	553	669	83%	R 3 530 903	R 6 385	54%
Highly skilled supervision (Level 9-12)	212	234	91%	R2 563 314	R12 091	39%
Total	897	1038	86%	R6 600 744	R7 359	100%

Table 3.8.3: Performance rewards by critical occupation for the period 1 April 2018 to 31 March 2019

Currently the GPAA does not have critical skills.

Table 3.8.4: Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2018 to 31 March 2019

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Band A	26	29	90%	R559 055	R21 502	73%
Band B	8	8	100%	R202 401	R25 300	27%
Band C	0	1	0%	0	0	0%
Band D	0	0	0%	0	0	0%
Total	34	38	89%	R761 456	R22 396	100%

3.9 Foreign Workers

The table below summarises the employment of foreign nationals in the GPAA in terms of salary band and major occupation.

Table 3.9.1: Foreign workers by salary band for the period 1 April 2018 to 31 March 2019

Salary band	1 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Level 6-8)	0	0	0	0	0	0
Highly skilled supervision (Level. 9-12)	2	100%	2	100%	0	0
Contract (Level 9-12)	0	0	0	0	0	0
Contract (Level 13-16)	0	0	0	0	0	0
Total	2		2		0	0

Table 3.9.2: Foreign workers by major occupation for the period 1 April 2018 to 31 March 2019

Major Occupation	1 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Level 6-8)	0	0	0	0	0	0
Highly skilled supervision (Level. 9-12)	2	100%	2	100%	0	0
Contract (Level 9-12)	0	0	0	0	0	0
Contract (Level 13-16)	0	0	0	0	0	0
Total	2		2		0	0

3.10 Leave utilisation

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.

Table 3.10.1: Sick leave for the period 1 January 2018 to 31 December 2018

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 Skills (Level 1-2)	228	82.89%	27	2.84%	8.44	R132 000
Skilled (Levels 3-5)	831	78.94%	109	11.46%	7.62	R752 000
Highly skilled production (Levels 6-8)	4 884	79.55%	590	62.04%	8.28	R6 105 000
Highly skilled supervision (Levels 9 -12)	1 434	81.73%	195	20.50%	7.35	R3 712 000
Top and Senior management (Levels 13-16)	174	79.89%	30	3.15%	5.80	R777 000
Total	7 551	80.00%	951	100%	7.94	R11 478 000

Table 3.10.2: Disability leave (temporary and permanent) for the period 1 January 2018 to 31 December 2018

Salary band	Total days	% 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)	20	100%	1	0.97%	20.00	R12 000
Skilled (Levels 3-5)	122	100%	4	3.88%	30.50	R118 000
Highly skilled production (Levels 6-8)	1 852	100%	75	72.82%	24.69	R2 384 000
Highly skilled supervision (Levels 9-12)	495	100%	22	21.36%	22.50	R1 253 000
Senior management (Levels 13-16)	9	100%	1	0.97%	9.00	R39 000
Total	2 498	100%	103	100%	24.25	R3 806 000

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

Table 3.10.3: Annual Leave for the period 1 January 2018 to 31 December 2018

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	708	30	23.60
Skilled (Levels 3-5)	2 709.50	136	19.92
Highly skilled production (Levels 6-8)	16 343.89	708	23.08
Highly skilled supervision (Levels 9-12)	6 304.25	243	25.94
Senior management (Levels 13-16)	994	41	24.24
Total	27 059.64	1 158	23.37

Table 3.10.4: Capped leave for the period 1 January 2018 to 31 December 2018

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 December 2018
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	41
Highly skilled production (Levels 6-8)	21	6	3.50	30
Highly skilled supervision (Levels 9-12)	28.98	10	2.90	35
Senior management (Levels 13-16)	0	0	0	42
Total	49.98	16	3.12	33

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

Table 3.10.5: Leave pay-outs for the period 1 April 2018 to 31 March 2019

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-outs for 2018/2019 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2017/2018	R1 158 595.49	8	R144 824.44
Current leave pay-outs on termination of service for 2017/2018	R1 008 603.52	54	R18 677.84
Total	R2 167 199.01	62	R34 954.82

3.11 HIV/AIDS and health promotion programmes

Table 3.11.1: Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Employees such as CLO, mobile services personnel at Regional Offices.	Accommodate them at accredited hotel establishments. Provide them with education on how to look after themselves.

Table 3.11.2: Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms Edith Monnye
2. Does the department 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 the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		Counselling, trauma debriefing, educational sessions, marketing and group counselling
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 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.		No	
5. Has the department 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.	Yes		Employment equity policy and committee, Gender and disability forums and policies, HIV, AIDS TB management practices.
6. Has the department 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		Employment Policies and practices. Employment and funding of the Employee Health and Wellness unit.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		Twice annually
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Employee Satisfaction Survey conducted by the Monitoring and Evaluation business unit.

3.12 Labour relations

Table 3.12.1: Collective agreements for the period 1 April 2018 to 31 March 2019

Total number of collective agreements	none
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2: Misconduct and disciplinary hearings finalised for the period 1 April 2018 to 31 March 2019

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0.0%
Verbal warning	2	0.2%
Written warning	5	0.5%
Final written warning	1	0.1%
Suspended without pay	1	0.1%
Fine	0	0.0%
Demotion	0	0.0%
Dismissal	1	0.1%
Not guilty	0	0.0%
Case withdrawn	0	0.0%
Total	10	100%
Total number of disciplinary hearings finalised	10 (2 formal and 8 progressive discipline)	

Table 3.12.3: Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 to 31 March 2019

Type of misconduct	Number	% of total
Gross Dishonesty/gross dishonesty in the form of Fraud	2	0.2%
Use of derogatory language	1	0.1%
Insubordination	2	0.2%
Late coming	4	0.4%
Intimidation	1	0.1%
Total	10	100%

Table 3.12.4: Grievances logged for the period 1 April 2018 to 31 March 2019

Grievances	Number	% of total
Number of grievances resolved	30	12.3%
Number of grievances not resolved	11	4.51%
Total number of grievances lodged	41	17%

Table 3.12.5: Disputes logged with Councils for the period 1 April 2018 to 31 March 2019

Disputes	Number	% of total
Number of disputes upheld	0	0.0%
Number of disputes dismissed	1	0.1%
Total number of disputes lodged	1	0.1%

Table 3.12.6: Strike actions for the period 1 April 2018 to 31 March 2019

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 3.12.7: Precautionary suspensions for the period 1 April 2018 to 31 March 2019

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	11 Months
Cost of suspension(R'000)	R23,813.34

3.13 Skills development

This section highlights the efforts of the department with regard to skills development.

Table 3.13.1: Training needs identified for the period 1 April 2018 to 31 March 2019

Occupational category	Gender	Number of employees as at 1 April 2018	Training needs identified at start of the reporting period			
			Learner-ships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11	0	11	0	11
	Male	25	0	33	0	33
Professionals	Female	121	0	150	0	150
	Male	110	0	107	0	107
Technicians and associate professionals	Female	449	0	134	0	134
	Male	197	0	91	0	91
Clerks	Female	53	0	29	0	29
	Male	43	0	41	0	41
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	25	0	12	0	12
	Male	5	0	5	0	5
Sub Total	Female	659	0	336	0	336
	Male	380	0	277	0	277
Total		1039	0	613	0	613

Table 3.13.2: Training provided for the period 1 April 2018 to 31 March 2019

Occupational category	Gender	Number of employees as at 1 April 2018	Training provided within the reporting period			
			Learner-ships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11	0	06	0	06
	Male	25	0	25	0	25
Professionals	Female	121	0	31	0	31
	Male	110	0	29	0	29
Technicians and associate professionals	Female	449	0	41	0	41
	Male	197	0	39	0	39
Clerks	Female	53	0	17	0	17
	Male	43	0	13	0	13
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	25	0	4	0	4
	Male	5	0	2	0	2
Sub Total	Female	659	0	99	0	99
	Male	380	0	111	0	111
Total		1039	0	210	0	210

3.14 Injury On duty

The following tables provide basic information on Injury on Duty.

