Annual Performance Plan 2019 - 2020

the gpaa

Department:
Government Pensions Administration Agency
REPUBLIC OF SOUTH AFRICA

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FOREWORD BY
THE EXECUTIVE AUTHORITY

Minister of Finance
The Honourable, TT Mboweni, MP

The GPAA's primary objective is to deliver quality services to its members, many of whom have devoted years of their lives to serving our country. As the Minister of Finance, it is important to me that all public servants, including those who are now on retirement, should be assured that their hard-earned benefits are safely administered.

In its ninth year of existence, the GPAA will continue to ensure consistent improvement on its administration services, which will translate to enhanced quality of service to its clients. This has resulted in the optimisation of the value chain and has increased organisational focus on client centricity by improving the experience of the client throughout the benefit claiming process. With the full implementation of the Modernisation Programme, the GPAA will enhance its relations with key stakeholders and its members, as they strive to improve the wellbeing of members after retirement. It is our quest to see each member in control of their benefits through self-service functionality.

I am confident that the GPAA's innovations will benefit stakeholders, members, pensioners and their beneficiaries in the medium to long term period. I once again implore our partners, employer departments, to work with us to improve our collective service to our members.

The success of the GPAA will make it a government service provider of note. This depends on its ability to continually improve its processes, technology and people competence, whilst building mutually beneficial relationships with employer departments. I support the GPAA in its ongoing initiatives to increase its capabilities and positively change the experience of the members and beneficiaries.

Mr TT Mboweni

EXECUTIVE AUTHORITY
National Treasury

STATEMENT BY THE **ACCOUNTING OFFICER**

Mr Krishen Sukdev
CHIEF EXECUTIVE OFFICER
Government Pensions Administration Agency (GPAA)

The GPAA's primary focus is to deliver on the Service Level Agreements (SLAs) with its two customers, the Government Employees Pension Fund (GEPF) and National Treasury Programme 7 funds and schemes. The Annual Performance Plan for 2019/2020 accelerates thrust towards the realisation of 1. Digitalisation 2. Retailisation and Data sanitisation, steps including:

- business process alignment and improvement,
- Proposed new mandate and form approval,
- Value adds to increase improvement in the experience of clients throughout the benefits claiming process.

The GPAA strategic goals revised during the Strategic Planning Lekgotla, held in May 2018 are as follows:

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

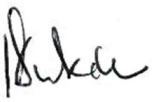
The revised strategic goals of the GPAA will drive its mission "to provide administration services to the GEPF and National Treasury Programme 7" through core business functions, which include the admission of new members, efficient management of contributions and provision of benefits, Communication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

The Modernisation Programme remains the vehicle through which the GPAA intends to become a technologically advanced and automated organisation for the benefit of its clients. The GPAA believes that if it successfully continues with the Modernisation Programme, its approach and practices towards service delivery will greatly improve client experience.

Going forward, clients will reap the benefits of the Modernisation Programme, especially with regard to continuous improvements of its Self-Service platform and the replacement of its legacy mainframe, namely CIVPEN that is about 25 years old.

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

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



Mr Krishen Sukdev
CHIEF EXECUTIVE OFFICER
Government Pensions Administration Agency (GPAA)

PART A: STRATEGIC OVERVIEW

1. STRATEGIC FRAMEWORK

The GPAA's strategic frameworks, including its vision, mission, values, strategic goals and objectives were reviewed during the May 2018 Lekgotla. To this end, the new strategic framework is as follows:

1.1 Vision

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

1.2 Mission

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

1.3 Values

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

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

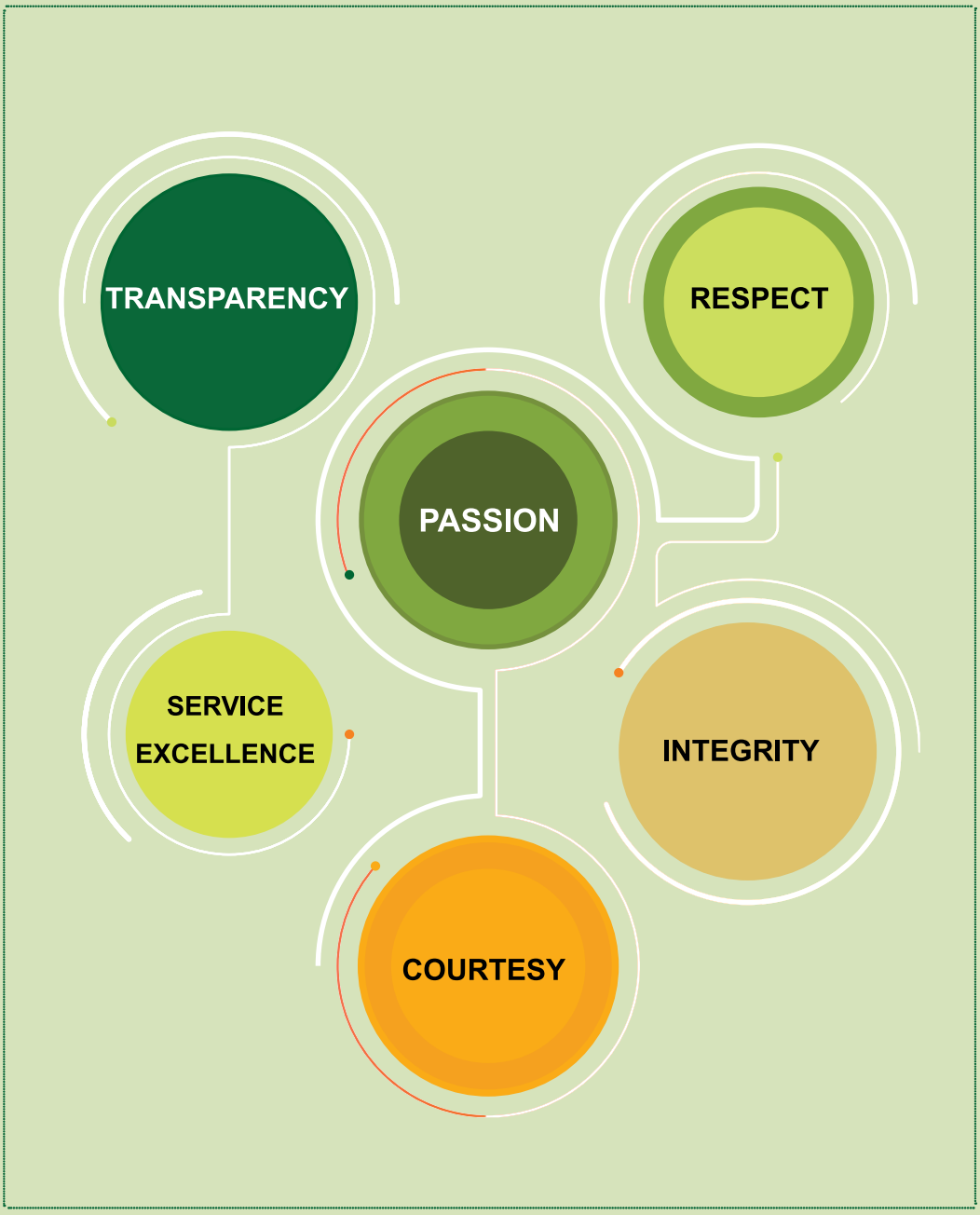
We treat our stakeholders and clients with consideration, compassion and kindness.

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

1.4. Strategic outcome oriented goals and objectives

The new strategic goals and objectives are summarised in Figure 1: Strategic Outcome oriented Goals and Objectives

*Figure 1: **Strategic Outcome Oriented Goals and Objectives***

2. UPDATED SITUATIONAL ANALYSIS

2.1 Performance Delivery Environment – External Factors

The GPAA conducted a situational analysis and formulated strategic responses to latest developments in international and local pension administration focusing on the Political, Economic, Social, Technological, Environmental and Legal perspectives with an aim of learning and implementing to the best of its ability:

2.1.1 Political Directives

The capacity and developmental commitment of the state as prioritised in the National Development Plan (NDP) will be carried out in the Government's strategic plan for the 2014-2019 electoral term "the Medium Term Strategic Framework (MTSF) 2014 – 2019" which adopted fourteen (14) priority outcomes. Key actions for the 2014 - 2019 administration as articulated in the MTSF intends to advance the institutionalisation of long-term planning; forge a disciplined, people-centred and professional public service; and empower citizens to play a greater role in development and building an ethical public service (DPME).

The GPAA has been tasked with the coordination of the MTSF's Outcome 12, an efficient, effective and development oriented public service. The GPAA builds on this outcome in its annual performance plan through articulating its strategic framework to support the MTSF outcomes.

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

Therefore the GPAA adheres to the government's over-arching service delivery goals which include the Batho Pele principles of consultation, service standards, access, courtesy, information, openness and transparency, redress and value for money. In 2019, the GPAA aims to establish the Batho Pele Forums to align its principles to improved processes and also to afford our clients with information, empowerment and accessibility to services. Such improvements increase clients' confidence, preparedness and decision making, and further increase their trust in the organisation.