Table 3.14.1: Injury on Duty for the period 1 April 2018 to 31 March 2019

Nature of injury on duty	Number	% of total
Required basic medical attention only	17	100%
Temporary total disablement	0	0%
Permanent disablement	0	0%
Fatal	0	0%
Total	17	100%

3.15 Utilisation of consultants

The following tables reflect information on the utilisation of consultants in the department.

In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1: Report on consultant appointments using appropriated funds for the period 1 April 2018 to 31 March 2019

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rands
GPAA 2/2018 Personnel suitability checks	1	720	Up to R 2 000000.00
GPAA 7/2018 Panel of service providers: Recruitment Services	5	720	R1 562 554.05
GPAA 9/2018 Panel of service providers: Training Panel	17	720	R 6 000 000.00
GPAA 16/2018 CRM Strategy	1	360	R 5 104 000.00
GPAA 32/2016 Forensic Services	17	720	Annually approved budget
GPAA 15/2012 Panel of GPAA attorneys Legal services	18	360	Annually approved budget

Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in Rands- PO's issued in financial year
(1) GPAA Personnel Suitability checks	1	720	R2 000 000.00
(1) GPAA 16/2018	1	3601	R5 104 000.00
(15) GPAA 32/2016	8	240	R3 941 754.75
(53) GPAA 7/2018	7	240	R3 232 588.17
(0) GPAA 9/2018	0	60	R0
(4) GPAA15/2012	2	192	R898 270.04

Table 3.15.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 to 31 March 2019

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that worked on the project
GPAA 2/2018 Personnel suitability checks	0%	0%	1
GPAA 7/2018 Panel of service providers: Recruitment Services	61%	61%	7
GPAA 9/2018 Panel of service providers: Training Panel	No PO's issued		17
GPAA 16/2018 CRM Strategy	No PO issued yet		1
GPAA 32/2016 Forensic Services	86%	86%	8
GPAA 15/2012 Panel of GPAA attorneys Legal services	59%	59%	2

3.16 Severance packages

Table 3.16.1: Granting of employee initiated severance packages for the period 1 April 2018 to 31 March 2019

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

A young green seedling with two leaves growing out of a stack of coins, symbolizing financial growth. The background is a blurred image of a person's hands holding a coin.

| PART E |

FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS

For the year ended

31 March 2019

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ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY

Statement of responsibility and confirmation of accuracy for the annual financial statements for the year ended 31 March 2019.

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

- All information and amounts disclosed throughout the annual financial statements are consistent.
- The annual financial statements are complete, accurate and free from any omissions in all material aspects.
- The annual financial statements have been prepared in accordance with GRAP standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

In my opinion, the annual financial statements fairly reflect the financial affairs of the department for the financial year ended 31 March 2019.



Mr. Krishen Sukdev
Chief Executive Officer (CEO)
Government Pensions Administration Agency (GPAA)
31 July 2019

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE GOVERNMENT PENSIONS ADMINISTRATION AGENCY

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Government Pensions Administration Agency (GPAA) set out on pages 116 to 155, which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison between budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the GPAA as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the GPAA in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Reporting framework

7. As disclosed in note 1 to the financial statements, the GPAA has obtained a departure from the Office of the Accountant General in accordance with section 79 of the PFMA to report its financial results in terms of Standards of GRAP issued by the Accounting Standards Board, in accordance with section 91(1) of the PFMA, for the period not exceeding the 2017-19 Medium Term Expenditure Framework period.

Restatement of corresponding figures

8. As disclosed in note 21 to the financial statements, the corresponding figures for 31 March 2018 were restated as a result of errors in the financial statements of the GPAA at, and for the year ended, 31 March 2019.

Irregular expenditure

9. As disclosed in note 19 to the financial statements, the GPAA incurred irregular expenditure of R33 203 000, as a result of non-compliance with appropriate procurement legislation.

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the GPAA. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the GPAA for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 1 – support services	42 – 55
Programme 2 – benefits administration	56 – 65

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 1 – support services

% unclaimed benefits aging balance within the current year

15. I was unable to obtain sufficient appropriate audit evidence to support the reported achievement of the target of 85%. This was due to the source information and method of calculation not being clearly defined as well as a lack of proper performance management systems that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm the reported achievement of the indicator by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 59,65% as reported in the annual performance report.

% reduction in administration cost per member

16. The method of calculation for achieving the planned indicator was not clearly defined.

% of cases processed through the Benefit Payment Automation (BPA) System submitted through the Pension Case Management System

17. The method of calculation for achieving the planned indicator was not clearly defined. I was unable to obtain sufficient appropriate audit evidence to support the reason for the variance between the planned target of 70% and the achievement of 9,7% reported in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to determine whether any adjustments were required to the reported reason for the variance.

Programme 2 – benefits administration

Various indicators

18. The method of calculation for achieving the planned indicators listed below was not clearly defined:

- % client satisfaction level
- % reduction of abandoned calls in the call centre
- % reduction of unserved clients in the walk in centre

Various indicators

19. The short definition and/ method of calculation for achieving the planned indicators listed below were not clearly defined:

- % of NT suspended pensioners (overseas) re-instated after receipt of Life certificates
- % GEPF benefits paid on time

Various indicators

20. I was unable to obtain sufficient appropriate audit evidence to support the reasons for variances between the planned targets and the achievements reported in the annual performance report for the indicators listed below. This was due to limitations placed on the scope of my work. I was unable to confirm the reported reason for the variance by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported reason.

- % of NT members admitted within 21 days
- % of GEPF members admitted within 21 days
- % of GEPF existing member data confirmed annually with the member and/or the employer departments (to cleanse member data)

Various indicators

21. The method of calculation for achieving the planned indicators listed below was not clearly defined. Also, I was unable to obtain sufficient appropriate audit evidence to support the reasons for variances between planned targets and achievements reported in the annual performance report for the indicators listed below. This was due to limitations placed on the scope of my work. I was unable to confirm the reported reason for the variance by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported reason.
- % of GEPF contributions reconciled by the 22nd of the month
 - % of NT pensioner records maintained

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on pages 38 to 65 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 15 to 21 of this report.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of support services and benefits administration. As management subsequently corrected only some of the misstatements, I raised any material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Responsibilities of accounting officer for the financial statements

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

Auditor-general's responsibilities for the audit of the financial statements

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

Report on the audit of compliance with legislation

Introduction and scope

29. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the GPAA with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
30. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements, performance report and annual report

31. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40 (1) (b) of the PFMA.
32. Material misstatements of liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

Expenditure management

33. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R4 471 000, as disclosed in note 19 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure resulted from contract extensions without justifiable reasons.
34. Effective internal controls were not in place for the approval and processing of payments, as required by treasury regulation 8.1.1.

Procurement and contract management

35. A contract was awarded to a bidder based on evaluation/adjudication criteria that differed from those stipulated in the original invitation for bidding, in contravention of treasury regulation 16A6.3 (a).
36. Some contracts were extended or modified without the approval of a properly delegated official, as required by section 44 of the PFMA and treasury regulations 8.1 and 8.2.

Consequence management

37. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against some of the officials who had incurred and/or permitted irregular expenditure in prior years, as required by section 38(1)(h)(iii) of the PFMA.
38. Disciplinary hearings were not held for confirmed cases of financial misconduct committed by some of the officials, as required by treasury regulation 4.1.1.

Other information

39. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
40. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

41. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
42. The other information I obtained prior to the date of this auditor's report is the accounting officer's report; the minister's foreword and the audit committee's report are expected to be made available to me after 31 July 2019.
43. If based on the work I have performed on other information that I have obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
44. When I do receive and read the minister's foreword and the audit committee's report, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate.

Internal control deficiencies

45. I considered internal controls relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
46. The accounting officer did not effectively exercise oversight responsibility and review compliance with legislation relating to procurement and contract management, the requirements of the financial reporting framework as well as the requirements of the National Treasury's Framework for Managing Programme Performance Information, resulting in material non-compliance being identified.
47. Effective human resource management remains a concern, as a number of key management positions remained vacant and executives and senior managers were acting in positions for longer than 12 months.

48. Management did not prepare financial statements that were free from material misstatements. This was mainly due to staff not adequately reviewing compliance with the applicable accounting standards as well as the poor quality of schedules and reports supporting the financial statements.
49. Management did not ensure that an accurate and complete annual performance report was submitted for auditing, and material misstatements on the usefulness and reliability of indicators and targets were identified.
50. Proper record management controls were not in place, which resulted in significant delays in the retrieving and submission of documentation, negatively affecting audit timelines and budgets.
51. Challenges within the internal audit function existed, and these entail inadequate capacity and lack of training and development. These challenges have a negative impact on the level of assurance provided by this oversight structure as well as the overall control environment.

Other reports

52. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the GPAA's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
53. An independent consultant was appointed by the audit committee to investigate various allegations brought to their attention. The investigation covered the period from 2014-15 to 2018-19. The investigation was concluded on 5 June 2019, and the report was shared with the audit team. The evaluation of recommendations included in the report is still in progress.

Auditor-General

Pretoria

31 July 2019



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the GPAA’s compliance with respect to the selected subject matters.

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



GOVERNMENT PENSIONS ADMINISTRATION AGENCY

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	2019 R'000	Restated 2018 R'000
Current Assets		176,753	154,482
Trade and other receivables from exchange transactions	5	119,238	105,569
Inventory	6	772	612
Cash and cash equivalents	7	43,109	42,257
Prepayments	8	13,634 ¹	6,044
Non-Current Assets		364,816	378,550
Property, plant and equipment	3	202,885	204,821
Intangible assets	4	161,931	173,729
TOTAL ASSETS		541,569	533,032
Current Liabilities		131,153	138,924
Trade and other payables from exchange transactions	9	110,801	118,099
Operating lease liability	10	1,919 ¹	1,919
Provision for leave pay	11	18,433	18,906
TOTAL LIABILITIES		131,153	138,924
Net Assets		410,416	394,108
Accumulated surplus		410,416	394,108
TOTAL NET ASSETS AND LIABILITIES		541,569	533,032

¹These items are separately disclosed to improve on the reliability of the financial statements.

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 R'000	Restated 2018 R'000
Revenue from Exchange Transactions		1,029,548	989,277
Administration income	11.1	1,026,960	986,865
Other income	11.2	2,588	2,412
Expenses		1,013,245	989,765
Personnel remuneration	12	493,688	481,088
Travel and subsistence		23,751	19,045
Depreciation	3	30,925	23,686
Amortisation	4	75,915	70,030
Cleaning services		5,685	5,347
Maintenance and repairs		7,402	7,066
Operating leases		50,675	49,349
Professional services and consulting		90,346	108,599
Audit fees		4,276	4,976
Communication		67,295	80,746
Printing and stationery		35,422	30,218
Advertising		18,408	20,702
Computer services		84,688	64,412
Training and staff development		6,565	8,372
Municipal services		10,346	11,773
Other operating expenses		5,916	4,356
Loss on disposal of assets		1,937	-
Surplus/ (Deficit) for the year		16,308	(488)

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2019

Notes	Restated R'000
	Accumulated Surplus
Balance as at 01 April 2017	395,407
Prior period error	(811)
Deficit for the year	(488)
Balance as at 31 March 2018	394,108
Surplus for the year	16,308
Balance as at 31 March 2019	410,416

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

		2019	Restated
	Notes	R'000	2018
			R'000
Cash flow from operating activities			
Cash generated from operations	14	91,942	85,255
Cash receipts from customers		1,013,548	986,985
Cash paid to personnel and suppliers		(921,606)	(901,730)
Interest received		2,403	2,366
Net cash flow from operating activities		94,345	87,621
Net cash flow from investing activities			
		(93,493)	(82,312)
Proceeds from disposal of property, plant and equipment		682	-
Additions to property plant and equipment		(30,058)	(32,471)
Additions to intangible assets		(64,117)	(49,841)
Net increase in cash and cash equivalents		852	5,309
Cash and cash equivalents at the beginning of the year		42,257	36,948
Cash and cash equivalent at the end of the year	7	43,109	42,257

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

STATEMENT OF COMPARISON BETWEEN BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2019

	Approved Budget		Adjustments		Final		Actual Amounts on comparable basis		Difference between final budget and Actual Amounts	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue										
Administration fees	1,135,217	1,084,716	-	-	1,135,217	1,084,716	1,026,960	986,865	108,257	97,851
Other income	-	-	-	-	-	-	2,588	2,412	(2,588)	(2,412)
	1,135,217	1,084,716	-	-	1,135,217	1,084,716	1,029,548	989,277	105,669	95,439
Expenditure										
Personnel remuneration	526,671	520,210	-	(2,500)	526,671	517,710	493,688	481,088	32,983	36,622
Operating expense	550,762	489,536	-	(40,029)	550,762	449,507	412,712	414,961	138,050	34,546
Depreciation and amortization	-	-	-	-	-	-	106,840	93,716	(106,840)	(93,716)
	1,077,433	1,009,746	-	(42,529)	1,077,433	967,217	1,013,240	989,765	64,193	(22,548)
Surplus/(Deficit)	57,784	74,970			57,784	117,499	16,308	(488)	41,476	117,987
Capital Expense										
	57,784	74,970	-	42,529	57,784	117,499	95,784	96,711	(38,000)	20,788

ACTUALS AGAINST BUDGET ANALYSIS

Revenue

GPAA administration fees are determined on cost recovery basis. This arrangement was agreed with GEPF and the National Treasury as the main source of revenue.

GPAA receives 93% of its budget from GEPF and 7% from National Treasury as administration fees for administering for both GEPF and National Treasury members. The variance of R 106 million is due to both savings and under spending.

Operating Expenditure

The total variance of R64, 2 million is mainly due to:

- Delay in recruitment of personnel resulted in saving of R32.9 million on compensation of employees;
- A change in approach for advertising roadshows and outreach programmes resulting in a saving of R5 million
- There is a saving of R9.2 million on delays in appointing Information Security consulting services;
- There is a saving of R1.8 million on delays in issuing of purchase order for internal audit services;
- Cost containment measures introduced by the GPAA on catering and related events has resulted in a saving of R1.1 million on entertainment and catering expenses;
- Amortisation and depreciation that are not budgeted for in terms of the annual budget.
- Computer services under spend by R104 million due to delays in procuring Oracle

Identity Access Management implementation and CIVPEN replacement system;

- Communication costs over spent by R10.4 million due to increased newsletters to members and pensioners;

Capital Expenditure

The R38 million is mainly due to software licenses that were budgeted under goods and services however were capitalised as per GPAA accounting policy on intangibles.