2.1.2 Economic Perspecive

As the basis of the GPAA situation analysis, reviewing the most pertinent subjects such as the impact of pension benefits on the economy, retirement choices (cash-out or preservation) and how to improve the treatment of retirement fund members. More details are as follows:

2.1.2.1 The impact of pension benefits on the economy

Manufacturing activity is one of the leading indicators of the state of the economy; it strongly influences the Gross Domestic Product (GDP) and, an increase in GDP suggests more demand for consumer goods which indicates a healthy economy. Subsequently workers are required to manufacture new goods, increases in manufacturing activities also boost employment and possibly wages as well (Smith). The National Institute for Retirement Security (NIRS), an advocacy group for the public employee pension industry claim that the pension benefits paid to retirees stimulate the economy and create jobs by being spent and re-spent throughout the market place (Brown, 2016).

To estimate the economic impact of Retirement Systems of Alabama (RSA) and healthcare benefit payments by the Public Education Employees' Health Insurance Plan (PEEHIP) and the State Employees' Insurance Board (SEIB) benefits paid to or on behalf of retirees on the Alabama economy and, linkages between benefit payments and recipients and the rest of the economy must be traced. The spending by and on behalf of RSA, PEEHIP, and SEIB members provides jobs and stimulates business activity in various sectors of the Alabama economy. This spending also generates taxes for the state and other taxing jurisdictions. The large cash infusions have significant

impacts on state output (also referred to as gross domestic product in Alabama or (ALGDP) and generate earnings and employment (Ijaz, 2007)

Recent studies reveal that public pension benefits have positive effects on local and state economies. In 2016, state and local government retirement systems in the U.S. distributed $160 billion more in benefits than they received in taxpayer-funded contributions. Personal income from state and local government pensions exceeds the personal income derived from the nation's farming, fishing, logging, and hotel/lodging industries combined. The expenditure of public pension benefits results in an economic impact that reaches every city and town of every state (Brown, 2016).

2.1.2.2 Retirement Choices – cash out or preserve

Pension payments are a form of deferred compensation, meaning that employees and employers contribute to the pension trust over the course of an employee's career as a portion of the employee's total compensation. Had that employee received that compensation in another form for example, a slight increase in gross pay each month he would have seen higher disposable income, and presumably would have spent a portion of that income in the local economy at that time (Biggs, 2016).

The impact of pension benefits on the economy stresses the importance of retirement savings or preservation. To influence behaviour towards saving and pension preservation, it is important to understand the determinants and consequences of individual retirement choices in an increasingly aging society. In many countries the choice between an annuity and a lump sum has become a major policy issue. Annuities are one of the best ways to insure against poverty risk in old age. For individuals it is a hard choice, though as; the financial decision involves a large sum of money: it is largely irreversible and has long-lasting consequences for individuals (Ramsden, 2017).

Financial decision making is complex and individuals either need to have the financial knowledge to make the correct decisions, or they need to ask for advice from experts (Meyer, 2016). Financial decision making is complicated and often requires individuals to solve complex problems to determine what the optimal decision should be. Even though some individuals may have sufficient financial knowledge to overcome the computational complexity of this decision-making environment, studies worldwide have found that the majority of individuals displayed low levels of financial literacy and knowledge (Lusardi & Mitchell, 2011).

Taxation matters in individuals decisions to cash out pension wealth: the lower the relative tax burden on the annuity (compared to the lump sum), the higher the annuity rate (Ramsden, 2017).Despite taxes and penalties to dissuade individuals from cashing out funds, the majority of individuals in South Africa do not preserve their funds (South Africa, National Treasury 2007). This trend was also observed in the USA (Engelhardt 2002; Munnell, Golub-Sass & Muldoon, 2009).

Interventions therefore seem to be required to ensure optimal decision making either through efforts to increase financial literacy levels or through the provision of decision guidance and advice. Pre-retirement cash-outs are increasingly recognised as a key issue that may result in insufficient savings at retirement as employees cash out their accumulated retirement savings when moving jobs.

To curb the aforementioned phenomena, the GPAA has committed in its goals, although not as a financial advisor, to ensure that member education stresses the importance of saving for retirement age. This member education shall include constant updates on benefit increases and value adds by allowing such to remain at the GEPF. The communiques strongly discourage "cashing out" pensions by pseudo divorce, resignation etc.

Therefore the GPAA concurs with Treasury's commitment to modernise (continued progress on the modernisation programme has been noted) and improve the governance of all retirement funds, starting with the requirement that all retirement funds must now submit audited financial statements annually.

2.1.3 Social consideration

According to Allen & van de Vliert (1982,8), role transitions mark a permanent change over of a person from one set of expected behaviours to another due to role entry, role exit or when the expected behaviours associated with an existing role undergo drastic change. From this perspective, the retirement transition can be described as the process involved in releasing the role of work and entering the role of "retiree". Christopher, et al (2006) supports the latter by indicating that role transition is defined according to the sociological approach, whereby one is retired if they have left their career and occupy a social niche in which it is socially acceptable to be without work, socially accepted on the basis that it has become normal that as people get older they withdraw from paid employment, commonly at a specified age of 65, or earlier between the ages of 55 and 60 years (Public Service Commission, 2016).

To ensure that the transition to retirement is pleasant the GPAA responded to the social responsibility calling by embarking on a Retiring Member Campaign (RMC), through which, active members are identified who are close to retirement age. These members are informed about the processes and procedures that need to be followed in order for them to access their pension benefits quickly. Through education and communication, any errors and issues are resolved before the member retires, thus making the exit process quick and simple and ultimately providing members and pensioners peace of mind about the social financial security after retirement.

2.1.3.1 Impact of pension pay-out delays on the welfare of retirees and their dependents

According to the Public Service Commission (2016), the following impacts have been recorded due to delayed benefit payments:

- Cancellation of pensioners' medical aids by medical aid service providers due to non-payment of monthly contributions after the member has exited the public service.
- Pensioners end up burdening the public health system which already has its challenges.
- It creates traumatic experience for the pensioners who now in his/her old age has to be exposed to public health system which is sometimes dysfunctional in some areas.
- Some of the pensioners would not be able to feed their families, could not continue to take their children through school/high learning institutions and lost their properties due to not having money to service their debts. In instances where the pension member is deceased, children inherit the role of being parent, implications of which are adverse poverty, burden on the child support grant system and school dropout.
- Property loss due to having no cash flow to service debt.

After an intense study of the internal processes through an independent assessment it was found that whilst GPAA is improving its turn-around time internally, to a number of days, the employer submission time average at about 152 days. If drastic measures are not taken to reduce the employer submission time, the GPAA will always fail in the end-to-end legislative expectation of 60 days. The impact of delayed benefit payments has compelled the GPAA to revolutionise its strategic thrusts resulting in reengineering/streamlining processes that include seeking solutions to Employer Departments bottlenecks. Straightening the bottlenecks will result in less than 30 days turn-around time for the payments of benefits thus eradicating the impact of delayed payments.

2.1.3.2 Social Relations

According to (Statistics South Africa, 2016) in general, children (aged 17 years and younger), black Africans, females, people from rural areas, those living in the Eastern Cape and Limpopo, and those with little or no education are the main victims in the ongoing struggle against poverty. Poverty is seen as a lack of economic resources that have negative social consequences—this is in fact a view that dominates current theories of poverty (Townsend 1979; Sen 1983; UN 1995), and also has a long heritage (Smith 1776/1976). The idea is that even when people have food, clothes, and shelter, economic problems lead to a deterioration of social relations and participation. In an effort to liberate society of social ailment of poverty,

GEPF introduced the New Child's Pension, which replaces what was known as the Orphan's Pension and has the following benefits:

- This positive development is aimed at bridging the gaps that have been identified in the implementation and processing of the old orphan's pension.
- The contentious issue for orphan's pension was that both parents had to be deceased for a child to qualify for the pension. This presented challenges of unfairness particularly in the situation of single parents whose partners could not be traced or confirmed either dead or alive.
- With the new Child Pension, the requirement is that if a member or a pension dies, the child/ children can apply for the pension. In other words, if one parent dies and the other is still alive, traceable or not, the child or children can apply for Child's Pension.

The positive effects of Child's Pension are promotion of social participation, nutritional, educational and health outcomes.

2.1.4 Technological Consideration

The GPAA is aware that in order to become an agile pensions administrator, an assessment of current development in the technological landscape has to be conducted to evaluate technological innovations that can aid the organisation to achieve less than 30 day turn around time for the payment of benefits and also a well persevered pension funds. Therefore, an assessment of modernisation within the local and international public sector, digitisation transformation, and digital platforms and dashboard was conducted. Below are the findings:

2.1.4.1 Modernisation within the local and international public sector sphere

The 2008 National Framework for Sustainable Development (NDP) states that a country's long-term economic performance and ecologic footprint requires innovative technologies and processes to increase productivity, use less energy and fewer resources, and reduce waste.

According to Boyle and Roberts (2012), the survival of all major financial institutions will require attention to modernisation challenges of core systems over the next five to ten years.

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

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

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

- Using developmental approaches to align initiatives with regulations;
- Reviewing legislature
- Understanding and responding adequately to clients' specific needs;
- Partnering with government and private organisations and/or banks from the onset of the project to ensure skills transfer and training;
- Change of Form,
- Continuous Improvement and Process Reengineering
- Engaging in change management efforts;
- Introducing comprehensive "one-stop" tools to enable pension self-service solutions, viewing of benefits and automating application processes;
- The deployment of member administration services to the employer departments to detect and correct any active membership problems that may cause delays or errors during benefit processing;
- Coordinating critical departments to fast-track pension applications and benefits payment processes (end to end solutions); and
- Validating pension data for public servants to reduce fraud and corruption;
- Enhancement of management information systems to allow internal- and external clients to have access to in-time administration informations;
- Create greater fiscal space;
- Digitisation;
- Retalisation; and
- Data sanitation.