1. PRINCIPAL ACCOUNTING POLICIES

1.1 Basis of Presentation of Financial Statements

The entity was currently established as a Government component in terms of the Public Services Act, 1994 (Act No. 103 of 1994).

GPAA has obtained approval from the Accountant General for application of GRAP over a period of 3 years ending 31 March 2019, thus the financial statements were prepared in accordance with the Standard of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with Section 91(1) (b) of the Public Finance Management Act (Act No 1 of 1999), rather than the Modified Cash Basis normally applicable to Departments and Government Components.

GPAA's financial statements are prepared on an accrual basis of accounting with historical cost as the basis of measurement, unless specified otherwise.

The principal accounting policies which have been applied in the preparation of these financial statements are disclosed below.

1.2 Presentation Currency

These annual financial statements are presented in South African Rand (R), which is the functional currency of the entity. Amounts are rounded off to the nearest thousand.

1.3 Going Concern Assumption

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

1.4 Comparative Information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

1.5 Significant Judgements and Estimates

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.

The use of judgements, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

Details of any significant judgements and estimates are disclosed in relevant policies where the impact on the financial statements is material:

1.5.1 Judgements

In the process of applying these accounting policies, management has made the following judgements that may have a significant effect on the amounts recognised in the financial statements.

1.5.2 Provision for Impairment of Receivables

The receivables are assessed individually for any indications of impairment or recoverability.

1.5.3 Provision for Accumulated Leave Pay

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

1.5.4 Provision for Performance Bonus

The provision recognised on performance bonuses is based on the approved annual budget for the current financial year.

1.5.5 Estimates

Estimates are informed by past experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the entity's accounting policies the following estimates, were made:

1.5.5.1 Residual Values and useful Lives

Residual values and useful lives of equipment are assessed annually. Impairment for assets is assessed 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.

1.5.5.2 Other Provisions

Provisions are measured as the present value of the estimated future outflows required to settle an obligation. In the process of determining the best estimate of the amounts that will be required in future to settle the provision management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

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.

1.6 PROPERTY, PLANT AND EQUIPMENT.

1.6.1 Initial Recognition and Measurement

Property, plant and equipment are tangible non-current assets that are held for use in the supply of goods or services.

Items of property, plant and equipment are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost where acquired through exchange transactions. However, when items of property, plant and equipment are acquired through non-exchange transactions, those items are initially measured at their fair values as at the date of acquisition.

The cost of an item of property, plant and equipment is the purchase price and other costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Trade discounts and rebates are deducted in arriving at the cost at which the asset is recognised. The cost also includes the estimated costs of dismantling and removing the asset and restoring the site on which it is operated.

Some intangible assets may be contained in or on a physical substance. In determining whether an asset that incorporates both tangible and intangible elements should be treated under the Standard of GRAP on Property, Plant and Equipment (GRAP 17) or Intangible Assets (GRAP 31), the entity uses judgement to assess which element is more significant. When the software is not an integral part of the related hardware, computer software is treated as an intangible asset. If however the hardware cannot operate without specific software because it is an integral part of the related hardware, both are treated as property, plant and equipment.

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

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

Major spare parts and servicing equipment qualify as property, plant and equipment when the entity expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Assets not yet available for use are disclosed as "Capital work-in-progress" in the Property, plant and equipment note.

1.6.2 Subsequent Measurement

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

1.6.3 Subsequent Expenditure

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria are met.

1.6.4 Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an assets' residual value, where applicable to entity.

The assets' residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.

The annual depreciation is based on the following estimated assets useful lives:

CATEGORY OF ASSET	AVERAGE USEFUL LIFE (YEARS)
Computer Equipment	8
Furniture & Fittings	10
Leasehold Improvements	Lesser of 15 years and lease period.
Office Equipment	10
Motor Vehicles	7
Tools	6

1.6.5 Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

1.6.6 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.7 INTANGIBLE ASSETS

1.7.1 Initial recognition and measurement

An intangible asset is an identifiable non-monetary asset without physical substance. The entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- a) The entity intends to complete the intangible asset for use or sale.
- b) It is technically feasible to complete the intangible asset.
- c) The entity has the resources to complete the project.
- d) It is probable that the entity will receive future economic benefits or service potential.
- e) The entity has the ability to measure reliably the expenditure during development.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Intangible assets not yet available for use are disclosed as "Capital work-in-progress" in the Intangible assets note.

1.7.2 Subsequent measurement

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Financial Performance in the expense category consistent with the function of the intangible asset.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in Statement of Financial Performance in the expense category consistent with the function of the intangible asset. During the period of development, the asset is tested for impairment annually.

1.7.3 Amortisation

Amortisation is charged to write off the cost of intangible assets over their estimated useful lives using the straight-line method.

The annual amortisation is based on the following estimated assets useful lives:

CATEGORY OF INTANGIBLE ASSET	AVERAGE USEFUL LIFE (YEARS)
Computer Software	5-10
Licenses	License period

1.7.4 Impairments

The entity tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is performed at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

1.7.5 Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.7.6 Capital work-in-progress

Given the amount of resources that are spent annually on assets, whether or construct or develop new assets, or refurbish and maintain existing, users expressed a strong need for more disclosure about capital work in progress and expenditure on repairs and maintenance.

For capital work in progress, users indicated that they needed more information about the types of asset being constructed or developed, per class of assets.

Capital work in progress includes amounts spent on projects that are taking a significant amount of time to complete, or have been halted. The information about the ageing of projects should be included in capital work in progress.

The organisation should disclose information on amounts that are included in capital work in progress that are long outstanding or relate to projects that have been stopped, and whether impairment has been considered.

1.8 INVENTORY

1.8.1 Initial recognition and measurement

Inventories are initially recognised at cost. Cost refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition.

Where inventory is acquired by the entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Differences arising on the valuation of inventory are recognised in the statement of financial performance.

1.8.2 Subsequent measurement

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no

or nominal charge, in which case they are measured at the lower of cost and current replacement cost. The basis of determining cost is the weighted-average method.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at financial year-end.

The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

1.8.3 Derecognition

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.9 FINANCIAL INSTRUMENTS

1.9.1 Initial recognition

The entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

Financial instruments are evaluated, based on their terms, to determine if those instruments contain both liability and residual interest components (i.e. to assess if the instruments are compound financial instruments). To the extent that an instrument is in fact a compound instrument, the components are classified separately as financial liabilities and residual interests as the case may be.

1.9.2 Initial measurement

When a financial instrument is recognised, the entity measures it initially at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

1.9.3 Subsequent measurement

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

1.9.4 Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired or through the amortisation process.

1.9.6 Impairments

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

1.10 POLICIES RELATING TO SPECIFIC FINANCIAL INSTRUMENTS

1.10.1 Cash and cash equivalents

Cash and cash equivalents are measured at fair value. Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

1.10.2 Trade and other receivables from exchange transactions

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

1.10.3 Trade and other payables from exchange transactions

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

1.11 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.

1.12 LEASES

The entity as lessee

1.12.1 Recognition

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity through the lease agreement. Assets classified as finance leases are recognised in the Statement of Financial Position at the inception of the lease, as is the corresponding finance lease liability.

Assets classified as operating leases, i.e. those leases where substantially all of the risks and rewards of ownership are not transferred to the lessee through the lease, are not recognised in the Statement of Financial Position. The operating lease expense is recognised over the course of the lease arrangement.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005, in accordance with the transitional requirements of GRAP 3.

1.12.2 Measurement

Assets subject to a finance lease, as recognised in the Statement of Financial Position, are measured (at initial recognition) at the lower of the fair value of the assets and the present value of the future minimum lease payments.

Subsequent to initial recognition these capitalised assets are depreciated over the contract term.

The finance lease liability recognised at initial recognition is measured at the present value of the future minimum lease payments.

Subsequent to initial recognition this liability is carried at amortised cost, with the lease payments being set off against the capital and accrued interest.

The allocation of the lease payments between the capital and interest portion of the liability is effected through the application of the effective interest method.

The finance charges resulting from the finance lease are expensed, through the Statement of Financial Performance, as they accrue. The finance cost accrual is determined using the effective interest method.

The lease expense recognised for operating leases is charged to the Statement of Financial Performance on a straight-line basis over the term of the relevant lease. To the extent that the straight-lined lease payments differ from the actual lease payments the difference is recognised in the Statement of Financial Position as either lease payments in advance (operating lease asset) or lease payments payable (operating lease liability) as the case may be. This resulting asset and / or liability is measured at the undiscounted difference between the straight-line lease payments and the contractual lease payments.

1.12.3 Derecognition

The finance lease liabilities are derecognised when the entity's obligation to settle the liability is settled. The assets capitalised under the finance lease are derecognised when the entity no longer expects any

economic benefits or service potential to flow from the asset.

The operating lease liability is derecognised when the entity's obligation to settle the liability is settled. The operating lease asset is derecognised when the entity no longer anticipates economic benefits to flow from the asset.

1.13 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions is recognised when it is probable that future economic benefits of service potential will flow to GPAA and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

1.13.1 Administration fees

GPAA is the administrator of GEPF and National Treasury funds (i.e. AIPF, TEPF and Programme 7) and is receiving an administration fee for these services provided. These fees are on cost recovery basis and are recognised once the expenditure has been incurred.

1.13.2 Other income

1.13.2.1 Commission income

Income arising out of situations where the entity acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the entity as compensation for executing the agreed services.

1.13.2.2 Interest income

Income that accrues on a time-proportionated basis on cash balance on overdue debtors, PMG and Absa accounts.

1.13.2.3 Parking income

Income that is earned monthly on shaded car parking allocated to staff members.

1.14 PERSONNEL REMUNERATION

The cost of employee benefits is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date.

Termination benefits are recognised and expensed only when the payment is made.

Liabilities for annual service bonus and long service bonus are recognised as they accrue to employees. GPAA recognises bonus obligations during the vesting period based on the best available estimate of these bonuses expected to vest. Due to uncertainty regarding the fiscal constraints the bonus liability is recognised as a provision.

Liabilities for annual leave are recognised as they accrue to employees. GPAA recognises the leave obligation during the vesting period based on the best available estimate of the accumulated leave expected to vest. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee. The leave liability is recognised as an accrual as it is certain that employees will take all their leave within 6 months of the next calendar year to avoid forfeiting.

No provision has been made for retirement benefits as GPAA does not provide for retirement benefits for its employees

1.15 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (PFMA) or is in contravention of the entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is disclosed as such in the notes to the annual financial

statements and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

1.16 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and which could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is disclosed as such in the notes to the annual financial statements.

Where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.16.1 Recovery of irregular, fruitless & wasteful expenditure

The recovery of irregular and fruitless and wasteful expenditure is based on legislated procedures, and is recognised when the recovery thereof from the responsible officials is probable.

1.17 POST-REPORTING DATE EVENTS

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

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

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

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

1.18 RELATED PARTIES

The entity has processes and controls in place to aid in the identification of related parties. A related party is a person or an entity with the ability to control or jointly control the other party or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Where transactions occurred between the entity and any one or more related parties, and those transactions were not within:

- a) Normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances; and
- b) Terms and conditions within the normal operating parameters established by the reporting entity's legal mandate;

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.

Information about such transactions is disclosed in the financial statements.

1.19 COMMITMENTS

Commitments comprise those future expenses that GPAA has committed itself to, 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.

1.20 BUDGET INFORMATION

GPAA is subject to budgetary limits in the form of budget authorisations, which are given effect through authorising legislation, or similar.

General purpose financial reporting by the GPAA shall provide information on whether resources were obtained and used in accordance with legally adopted budget.

The approved budget is prepared on an accrual basis.

The Financial Statements and budget are prepared on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period has been included in the Statement of Comparison of Budget and Actual amounts. Material movements are explained in the Statement of Comparison between Budget and Actual amounts.

2 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, there are standards and interpretations in issue but not yet effective.

Standard / Interpretation:

GRAP Standard	Title
GRAP 20	Related Party Disclosures
GRAP 32	Service Concession Arrangements: Grantor
GRAP 34	Separate Financial Statements
GRAP 35	Consolidated Financial Statements
GRAP 36	Investments in Associates and Joint Ventures
GRAP 37	Joint Arrangements
GRAP 38	Disclosure of Interests in Other Entities
DIRECTIVE 7	Deemed Cost (1 April 2019) Early application of GRAP 34 to GRAP 38
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
GRAP 110	Living and Non-living Resources

The adoption of these Standards of GRAP, when they become effective, is not expected to have a significant impact on the financial statements. GPAA does not participate in the transactions covered by GRAP 32, 34, 35, 36, 37, 38, 108, 109, 110 and Directive 7.

The following approved standard is being applied but the effective date is yet to be determined by the Accounting Standards Board:

- GRAP 20: Related-party disclosure

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

3. Property, plant and equipment

Reconciliation of Carrying Value

	2019			2018		
	Cost R'000	Accumulated Depreciation & Impairment R'000	Carrying Value R'000	Cost R'000	Accumulated Depreciation & Impairment R'000	Carrying Value R'000
Computer Equipment	187,879	(87,820)	100,059	187,759	(78,282)	109,477
Furniture & Fittings	41,748	(15,409)	26,339	41,666	(17,108)	24,558
Leasehold Improvements	19,051	(3,063)	15,988	14,019	(1887)	12,132
Office Equipment	55,212	(23,952)	31,260	52,570	(22,562)	30,008
Vehicles	15,673	(9,823)	5,850	13,897	(9,190)	4,707
Tools	51	(39)	12	60	(42)	18
Capital Work in Progress ¹	23,377	-	23,377	23,921	-	23,921
Total	342,991	(140,106)	202,885	333,892	(129,071)	204,821

¹These assets have not been deployed into production as we are waiting for SITA to finalise appointment of a service provider to install and configure the equipment.