2.1.4.2 Digitisation

The internet is to the digital age what electricity was to the industrial age. Over a period of a few decades, this evolution in technology changed our daily life and social and economic relationships. It remodelled our systems of education, employment, governance, culture, science, health, research, finance, enterprise and entertainment (Papagianneas, 2016). It is crucial for organisations to remain agile if administration is to succeed in the digital age. Strategies on reaching clients and being relevant should be continuously redefined (Abhinav Kumar, 2016). (Deloitte, 2018), concurred with the latter by stating that organisations can no longer evade the truth that digital has become the need of the hour and the most effective enabler for creating a differential and unique competitive advantage. A "digital mindset" and the requisite investment of capital are critical enablers for a successful transformation exercise. Overall, digital technologies are likely to enhance the quality and effectiveness of interactions between pension providers and their members for example; FinTech enables on-demand interaction between pension providers and their members outside the regulatory reporting periods. In Australia, members of superannuation schemes can access their accounts through a mobile phone app; in the UK, Aviva's Shape My Future app provides online tools and calculators to help members visualise their lifestyle in retirement (OECD Study, 2017). FinTech is increasing the efficiency of the operation of pension schemes through risk management applications, the automation of investment processes and the facilitation of regulatory compliance.

2.1.4.3 Digital transformation

Digital Technology is slowly being recognised as an important enabler for innovations. Digital Transformation brings forth unmatched opportunities and capabilities for growth and value creation. None of the opportunities, however, can be realized without dealing with the associated risks. Managing risks in the changing era is, thus, critical to an organization's sustainability (Deloitte, 2018). Digital risk traditionally falls within the field of Information Assurance (IA), the practice of assuring that organisations' information and technical resources are secure, accessible only by those who are allowed to, are used only for the purposes they are intended and are complete and intact (Phippen, et al., 2015).

On its journey to digitisation, the GPAA will have to adhere to the following Information Assurance distinct areas as suggested by (Phippen, et al., 2015):

- Integrity – ensuring that information assets are accurate and complete within an organisation:
- Availability – ensuring that information assets are available when needed:
- Authenticity – ensuring that information assets are genuine and their sources are valid:
- Non-reputation – ensuring that transactions and communications of information assets are valid and cannot be denied:
- Confidentiality – ensuring that only those who have the right to access information assets are able to.

In order to successfully implement digitisation, (Phippen, et al., 2015) recommends that the GPAA defines what it means to be digital, have a digital risk management strategy in place and also have different procedures and practices that decompose into a number of different areas such as:

- Technical controls – system based safeguards such as access control, malware protection, etc,
- Physical controls – physical prevention of access (secure rooms, locked doors, etc.), protection from theft, fire prevention,
- Procedural controls – policies, effective risk assessments and auditing, business continuity planning, asset management,
- People controls – effective recruitment practices, proper staff training and awareness programmes, etc, and
- Legal control – the need to comply with relevant legislation, the need for awareness of legal issues that might result from a breach (Phippen, et al., 2015).

2.1.4.4 Digital Platforms and dashboards

Digital technologies encourage greater transparency and allow people to manage their own data more efficiently, ultimately increasing their bargaining power and lowering the cost of private pensions (especially personal pensions). E-aggregators facilitate comparison sites or allow people to aggregate and analyse their own data. Ultimately, individuals might be able to manage all their finances from a single platform. A number of countries have created "pensions dashboards" to give members and beneficiaries an easy-to-use overview of their likely pension finances.

These dashboards vary in terms of the depth of the data they contain and the functionality they offer, but research indicates that they can be a powerful tool for transmitting information, encouraging people to take action, and in particular for keeping track of multiple pension pots as individuals move between several different employers. There are considerable technical challenges and costs in building a dashboard, however, and policy considerations include both funding and governance in addition to functionality.

> For example, whether the dashboard should be funded by the private sector or whether advertising should be allowed needs to be considered. As for digital disclosure, it is important to ensure that such platforms do not lead to less engagement or encourage members to skip important information. For example, plans to launch an auto-consolidation of small DC pots on Australia's pensions dashboard were postponed because inactive accounts in some cases offered better protection than active accounts and; users of pension dashboards should be given all the relevant information as well as a simple "one click" option to take action. The GPAA is working on internal dashboards to increase productivity and will expand these to show outward activity in later years.

To this end the GPAA has developed the personal benefit statement with graphical displays that gives the member a personal dashboard on his/her pension fund status.

2.1.5 Environmental consideration

In 2015, countries adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals. In 2016, the Paris Agreement on climate change entered into force, addressing the need to limit the rise of global temperatures. Governments, businesses and civil society together with the United Nations are mobilizing efforts to achieve the Sustainable Development Agenda goals by 2030. Universal, inclusive and indivisible, the Agenda calls for action by all countries to improve the lives of people everywhere (United Nations, 2016).

The National Development Plan's vision is in accord with the latter in stating that, in 2030, South Africa's transition to an environmentally sustainable, climate-change resilient, low-carbon economy and just society is well under way (NationaL Planning Commision, 2011). As a result, the GPAA has implemented the Equitrac system that effectively manages printing environments, reduces printing costs, increases security and lessens environmental impact and also placed motion sensor lights throughout the building resulting in less energy consumption.

It is envisaged that the paperless processes will reduce about two thirds of the GPAA paper consumption by 2020, in turn reducing the overall carbon footprint of the administrator.

2.1.6 Legal Perspective (Policies, Principles and Guiding Acts)

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

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

These Acts provide for and consolidate laws relating to investment, safe custody and administration of funds, and also address the establishment of a board to supervise compliance and regulation of financial institutions. In line with these policies, principles and guiding acts, it needs to be understood how the GPAA culture feeds into service delivery in achieving Outcome 12. Technological and process changes – together with human interfaces – affect the future planning and strategies of the organisation. The GPAA's future-proofing and alignment with current developments advances the organisation to become the preferred, responsive and value-add pension administrator.

2.2 Organisational Environment – Internal Factors

The GPAA conducted process assessments using membership, contribution and claim statistics, unclaimed benefits, unallocated deposits, pensioner payment statistics and various concerns/issues within the administration processes. Recommendation were made to mitigate the discovered loopholes. Reports findings are recorded as follows:

2.2.1 Enrolment and Contributions process

The contribution of management team is the most important in the administration process in order to ensure effective and efficient service delivery to members. Inaccurate and/or incomplete data leads to ineffective administration, poor communication and ultimately delays in the process of paying claims. It is therefore key to ensure that member data is accurate at all times and furthermore that the enrolment and contribution process is efficient and effective.

Based on the information received, 51.9% of errors identified in the Payments area are redirected to the Contributions area. This is a clear indication that there are numerous gaps in the enrolment and contribution process, which must be resolved in order to improve the claims process and for the GPAA to ultimately achieve its targets. Recommendations for this phase of the project are to:

- Implement a cost effective front end employer interface to ensure that data for the uploading of members and contributions is provided in an accurate and complete format,
- Merge the teams (enrolment, contributions) to create a much more effective "data" team. This will resolve the understaffing issue and balance out the workload per team. It will also create more efficiency and ring fence data quality within one team,

- Limit the number of users that are able to change data on member records e.g. dates, salaries etc. All data changes should be restricted to the "data" team only, and
- In order for the GPAA to take on additional funds i.e. DC etc., it is recommended that the administration system be integrated with the employer interface.

2.2.2 Withdrawal and retirements claims process

Within the administration arena (private and public sector), at least 90% of complaints and queries received from employers, members and trustees relate to claims. The ability to process claims speedily is therefore key within the administration process and is generally the distinguishing element between a good and bad administrator in the market. It is also a key factor in how members perceive an administration company. On average, the GPAA receives approximately 7000 claims per month for processing. The service level target for the GPAA is to process 95 % of these claims within 45 calendar days from receipt of all documentation. Presently the GPAA is not meeting this target and is underperforming in terms of its SLA by achieving only 77.38%. It is clearly an area of concern and requires improvement.

The processing of claims is split across various different isolated areas within the GPAA structure. Based on the fact that the GPAA is underperforming with regard to payment of claims, is an indication that the current process and structure is not very effective and efficient. Recommendations for this phase of the project are to:

- Merge the teams (CRM (back office), Exit enrolment area and Payments area) to create a much more effective claims team. This will resolve the understaffing issue and balance out the workload per team. It will also create more efficiency by reducing the transit and processing time. Furthermore, the quality of processing and payment will be ring-fenced within one team,
- Implement mandatory fields on the claim form in order to ensure that all data is received from the employer to process a claim,
- Create one claim form with all the information required to process a claim. No additional documents required,
- Limit the number of users that are able to change data on member records e.g. dates, salaries etc. All data changes should be restricted to a senior resource,
- Implement a centralised document storage facility,
- Implement a workflow system that will track each process of the claim and escalate to the next reporting level if any process is delayed,
- Develop an administration system to send automated emails/sms' to members and the employers at each stage of the claims process,
- Ensure staff are allocated clients/employers rather than a process or task. This will create accountability to service their respective clients, and

- In order for the GPAA to take on additional funds i.e. DC etc., it is recommended that the administration system be integrated with the employer interface.