3.1 Reconciliation of Property, Plant and Equipment - 2019

	Carrying Value Opening Balance	Additions	Disposals	Depreciation	Provision for missing assets	Reallocations	Carrying Value Opening Balance
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Computer Equipment	109,477	10,149	(1,445)	(20,271)	32	2,117	100,059
Furniture & Fittings	24,558	5,695	(811)	(3,146)	-	43	26,339
Leasehold Improvements	12,132	4,821	-	(1,271)	-	306	15,988
Office Equipment	30,008	3,408	(402)	(4,485)	85	2,646	31,260
Vehicles	4,707	2,889	-	(1,746)	-	-	5,850
Tools	18	-	-	(6)	-	-	12
Capital Work in Progress	23,921	4,705	(137)	-	-	(5,112)	23,377
Total	204,821	31,667	(2,795)	(30,925)	117	-	202,885

3.2 Reconciliation of Property, Plant and Equipment - 2018

	Carrying Value Opening Balance	Prior period error	Restated Carrying Value Opening Balance	Additions	Depreciation	Provision for missing assets ¹	Reallocations	Carrying Value Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Computer Equipment	118,063	-	118,063	591	(16,201)	(26)	7,050	109,477
Furniture & Fittings	11,566	-	11,566	15,017	(2,181)	1	155	24,558
Leasehold Improvements	4,971	-	4,971	7,689	(528)	-	-	12,132
Office Equipment	25,587	-	25,587	5,220	(3,597)	51	2,747	30,008
Vehicles	5,881	-	5,881	-	(1,174)	-	-	4,707
Tools	23	-	23	-	(5)	-	-	18
Capital Work in Progress	33,833	(3,914)	29,919	3,954	-	-	(9,952)	23,921
Total	199,924	(3,914)	196,010	32,471	(23,686)	26	-	204,821

¹Current year provision on missing assets.

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4. Intangible Assets

Reconciliation of Carrying Value

	Cost R'000	2019 Accumulated Amortisation & Impairment R'000	Carrying Value R'000	Cost R'000	2018 Accumulated Amortisation & Impairment R'000	Carrying Value R'000
Computer Software	101,499	(47,196)	54,303	103,607	(40,445)	63,162
Licenses	84,191	(60,364)	23,827	49,784	(33,723)	16,061
Capital Work in Progress ¹	2,903	-	2,903	4,027	-	4,027
Internally Generated Software	104,471	(35,671)	68,800	71,816	(22,116)	49,700
Internally Generated Capital Work in Progress ²	12,098	-	12,098	40,779	-	40,779
Total	305,162	(143,231)	161,931	270,013	(96,284)	173,729

¹These assets have not been deployed into production as we are waiting on SITA to finalise appointment of a service provider to install and configure the equipment.

²The asset is still in development phase.

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4.1 Reconciliation of Intangible Assets - 2019

	Carrying Value Opening Balance	Additions	Amortisation	Reallocations	Carrying Value Closing Balance
	R'000	R'000	R'000	R'000	R'000
Computer Software	63,162	-	(8,859)	-	54,303
Licenses	16,061	60,095	(53,453)	1,124	23,827
Capital Work in Progress	4,027	-	-	(1,124)	2,903
Internally Generated Software	49,700	-	(13,603)	32,703	68,800
Internally Generated Capital Work in Progress	40,779	4,022	-	(32,703)	12,098
Total	173,729	64,117	(75,915)	-	161,931

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4.2. Reconciliation of Intangible Assets - 2018

	Carrying Value Opening Balance	Prior period error	Restated Carrying Value Opening Balance	Additions	Amortisation	Reallocations	Carrying Value Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Computer Software	79,074	-	79,074	-	(15,912)	-	63,162
Licenses	24,182	-	24,182	33,107	(41,228)	-	16,061
Capital Work in Progress	924	3,103	4,027	-	-	-	4,027
Internally Generated Software	47,382	-	47,382	4,756	(12,890)	10,452	49,700
Internally Generated Capital Work in Progress	39,253	-	39,253	11,978	-	(10,452)	40,779
Total	190,815	3,103	193,918	49,841	(70,030)	-	173,729

5. Trade and Other Receivables from Exchange Transactions

	2019		
	Gross Balances	Provision for Doubtful Debts	Net Balance
	R'000	R'000	R'000
Trade receivables	118,447	(352)	118,095
Staff debtors	634	-	634
Out of service staff debtors	689	(180)	509
	119,770	(532)	119,238

	2018		
	Gross Balances	Provision for Doubtful Debts	Net Balance
	R'000	R'000	R'000
Trade receivables	104,708	(179)	104,529
Staff debtors	794	-	794
Out of service staff debtors	671	(425)	246
	106,173	(604)	105,569

5.1 Ageing: Trade and Other Receivables from Exchange Transaction - 2019

	Trade receivables	Staff debtors	Out of service staff debtors	Total
	R'000	R'000	R'000	R'000
Current (0 - 30 days)	117,857	12	2	117,871
31 - 60 Days	238	7	-	245
61 - 90 Days	24	55	25	104
Over 90 Days	328	560	662	1,550
	118,447	634	689	119,770
Provision for doubtful debts	(352)	-	(180)	(532)
	118,095	634	509	119,238

5.2 Ageing: Trade and Other Receivables from Exchange Transactions - 2018

	Trade receivables	Staff debtors	Out of service staff debtors	Total
	R'000	R'000	R'000	R'000
Current (0 - 30 days)	104,529	-	-	104,529
31 - 60 Days	-	-	7	7
61 - 90 Days	-	23	49	72
over 90 Days	179	771	615	1,565
	104,708	794	671	106,173
Provision for doubtful debts	(179)	-	(425)	(604)
	104,529	794	246	105,569

5.3 Reconciliation of the Doubtful Debt provision

	2019	2018
	R'000	R'000
Balance at beginning of the year	(604)	(550)
Contributions to provision	-	(54)
Reversal of provision	72	-
	(532)	(604)

6. Inventory

	2019	2018
	R'000	R'000
Inventory	772	612
	772	612

Inventory consists of consumables. The carrying value of inventory equals the net realisable value.

7. Cash and cash equivalents

	2019	2018
	R'000	R'000
Cash and cash equivalents consist of:		
PMG	32,408	27,467
ABSA	10,693	14,776
Petty cash	8	14
	<u>43,109</u>	<u>42,257</u>

8. Prepayments

	2019	2018
	R'000	R'000
Prepaid expenses	13,634	6,044
	<u>13,634</u>	<u>6,044</u>

Prepaid expenses are mainly on media campaigns, software maintenance and support.

9. Trade and Other Payables from Exchange Transactions

	2019	2018
	R'000	R'000
Trade creditors	42,034	37,287
Accruals	49,256	61,868
Bonus accrual	18,992	18,048
Sundry creditors	519	896
	<u>110,801</u>	<u>118,099</u>

9.1 Ageing: Trade and Other Payables from Exchange Transactions - 2019

	Trade creditors	Accruals	Sundry creditors	Total
	R'000	R'000	R'000	R'000
Current (0 - 30 days)	33,705	49,256	519	83,480
31 - 60 Days	8,098	-	-	8,098
61 - 90 Days	21	-	-	21
91-120 Days	4	-	-	4
Over 120 Days	206	-	-	206
	<u>42,034</u>	<u>49,256</u>	<u>519</u>	<u>91,809</u>

9.2 Ageing: Trade and Other Payables from Exchange Transactions - 2018

	Trade creditors	Accruals	Sundry creditors	Total
	R'000	R'000	R'000	R'000
Current (0 - 30 days)	29,592	61,868	896	92,356
31 - 60 Days	7,338	-	-	7,338
61 - 90 Days	89	-	-	89
91 - 120 Days	10	-	-	10
Over 120 Days	258	-	-	258
	37,287	61,868	896	100,051

10. Operating Lease Liability

	2019	2018
	R'000	R'000
Operating lease liability	1,919	1,919
	1,919	1,919

Future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	R'000	R'000
Payables not later than one year	23,093	26,609
Payables later than one year but not later than five years	27,282	38,772
Payables not later than five years	-	-
	50,375	65,381

11. Provision

	2019	2018
	R'000	R'000
Provision for leave pay	18,433	18,906
Balance at the beginning of the year	18,906	18,249
Provided	18,433	18,906
Utilised	(18,906)	(18,249)
	18,433	18,906

12. Revenue from Exchange Transactions

12.1 Administration Fee

	2019	2018
	R'000	R'000
GEPF	957,190	919,514
National Treasury (Programme 7)	63,954	61,453
AIPF	5,673	5,709
TEPF	143	189
	1,026,960	986,865

12.2 Other Income

	2019	2018
	R'000	R'000
Commission income	155	162
Interest income	2,403	2,220
Parking income	30	30
	2,588	2,412

13. Personnel Remuneration

	2019	2018
	R'000	R'000
Compensation of employees	362,308	359,509
Contributions to GEPF	39,735	34,587
Other benefits	91,645	86,992
	493,688	481,088

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

	2019	2018
	R'000	R'000
Surplus for the year	16,308	(484)
Add: Non Cash Movements:	108,115	97,742
Depreciation and amortisation	106,840	93,716
Increase in lease smoothing	-	821
Decrease in provision for assets write off	(117)	-
(Decrease) / Increase in bonus accrual and leave provision	(473)	3,151
Loss on disposal property, plant and equipment	1,937	-
Increase in provision for doubtful debts	(72)	54
Add (Deduct): Separately disclosed line items		
Interest received	(2,403)	(2,220)
Add/(less) changes in working capital	(30,078)	(9,783)
Decrease in trade payables	(8,731)	(13,905)
Decrease/ (Increase) in trade receivables	(21,187)	4,191
Increase in Inventories	(160)	(69)
Net Cash Flows from Operating Activities	91,942	85,255

15. Contingent Liabilities

As at year GPAA has the following contingent liabilities:

	2019	2018
	R'000	R'000
Claims per arbitration award	1,956	-
Matters awaiting judgement after review application	543	-
	2,499	-

16. Commitments

	2019	2018
	R'000	R'000
Capital Expenditure	44,219	119,038
Operational Expenditure	361,224	409,621
	405,443	528,629

18. Events after the reporting period

There are no events post reporting period which warrant any adjustment or disclosure in the current financial period.

19. Material losses through criminal conduct, irregular, fruitless and wasteful expenditure

19.1 Irregular Expenditure

	2019	2018
	R'000	R'000
Opening balance	28,732	26,315
Irregular expenditure during the current year	2,107	1,705
Irregular expenditure that relates to prior year	2,364	712
Condoned or written off by relevant authority	-	-
	33,203	28,732

Irregular expenditure arose as a result of:

- Continued use of the storage facility beyond the approved amount and the responsible employee has been disciplined post year end;
- Contract extension without justified reasons and no disciplinary measures have taken place.

No benefits were obtained by GPAA officials in respect of the condoned irregular expenditure; As a result no debt has been raised.

19.2 Fruitless and wasteful expenditure

	2019	2018
	R'000	R'000
Opening balance	134	134
Fruitless and wasteful expenditure current year	-	-
Assets deployed into use	-	-
Transfer to receivables for recovery	-	-
	<u>134</u>	<u>134</u>

19.3 Losses through criminal conduct

GPAA is not aware of any net losses incurred as a result of criminal acts as at reporting date. Losses incurred on theft of laptops with carrying value of zero were recovered from the service provider responsible for security management. An amount of R61 000 was recovered.

20. Financial Risk Management and Financial Instruments

20.1 Categories of financial instruments

	2019	2018
	R'000	R'000
Current Assets		
Cash and cash equivalents	43,109	42,257
Trade and other receivables from exchange transactions ¹	<u>119,238</u>	<u>105,569</u>
	<u>162,347</u>	<u>147,826</u>
Trade and other payables from exchange transactions ¹	<u>110,801</u>	<u>118,099</u>
	<u>110,801</u>	<u>118,099</u>

¹All financial assets and financial liabilities are held at amortised cost.

20.2 Credit Risk

GPAA's maximum exposure to credit risk is represented by the carrying amount of the financial assets that are exposed to credit risk.

GPAA considers its maximum exposure per class, without taking into account any collateral and financial guarantees, to be as follows:

	2019	2018
	R'000	R'000
Financial Assets		
Cash and cash equivalents	43,109	42,257
Trade and other receivables from exchange transactions	119,238	105,569
	162,347	147,826

¹GPAA does not hold any collateral and financial guarantees.

Cash and cash equivalents

Financial assets which potentially subject GPAA to credit risk consist principally of cash and cash equivalents. Cash and cash equivalents are held with banks which are of high quality credit standing and therefore having insignificant credit risk. Refer to note 7 for cash and cash equivalents.

Receivables

Receivables are presented net of the allowance for doubtful debts.

Receivables are exposed to a low credit risk as the bulk of receivables are mainly the Government Employees Pension Fund (GEPF), National Treasury, Associated Institutions Pension Fund (AIPF) as well as Temporary Employees Pension Fund (TEPF). The only amounts overdue are with other receivables which are insignificant. Refer to note 6 - Loans and receivables.

20.3 Liquidity Risk

Liquidity risk is the risk that the GPAA will be unable to meet its obligations as they become due.

GPAA's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the organisation's reputation.

GPAA ensures it has sufficient cash on demand (currently the GPAA is maintaining a positive cash position) to meet expected operational expenses. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following liquid resources are available:

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	R'000	R'000
Financial Assets		
Cash and cash equivalents	43,109	42,257
Trade and other receivables from exchange transactions	119,238	105,569
	<u>162,347</u>	<u>147,826</u>

Payables

GPAA is only exposed to liquidity risk with regard to the payment of its payables. These payable are all due within a short term. GPAA manages its liquidity risk by matching the receivables to the payables as well as holding cash in the bank.

The following are the contractual cash flows of financial liabilities:

	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years
	R'000	R'000	R'000	R'000
2019				
Trade and other payables	110,801	-	-	-
	<u>110,801</u>	<u>-</u>	<u>-</u>	<u>-</u>
2018				
Trade and other payables	118,099	-	-	-
	<u>118,099</u>	<u>-</u>	<u>-</u>	<u>-</u>

20.4 Market Risk

Market risk is the risk that changes in market prices (interest rate and currency risk) will affect the organisation's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk borne by an interest-bearing asset or liability, due to variability of interest rates.

At the reporting date, the interest rate profile of the GPAA's interest-bearing financial instruments was:

Current financial assets

	2019		2018	
	Fixed rate instruments	Variable rate instruments	Fixed rate instruments	Variable rate instruments
	R'000	R'000	R'000	R'000
Cash and cash equivalents	-	43,109	-	42,257
	-	43,109	-	42,257

Sensitivity analysis

GPAA has used a sensitivity analysis technique that measures the estimated change to surplus or deficit of an instantaneous increase or decrease of 1% (100 basis points) in market interest rates. GPAA is only exposed to fluctuations in prime rates.

A change in the above market interest rates at the reporting date would have increased/ (decreased) surplus/ deficit by the amounts shown below.

	Change in interest rate %	2019		2018	
		Upward	Downward	Upward	Downward
		R'000	R'000	R'000	R'000
Prime	1	431	(431)	423	(423)

Currency risk

Currency risk is the exposure to exchange rate fluctuations that have an impact on cash flows and financing activities.

GPAA does not have any currency risk exposure at year end as none of its financial assets and financial liabilities is denominated in foreign currency.