2.2.3 Death and Funeral claims process

The death of a member is always a tragic event. For family members, the death of a loved one is a painful and traumatic experience and the reality is that the event creates a financial burden on them. For most members, the only form of death and funeral cover they have is through the fund. This means that there is a huge dependency on the income from the fund as it may be the only source of income for their families after they have passed on. Since there is this huge dependency on the income from the fund, it is critical for the trustees and administrators to make every effort in order to finalize death and funeral claims as soon as possible after the passing of a member/ dependant.

The GPAA currently receives in excess 3000 funeral claims and 1000 death claims per month. The GPAA is not meeting its SLA targets in the payment of these claims which implies that there are members and/or dependants who are under financial strain as a result of the delays in

payment of the claims. It is therefore important for the GPAA to improve on its current processes, in order to make the process more effective. Recommendations for this phase of the project are to:

- Merge the teams (CRM back office, exit enrolment, funeral and payments area) to create a much more effective claims team. This will resolve the understaffing issue and balance out the workload per team. It will also create more efficiency and ring fence the claims payment quality within one team,
- Implement mandatory fields on the claim form in order to ensure that all data is received from the employer to process a claim,
- Create a workbook questionnaire with all the information required to process a death claim. This will resolve the problem of required documentation and information being submitted incorrectly,
- Create an internal death sub-committee to ensure that a fair and correct distribution of the death benefit is paid to the beneficiaries of the deceased. This is in line with industry best practice,
- Limit the number of users that are able to change data on member records e.g. dates, salaries etc. All data changes should be restricted to a senior resource,
- Implement a centralised document storage facility,
- Implement a workflow system that will track each process of the claim and escalate to the next reporting level if any process is delayed,
- Develop an admin system to send automated emails/sms' to beneficiaries and the employers at each stage of the claims process,
- Staff to be allocated clients/employers rather than a process or task. This will create accountability to service their respective clients, and
- In order for the GPAA to take on additional funds i.e. DC etc., it is recommended that the administration system be integrated with the employer interface.

2.2.4 Injury on Duty, Military, VIP, Special Pensions and Pensioner Payment Assessment

Based on the assessment there were not many gaps and inefficiencies identified in the current processes. Although the existing processes are very manual, at a high level, they appear to be working. Recommendations are provided to the current processes in order to remove some redundancies and create a more efficient process. A target state process has also been recommended, in order to achieve long term strategic goals.

The target state recommendation is required to resolve the manual processes currently in place. The result will give pensioners and beneficiaries the best experience possible to ensure that their pensions/benefits are paid timeously. Recommendations for this phase of the project are to:

- Implement a workflow system which entails:
    - Automated emails and sms's to members,
    - Automatic reminders and escalations internally,
    - Automatic transfer of work through the value chain, and
    - Tracking and communicating progress to all the role players,
- Implement a document storage and management system which entails:
    - Electronic storage of documents, and
    - Automatic versioning and tracking of documents.

2.2.5 Client reports

In the private sector, administration reports are supplied to employers and trustees. These reports provide a detailed overview of the fund and are produced on a monthly and/or quarterly basis. These reports assist trustees and management to monitor the overall administration of the funds. More importantly they are also used to highlight inefficiencies and problems areas within the administration process and can be used as a tool between the employer and administrators to improve their processes where required.

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

2.2.6 Organisational structure

The structure of the GPAA's Annual Performance Plan is directed by the GPAA CEO and consists of two Programmes, namely Support Services and Benefits Administration. Support Services and Benefits Administration are supported by eight Sub-programmes as depicted in Figure 2: Organisational Structure:

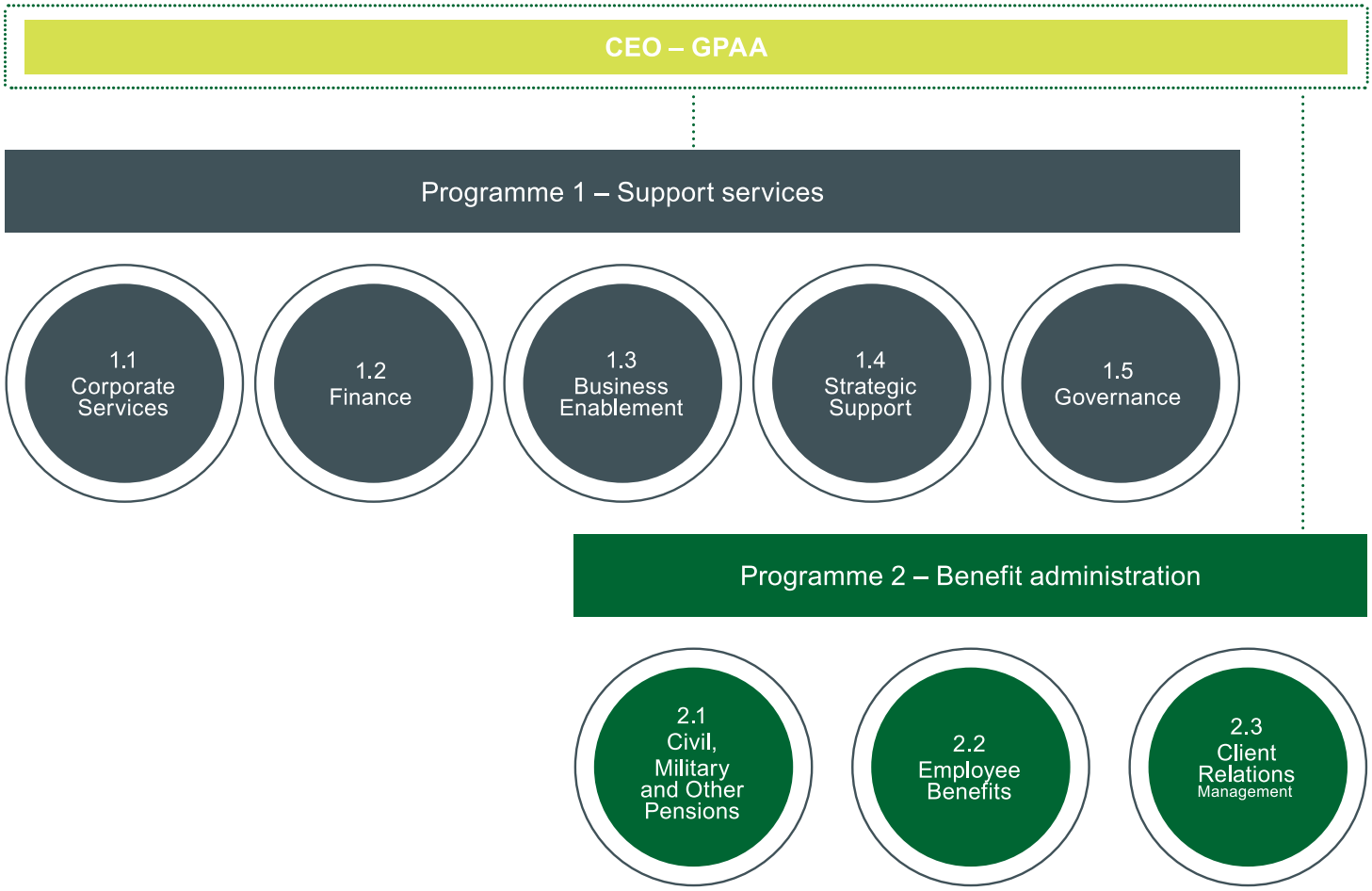


Figure 2: Organisational Structure

The GPAA is headed by its Chief Executive Officer and has an approved structure of 1 026 posts. As at 31 March 2018, the GPAA had a total staff complement of 1077 employees, of which 945 were employees in permanent positions and 132 were contract employees.

The GPAA has undertaken a process of developing the new structure and the next milestone is to obtain approval of the organisational structure and implement the human capital management project which will direct the focus on transitioning people from the current structure to the restructured organisational structure. As more and more business processes at the GPAA become automated, people will be re-skilled and up-skilled for the business requirements as redefined. The implementation of the new structure is envisaged by 31 March 2019.

2.2.7 The GPAA's transformation journey

The GPAA's pledge to persue non-racism, women empowerment and embrace people with disabilities in the work place is perpetuated by its values. The GPAA's employment equity demographics as at 30 September 2018 are recorded in *Table 1:* ***Employment Equity to date***

Permanent

Occupational Bands	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	5	0	0	1	21
Professionally qualified and experienced specialists and mid-management	84	6	5	12	80	8	3	26	224
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	150	8	3	7	327	22	9	50	576
Semi-skilled and discretionary decision making	38	1	0	0	38	3	0	4	84
Unskilled and defined decision making	5	0	0	0	23	0	0	0	28
Total	**290**	**16**	**10**	**22**	**474**	**33**	**12**	**82**	939
Employees with disabilities	6	1		2	5			1	15

Table 1: Employment Equity to date

Contract

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	1	0	0	0	0	0	1
Senior Management	1	0	0	4	1	0	0	3	9
Professionally qualified and experienced specialists and mid-management	5	0	0	0	2	0	0	1	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	30	0	0	0	39	1	0	0	70
Semi-skilled and discretionary decision making	2	0	0	1	7	0	0	0	10
Unskilled and defined decision making	0	0	0	0	2	0	0	0	2
Total	**38**	**0**	**1**	**5**	**51**	**1**	**0**	**4**	100
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 2: Employment Equity Demographics to date

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

2.2.7.1 Transformation for non-sexism

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

2.2.7.2 Establishing a policy environment

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

2.2.7.3 Meeting equity targets

- Ensuring women's full participation in decision making through the employment of 50% women at all levels of SMS.
- Ensuring equalization of opportunities by putting in place disability responsive recruitment, selection and retention strategies and ensuring adherence to affirmative action measures.
- Providing black economic empowerment.

2.2.7.4 Creating an enabling environment

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

2.2.7.5 Mainstreaming gender non racism

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

2.2.7.6 Empowerment

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

2.2.7.7 Providing adequate human, physical and financial resources

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

2.2.7.8 Accountability, reporting, monitoring and evaluation

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

2.2.8 Overview of Programmes

The following section provides an overview of the programmes:

Programme 1: Support Services

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

Sub-programme 1.1: Corporate Services

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

Sub-programme 1.2: Financial Services

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

Sub-programme 1.3: Business Enablement

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

Sub-programme 1.4: Strategic Support

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

Sub-programme 1.5: Governance

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

Programme 2: Benefits Administration

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

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

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

Sub-programme 2.2: Employees Benefits (GEPF)

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

Sub-programme 2.3: Client Relations Management

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

The GPAA's Corporate Governance

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

The GPAA's approach to corporate governance is reflected and enforced by its values, actions and standards which are influenced by the King IV Code on Corporate Governance with regard to ethical and effective leadership principles which include integrity, competence, responsibility, accountability, fairness and transparency. To this end, the GPAA has established various governance structures to interact with in terms of its organisational governance as depicted in ***Table 4: Stakeholder Analysis***

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

Table 4: Stakeholder Analysis

2.2.9 The GPAA's Capability Model

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

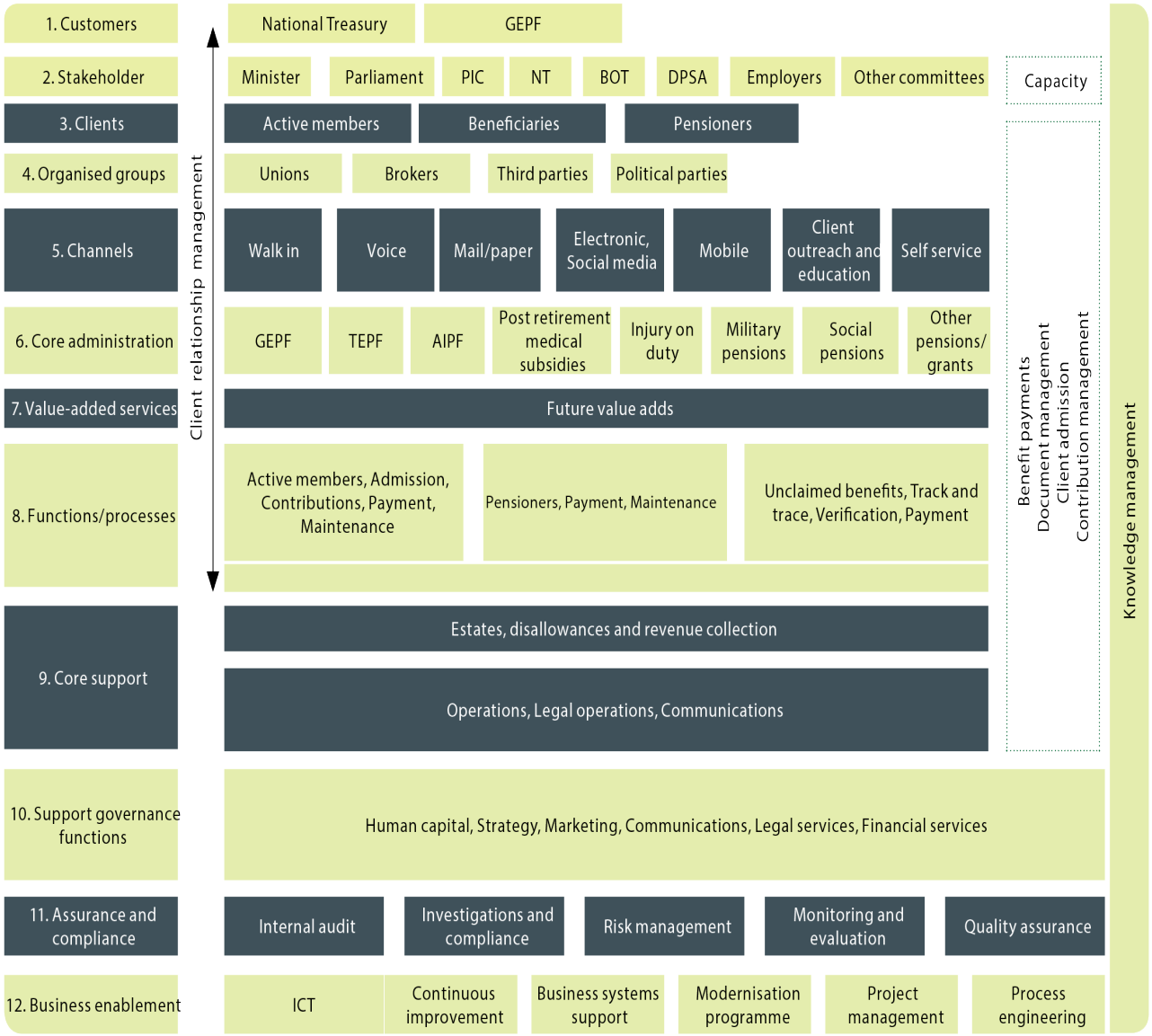


Figure 3: GPAA's Capability Model

2.3 The GPAA's Modernisation Programme

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

2.3.1 Background

The Modernisation Programme was initiated in 2010 by the then Minister of Finance to replace the Service Delivery Improvement Plan (SDIP). With the assistance of SARS, a current state analysis was undertaken in 2010 and a proposed modernisation roadmap was created. This got off the ground in the 2011 / 2012 financial year when the Automatic Life Verification (ALV) system was successfully launched.

By 2013 / 2014 the Modernisation Programme started to gain traction. Key tenders were awarded in March and April 2013 and the e-Channel (electronic document submission system) was launched to provide a portal for employers to submit documentation directly via the internet. Unfortunately, due to the outmoded technology, the system was not sustainable and had to be rebuilt from scratch on a new platform. The Modernisation Programme had, however, started moving and after key decisions were taken around the Call-Centre and the implementation of the Technical Architecture Design (TAD) in August and September 2014, momentum further increased. Since the beginning of 2014, with the appointment of the Solution Implementation Partner (SIP) for the TAD, progress has accelerated.

In November 2014 a decision was taken to end the relationship with the SIP and to pursue a new approach that combined internal development with the strategic use of implementation partners. The re-architecting of the current Portal and development of new e-Channel and Benefits Payment Automation (BPA) applications for the new Super-Cluster commenced. In 2015 Pension Case Management (PCM) was launched to replace e-Channel, with the intention of integrating BPA into PCM to create an automated process of submission from the submission stage through to the benefit payment stage, without human interference. This would mitigate fraud and corruption risks, and increase claim turn-around time and the focus on client facing services. By early 2016 the resilient network had been completed with direct replication between the two data centres and two mainframes. This MPLS technology has given the GPAA the ability to switch over its Call Centre from Head Office to any of its 15 regional offices automatically to ensure continuation of business in times of emergency. The initial spend to ensure that the GPAA has sufficient hardware resulted in the purchase of two Oracle Super-Clusters, one for each of its two data centres.

2.3.2 Overview

For the GPAA to deliver on its SLA with its two customers and the optimisation of client centricity, process capability plays an important role, hence the continued implementation of the Modernisation Programme. Therefore, the Modernisation Programme remains the vehicle through which the GPAA intends to become a technologically advanced and automated organisation for the benefit of its clients. Through the Modernisation Programme, the GPAA is focused on automating key processes, building a competent workforce, increase interaction with employer departments and Fund members and paying exit benefits accurately and on time. The afore-said programme's objectives remain as depicted in Figure 4_ Modernisation objectives