21. Prior Period Errors

21.1 Statement of Comparison between Budget and Actual

There were errors in the Statement of Comparison between Budget and Actual in the 2017/18 financial year. The errors were due to oversight and the following corrections have been made:

	2019	2018
	R'000	R'000
Decrease in Budgeted personnel remuneration		(500)
Decrease in budget and actual variance operating costs		(56)

21.2 Offsetting of GEPF debtor and creditor

In the previous financial years amounts owed by and to GEPF were offset against each other at year end and reported on a net basis. This practice is not in line with GRAP 1- Presentation of Financial Statements which discourages offsetting of assets and liabilities, and revenue and expenses, except when offsetting reflects the substance of the transaction or other event.

To ensure that users are able to understand the transactions, other events and conditions that have occurred and to assess the entity's future cash flows; amounts owed by and to GEPF are disclosed separately as follows:

	2019	2018
	R'000	R'000
Net effect on Statement of Financial Position		
Increase in Trade and other receivables	-	25,519
Increase in Accruals	-	(25,519)
Net effect on Cash Flow Statement		
Changes in working capital:		
Increase in Trade and other payables	-	4,811
Increase in Trade and other receivables	-	(4,811)

21.3 Software licenses incorrectly classified

Software licenses on network equipment were incorrectly classified as Property, plant and equipment and invoice total was overstated. This error has been corrected as follows:

	2019	2018
	R'000	R'000
Net effect on Statement of Financial Position		
Property, plant and equipment:		
(Decrease) in Work-in-progress	-	(3,103)
Intangible Assets:		
Increase in Work-in-progress- Other	-	3,103
Net effect on Statement of Financial Performance		
Decrease Retained Earnings	-	811

21.4 Incorrect classification of depreciation and accumulated depreciation

Depreciation and accumulated depreciation of certain assets in the Property, plant and equipment note disclosure in the 2017/18 financial year were incorrectly classified. The errors were due to oversight and the following corrections have been made:

	2019	2018
	R'000	R'000
Net effect on Statement of Financial Performance		
Decrease in Depreciation - Furniture and Fittings	-	(303)
Increase in Depreciation - Office Equipment	-	303
Net effect on Statement of Financial Position		
Decrease in Acc Depreciation - Furniture & Fittings	-	303
Increase in Acc Depreciation - Office Equipment	-	(303)

21.5 Expenses not accrued in the previous financial year

There are 2017/18 financial year expenses that were never accrued for in that financial year and the following adjustment was been made in the financial statements:

	2019	2018
	R'000	R'000
Net effect on Statement of Financial Position		
Increase in Trade and other receivables	-	8,222
Increase in accruals	-	(8,222)
Net effect on Statement of Financial Performance		
Increase in Administration income	-	(8,222)
Increase expenditure	-	8,222

21.6 Bonus accrual incorrectly disclosed as a provision

In the prior year GPAA disclosed bonus accrual as a provision and the following adjustment has been made in the financial statements:

		2019	2018
		R'000	R'000

Net effect on Statement of Financial Position

Increase in Accruals	-	(18,048)
Decrease in Provisions	-	18,048

22. Change in accounting estimates

During the annual assessment of useful lives of assets, management realised that the pattern of service potential derived from certain depreciable assets has changed from that in previous periods. These depreciable assets will continue to be depreciated on straight line method; however management decided to change their remaining useful lives to better reflect the pattern of service potential derived from use of these depreciable assets.

The effect on the current financial period of the change in useful life from 5 to 10 years will be a decrease in amortisation charge as stated below and an equal increase in future periods over the remaining useful lives:

Description	Value derived using the original estimate	Value derived using revised estimate	Value of impact from change in estimate
	R'000	R'000	R'000
Change in amortisation resulting from reassessment of useful lives. The following categories are affected:	31,414	12,026	19,388
Computer Software - Other	19,199	7,204	11,995
Computer Software - Internally generated	12,215	4,822	7,393

23. Related Party Transactions

23.1 Revenue and Trade Receivables

The Related Party transactions relate to administrative fees earned for services provided to GEPPF and National Treasury funds (i.e. Programme 7, AIPF and TEPF):

	Revenue		Net Receivable/(Payable)	
	2019	2018	2019	2018
	R'000	R'000	R'000	R'000
Government Employees Pension Fund	957,190	919,514	107,150	93,584
National Treasury (Programme 7)	63,954	61,453	5,481	5,226
Associated Institutions Pension Fund	5,673	5,709	5,673	5,709
Temporary Employees Pension Fund	143	189	143	189
	<u>1,026,960</u>	<u>986,865</u>	<u>118,447</u>	<u>104,708</u>

23.2 Expenditure and Trade Payables

Description	Expenditure		Balances	
	2019	2018	2019	2018
	R'000	R'000	R'000	R'000
Public Investment Corporation Limited ¹	13,756	12,517	1,420	-
	<u>13,756</u>	<u>12,517</u>	<u>1,420</u>	<u>-</u>

¹We fall under one department (i.e. National Treasury).

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

23.3 Disclosure of Executive Remuneration

Name	Designation	Salary and allowances	Bonus	2019	2018
		R'000	R'000	Total R'000	R'000
Sukdev KG	Chief Executive Officer	2,316	-	2,316	2,173
Mogale RP ¹	Chief Information Officer	456	83	539	1,304
Nondabula PE ²	Acting Chief Risk Officer	472	19	491	-
Nondabula PE ³	Acting Chief Financial Officer	726	59	785	-
Coetzee M ⁴	Chief Information Officer	827	-	827	-
Kgosiemang ME ⁵	Acting Chief Risk Officer	581	56	637	-
Kemp MJ	Acting Executive: Corporate Services	1,401	94	1,495	1,230
Ikaneng BB ⁶	Chief Risk Officer	112	53	165	1,241
De Witt E	General Manager: Legal	1,222	104	1,326	1,247
Mda P ⁷	Acting Chief Financial Officer	720	94	814	1,429
		8,833	562	9,395	8,624

¹Resigned: 30 July 2018;

²Appointed: 01 May 2018 and Terminated: 08 October 2018;

³Appointed: 11 October 2018;

⁴Appointed: 01 August 2018;

⁵Appointed: 22 October 2018;

⁶Resigned: 30 April 2018;

⁷Terminated: 08 October 2018.

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

23.4 Audit Committee Members Remuneration

Name	Designation	Audit Committee R'000	Other Services ³ R'000	2019 Total R'000	2018 R'000
Matloa OM	Chairperson	246	147	393	373
Lesetja MJ	Member	-	-	-	2
Mzizi PS ¹	Member	35	-	35	-
Amod MAE ²	Member	-	13	13	132
Mangquku LM ²	Member	32	13	45	475
Badimo AMM	Member	246	298	544	513
De Kock CG	Member	246	99	345	196
Furstenburg B	Member	239	137	376	187
		1,044	707	1,751	1,878

¹ Appointed: 01 October 2018;

² Contract ended: 30 June 2018;

³ Other services fees relate to attendance of meetings with executive members, Risk Committee meetings and Modernisation Steercom.

EDITORIAL TEAM

Aletta Tsaagane-Nkosi	Project Leader
Ditshupo Koosaletse	DTP
Divhani Maremba	Internal Communications
Lebogang Letebele	Project Administrator
Lebohang Makhubela	Graphic Design
Mack Lewele	Communications
Napo Motsoeneng	Finance
Nkosinathi Qwabe	Corporate Monitoring & Evaluations
Phinda Nondabula	Finance
Refentse Makwetja	Performance Monitoring
Reneilwe Modipane	Language Editor
Rose Chiloane	Performance Monitoring
Sefiso Khumalo (Dr)	Strategic Support
Tondani Mbedzi	Performance Monitoring