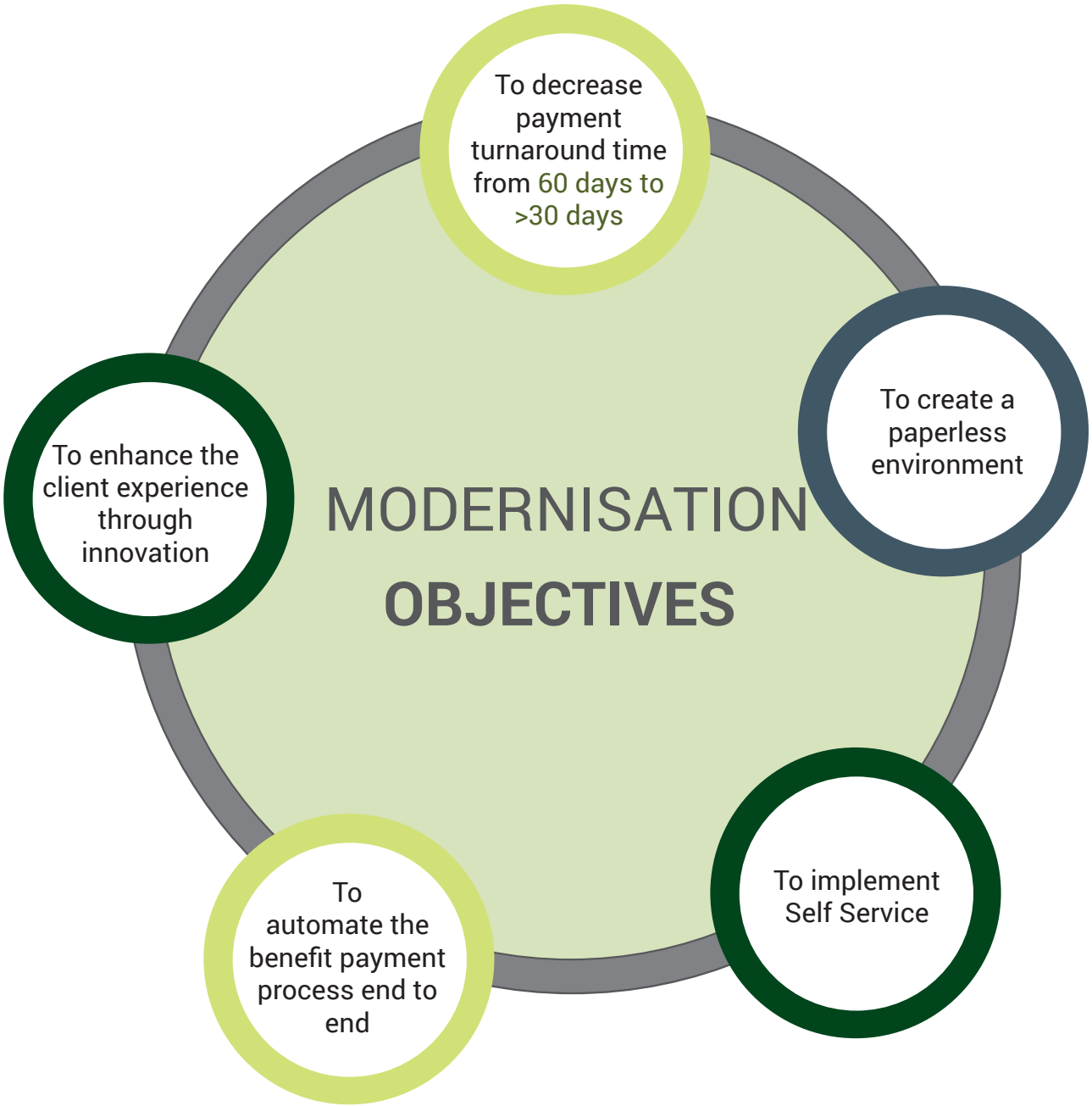


Figure 4_ Modernisation objectives

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

In 2018 / 2019 the back-scanning of documents into storage shall enable the GPAA officials to view document images instead of having large numbers of files on desks. The strategy for 2018 / 2019 – 2020 / 2021 seeks to transform the GPAA's operational effectiveness and efficiency beyond its current Modernisation drive into one of innovation, enabling the GPAA to offer products and services beyond its current mandate. This can only be done once the CIVPEN system, or mainframe and its functionality are replaced. It will enable the GPAA to surpass its current legacy systems that only cater for a defined benefit (DB) fund to include defined contribution (DC) products or DB / DC hybrids.

Furthermore, the GPAA could position itself strategically to service other government funds and benefits at a much lower cost than what is available in the private sector. Therefore, the transformation of the GPAA's operational effectiveness and efficiency will reach beyond its current Modernisation drive, into one of innovation. This should enable the GPAA to offer products and services beyond its current mandate. This will enable the GPAA to surpass its current legacy systems that only cater for a defined benefit fund (DB) to include defined contribution products or DB/DC hybrids. Furthermore, the GPAA could position itself strategically to service other government funds and benefits at a much lower cost than the private sector. The GPAA modernisation programme has recorded the following progress thus far:

2.3.3.1 The key projects within the GPAA Modernisation programme are:

1. Pension Case Management (PCM) – closed out.
2. Business Process Automation (BPA) – closed out with the BP components not delivered carried over into business as usual.
3. CRM Multichannel Self Service Project (CRM) Rolling out nationally.
4. Data Quality Improvement and Management (DQIM) – closed out.
5. Enterprise Data Management Solution (EDMS) – closing out.
6. Integrated Document Management Solution (IDMS) – closed out.
7. Digital Signatures (DS) – closing out.
8. Queue Management System (QMS) – closed out.
9. Enterprise Content Management (ECM) - carried over into the CIVPEN replacement.
10. CIVPEN Replacement.

2.3.3.2 The Modernisation projects are executed in multiple phases namely:

1. Development,
2. Implementation, and
3. Maintenance and Support.

The closure of projects/phases, for example, Development phase, implies that the software design, development and testing for a specific solution have been successfully concluded and that the solution has been released to the production environment.

At this point, the solution can either be ready for roll-out/implementation or alternatively, rolled out to a limited user base.

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

Going forward, GEPF and GPAA's websites shall, in particular be instruments of Self-Service.

2.3.3.3 Replacement of CIVPEN (Legacy Mainframe)

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

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

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

2.3.3 Challenges and Risks

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

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

Risks due to challenges:

- Modernisation not being able to deliver on target.
- Business participation and ownership of new processes and technology.

2.4 Client Trends

The following is a representation of the GPAA's National Treasury Programme 7 funds and the GEPF clients statistics as at March 2018:

2.4.1 Client Accounts

As of March 2018, the GPAA, National Treasury Programme 7 funds and the GEPF combined equate to more than 1 846 million clients. This includes active members, pensioners, spouses and orphans. The table below indicates the total benefits administered by the GPAA:

Funds	Member type	Member count	Total
GEPF	GEPF members	1 273125	1 723 447
	GEPF pensioners	292 437	
	GEPF spouses	156 681	
	GEPF orphans	1 204	
NATIONAL TREASURY (Programme 7)	Medical	107 220	127 415
	Military	5 032	
	IOD	8224	
	Special Pensions	6939	
AIPF	AIPF Pensioners	4 997	7 823
	AIPF Spouses	2 826	
TEPF	TEPF Pensioners	207	335
	TEPF Spouses	128	
	GPAA total members administered	**1859070**	

Table 4: Total members' benefits administered by the GPAA

2.4.1.1 GEPF Membership

The GEPF clients, including members, pensioners, orphans and spouses account for approximately 1 273 125 individuals as at March 2018. The racial demographic of contributing members consist of 75% Africans, 13% Whites, 8% Coloureds, 3% Asians and a < 2% population classified as "unidentified". **Figure 5** provides a representation of the ethnical demographics of GEPF contributing members:

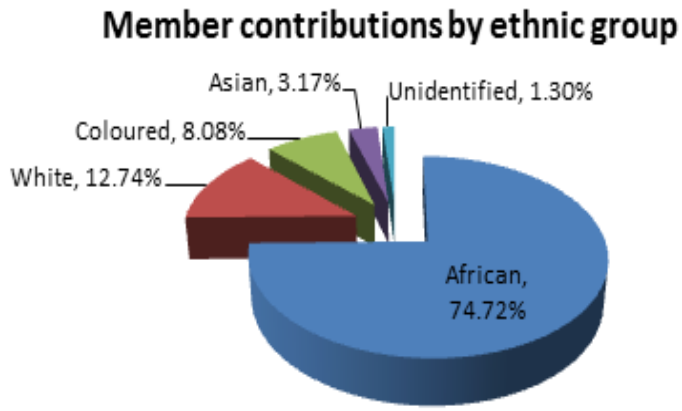


Figure 5: Member contribution by ethnic group

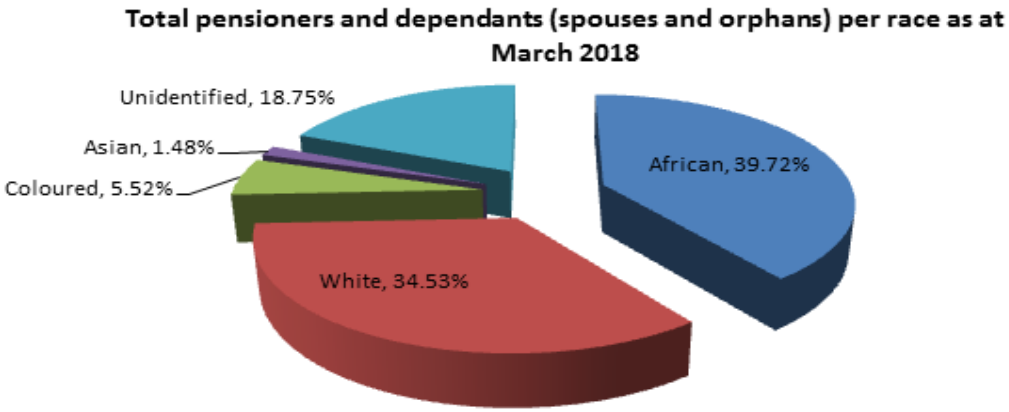


Figure 5: GEPF pensioners, spouses and orphans per ethnic category

The pensioners, spouses and orphans comprise of 34% Whites, 40% Africans, 6% Coloureds, 1% Asians and 19% classified as "unidentified".

2.4.1.3 National Treasury Programme 7 and GEPF Benefits Administered

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

Cases administered and finalized at the GPAA	Total Cases Paid 2015/16	Total Cases Paid 2016/17	Total Cases Paid 2017/18
Number of beneficiaries paid due to resignation from GEPF	36552	30932	26690
Number of beneficiaries paid due to retirement from GEPF	31845	32196	35571
Number of beneficiaries paid due to transfer from GEPF	4104	3510	3345
Number of beneficiaries paid due to death	7282	7126	7760

Number of people receiving monthly payments from Funds	Average monthly payments	Average monthly payments	Average monthly payments
	2015/16	**2016/17**	**2017/18**
Number of beneficiaries receiving Injury on Duty (IOD) payments	8 175	9 765	9 720
Number of beneficiaries receiving Post-retirement Medical Benefits - per month	97 008	104 305	109 979
Number of beneficiaries receiving Military Pensions – per month	5 261	5 149	5 025
Number of beneficiaries receiving Military Medical Accounts – per month	n/a	1 195	487
Number of beneficiaries receiving Special Pensions – per month	7 443	7 201	6 939
Number of beneficiaries receiving other benefits – per month	272059	282 600	926
Number of beneficiaries receiving pension benefits (GEPF) – per month	149701	153 079	292 437
Number of beneficiaries receiving spouse's benefits (GEPF) – per month	1370	1 372	156 681
Number of beneficiaries receiving orphan's benefits (GEPF) – per month		1 372	1 204

Number of people receiving monthly payments from Funds	Average monthly payments	Average monthly payments	Average monthly payments
	2015/16	**2016/17**	**2017/18**
Number of beneficiaries receiving pension benefits (AIPF) – per month	1 370	1 372	4 997
Number of beneficiaries receiving spouse's benefits (AIPF) – per month	2 891	2 871	2 826
Number of beneficiaries receiving pension benefits (TEPF) – per month	231	221	207
Number of beneficiaries receiving spouse's benefits (TEPF) – per month	126	125	128
		Total	**664 922**

Table 5: GPAA finalised and paid benefits

2.4.1.1 National Treasury, AIPF and TEPF funds

National Treasury Programme 7 funds account for 127 415 clients, AIPF for 7 823 and TEPF for 335, as at March 2018. National Treasury Programme 7 funds are discussed below:

Medical Benefit Administration

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

Injury on Duty

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

Military Pensions

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

Special Pensions

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

Other Benefits

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

2.4.2 Understanding the changing needs of the GPAA and its clients

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

2.5 Key organisational challenges and interventions

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

2.5.1 Sub-programme 1.1 - Corporate Services

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

2.5.1.1 Human Resource Management

The following challenges were experienced by Human Resource Management; under Employee Health and Wellness:

- The Employee Health and Wellness unit experienced challenges with regards to creating conducive environment for physical activities for the onsite

workplace fitness journey aerobics sessions. As a result, the onsite workplace fitness activities have been suspended until such time where there's provision allocated to conduct fitness activities.
- Under-utilisation of Employee Health and Wellness Offerings - Counselling service.

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

- Facilitate the provision of onsite workplace fitness activities by partnering with other government/s department within our vicinity.
- Conduct educational sessions for all supervisors on how to manage employees with ill health, disability and mental illnesses.
- Conduct educational sessions to supervisors with teams, on managing group dynamics within teams.
- Host pre-retirement preparation sessions for all employees between the ages of 50-65.
- Host and educate employees on STI testing and TB testing.

2.5.2 Sub-programme 1.2 – Finance

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

2.5.2.1 Finance

The following challenges were experienced by Finance:

- Non-compliance matters within procurement processes still exist, though there is a significant reduction. This is shown by irregular expenditure incurred and identified of R1.705 million during the current year, in comparison to R8.019 million in prior year.

Strategies to Overcome Areas of Under-performance:

- The investigation on cause of non-compliance is being done and consequence management will be implemented.
- Training on supply chain management and non-compliance will be provided to all decision makers.

2.5.3 Business Enablement 1.3

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

2.5.3.1 Business Enablement

- Business Enablement invested a lot of time and effort to ensure that the applicable governance structures, frameworks and standards are in place to deliver on the ICT services required by the GPAA.
- The execution by Business Enablement to ensure that the frameworks and structures are in place, was hampered by the lack of an approved Business Enablement organisational structure to source and appoint the required skills. The sub-programme needs to move away from relying on external service providers to deliver on services and instead, organically develop internal skills within the organisation where possible.
- The identified ICT risks that include the operational, fraud, compliance and strategic risk registers are also high on the agenda of the sub-programme with the view to mitigate the risks associated with the services to the administration.
- Focus on the formulation of business architecture for the GPAA will result in significant changes in the organisation's organogram. Such changes are naturally accompanied by a sense of insecurity that will be experienced by the GPAA human capital. A significant change management effort must be undertaken to allay such insecurity so that the entire human capital of the GPAA is fully committed to, and supportive of the changes that the GPAA is expected to undergo.

Strategies to Overcome Areas of Under-performance

- The main focus for the 2018 / 2019 financial year is to deliver ICT services in new innovative ways within the governance frameworks and standards agreed upon. Delivery on time will also be of essence with increased participation from the Project Management

Office to manage, measure and execute ICT projects and deliverables.

- An approved ICT organisational structure that will allow for the appointment of internal GPAA employees who are able to execute the mandate of the sub-programme will also be high on the agenda.
- Review of Supply Chain Management (SCM) processes by the GPAA ICT, the GPAA SCM, as well as SITA is crucial to ensure that procurement time lines for services and products are shortened.

2.5.4 Sub-programme 1.4

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

2.5.4.1 Complaints Resolutions Unit

Challenges experienced by the Complaints Management Unit are as follows:

- Delays in signage installation were experienced due to defects, non-conformance and unsatisfactory quality of service rendered at Polokwane; Thohoyandou and Port Elizabeth offices.
- The Complaints unit experienced challenges of receipt of incomplete or unverifiable information from the clients which delays resolution of some cases.

Strategies to Overcome Areas of Under-performance

- Signage installation: Appointment of reputable service providers for signage installations at the outstanding offices.
- Client Satisfaction Survey (CSS): Utilisation of CSS devises will be enhanced by engagement with service agents to remind clients to rate the services offered.
- The CM&E unit will develop innovative ways to acquire more responses from clients who lodge complaints to the GPAA.

Strategies to overcome areas of under-performance:

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

2.5.5 Sub-programme 1.5 Governance

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

2.5.5.1 (ERWM) and (FFPMU) challenges

The following challenges were experienced by the Enterprise Wide Risk Management and Forensic and Fraud Prevention Unit:

- Lack of cooperation by business units in providing information to the risk management officials when conducting action plan monitoring.
- Failure to implement the agreed action plans by business units.
- Lack of response by internal employees to blow the whistle on fraud, corruption and unethical behavior.
- Inability to trace witnesses and the unwillingness of witnesses to provide information/sworn affidavits.
- Delays by the South African Police Service (SAPS) in finalising the GPAA's reported fraud cases.

Strategies to Overcome Areas of Under-performance:

- SMS members to sign 2018 / 2019 performance agreements that talk to risk management.
- Intensify awareness campaigns.
- Approval of Whistle Blowing policy will provide more assurance to employees that they will be protected.
- Signing of the MOUs with law enforcement agencies.

2.5.5.2 Legal

Challenges experienced by Legal are as follows:

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

Strategies to Overcome Areas of Under-performance:

- Continuous improvements to support the core business in service delivery.
- Improved turn-around times and efficiency will remain a primary focus.

2.5.6 Programme 2: Benefits Administration

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

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

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

- Military Medical Accounts payments and access to medical treatment by pensioners is still a manual process and this results in late payment of claims for pensioners and service providers.
- The sub-programme has established that some employer departments are impacting negatively on the payments of Injury on Duty awards by not finalising the awards and instead send them to the GPAA for payments.

Strategies to Overcome Areas of Under-performance:

- Acquire a service provider in the medical accounts administration to manage the service through a Service Level Agreement with the GPAA.
- Continue to be part of the HR Forums and Retiring Member Campaigns to ensure that Employer departments are well informed on the expectations of the GPAA in relation to medical subsidies and Injury on Duty claims.
- Continue to automate all programme processes through the GPAA Modernisation Programme.

2.5.6.2 Sub-programme 2.2: Employee Benefits - Operations and Finance

The sub-programme had the following challenges:

- The quality of the member data provided by the Transversal Systems is poor and thus corrupting the GEPF data.
- Ineffective technology support and integration of applications has resulted in larger than normal rejection of claims back to employer departments.
- Labour unrest, due to a number of underlying organisational structure issues relating to the review of the organisational structure not having been approved since 2007, is having a negative impact on staff morale and the ability of core operations to deliver against its mandate and operational targets in respect to the timeous payment of benefits.
- Employer departments submit exit documentation long after the member has terminated service in government, which results in late payment to members and leave some members with no income.
- The automation of business applications is slow, resulting in high volumes of claims being processed manually.
- The lack of workflow system has resulted in work still being processed on paper, increasing turnaround times.
- Although some automation exists, a large part of the benefit payment processing is still paper-based, and this contributes to a high number of incomplete/ erroneous claim documents still being received from employer departments.

Strategies to Overcome Areas of Under-performance:

- Implementation of BPA to be accelerated with improved functionality.
- Improve employee operational skills and gear them for change as systems improvements are rolled-out.
- Filling of vacancies.
- Implement stronger controls and processes to ensure that employer departments submit complete, valid and accurate exit claims timeously.
- Enhanced processes and structures for the efficient administration of death benefits will also be implemented in early 2018 / 2019.
- In addition, the GPAA also conducts workshops, road shows and training to employer departments to enhance the quality of exit documentation.
- Automation of processes to be accelerated.
- Improve employee operational skills and customer insight.
- Implement stronger controls and processes to ensure that employer departments submit complete, valid and accurate exit claims timeously.

2.5.6.3 Sub-programme 2.3: Client Relations Management (CRM)

The following challenges have negatively affected CRM's service delivery across various channels (Call Centre, Walk-In-Centres, Mobile Offices, CLOs and Back Office):

- Resource shortage to effectively manage and support superior client and stakeholder services. In this regard the Call Centre was seriously under-staffed which is evident in the high call abandonment rate of 38% (475,156 calls) and a low service level of 62%;
    - The mobile offices were not effectively staffed which led to the regions using their Walk-in Centre agents to service the mobile offices;
    - The non-filling of key vacant positions due to the normalisation process; and
    - The unsustainable high ratio of the number of employer servicing pay points to the number of CLOs.
- We are awaiting the finalisation of the structure which includes increasing the GPAA client services footprint by increasing the number of regional offices.
- Challenges in data quality hampered quality and timeous service delivery to clients, resulting in increased processing errors, rejections and re-works. This in turn increased claims payment turnaround times.

Strategies to Overcome Areas of Under-Performance:

- Implementation of a fully integrated line of business system; including implementation of key functionality to improve effectiveness, efficiency and claims payment turnaround times.
- Elimination of all manual and paper-based processes.
- Elimination of all processing re-works and duplicate checks/validations.
- Implementation of a fully automated contributions allocations and reconciliations system.
- Implementation of CRM strategy.
- Implementation of an effective workflow system.
- Vacant positions and structure to be filled.
- Review and correct national client/stakeholder servicing footprint, including branding, uniform for client-facing staff members and allocation of adequate resources.

2.6 APA and SWOT Analysis

During the May 2018 Lekgotla, the GPAA EXCO identified what they aim to achieve, preserve and avoid (APA), and also conducted an analysis of the organisation' strengths, weaknesses, opportunities and threats (SWOT). The APA and SWOT analysis will result in improved service delivery and ultimately the attainment of Goal 4. Well preserved pension Fund. Details are represented in ***Table 7: APA and Table 8: The GPAA's SWOT analysis***

APA

Table 6: APA

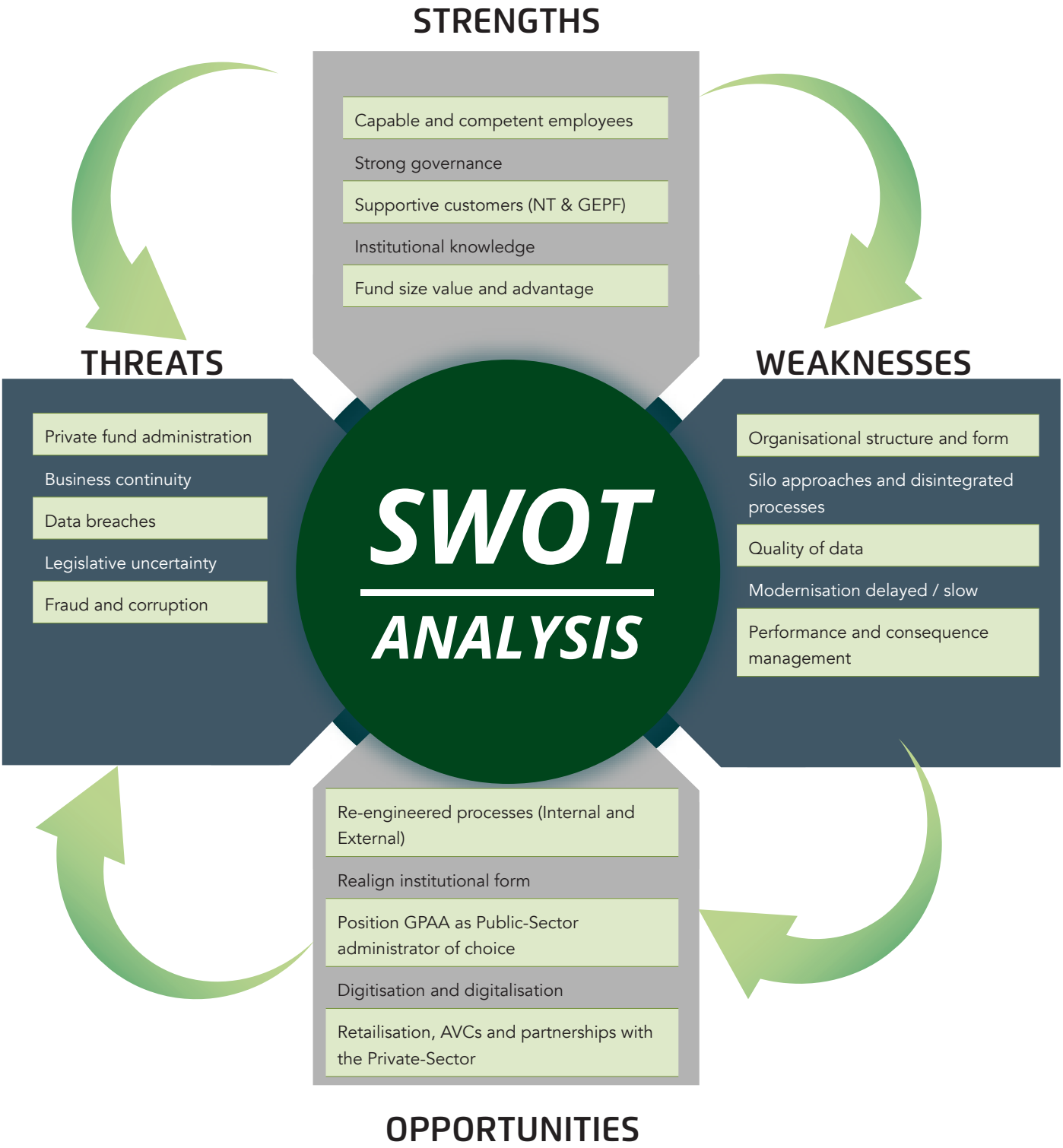


Figure 6: The GPAA's SWOT analysis

3. REVISION TO LEGISLATIVE AND OTHER MANDATES

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

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

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

Table 7: Legislation that govern schemes and funds administered by the GPAA

4. COURT CASES

4. **There are no pending court cases against the GPAA.**

5. OVERVIEW OF BUDGET AND MTEF ESTIMATES

5.1 Budget Overview

During the 2017/2018 financial year, the majority of contributions were received by the GPAA on behalf of its customers, the GEPF and the National Treasury. Payments effected on behalf of National Treasury as at the end of the 2017/2018 financial year included 6 939 special pension members amounting to R459.96 million. As at March 2018, 107 220 members were paid post-retirement Medical Subsidy benefits amounting to more than R 2,458.76 billion while 5 032 Military Pensions members were paid an amount of 204.28 million. These included the military medical expenditure relating to approved members' pensionable disabilities of 8 224 Injury on Duty pensioners payments amounting to R 598.97 million.

The GPAA administers about 1.273 million members of the GEPF, about 445 578 pensioners and beneficiaries together with about 127 415 non-contributory benefits of the National Treasury, including IOD, Medical subsidies, Special Pensions and other. A total of 1.846 million citizens served directly by the GPAA.

About R91.07 billion was paid for pension fund benefits versus R84.6 billion in the previous year. Contributions amounting to R69.8 billion were received versus R65.1 billion in the previous year. The GPAA receives funding from the GEPF (93%) and National Treasury's Programme 7 (7%). Revenue decreased from R1.2 billion in 2016 / 2017 to R967.8 million in 2017/2018, which reflects a decrease of 19%. The decrease in revenue was due to the implementation of the National Treasury Instruction Note 2 of 2016/2017.

The GPAA has an approved structure of 1 136 positions. As at 1 April 2017, the GPAA structure has 1 045 positions, of which 937 were permanent and 110 were contract positions. The GPAA has budgeted for 1 136 positions during 2017 which includes 84 interns. Between 2016/2017 and 2017 / 2018 expenditure focus was on modernisation. The human capital cost is estimated at R 527 million for 2018/19 and increased to R 557 million for the 2019/2020 year equating to a 5.7% increase.

The next milestone is to realign the GPAA's structure, and processes to the modernised technology. This will direct the focus on transitioning people from the current structure to the new structure. As more and more business processes change at the GPAA and become automated, people will be re-skilled and redeployed to enhance the GPAA's client facing functions. This realignment is expected to reduce cost of administration by virtue of its two programmes.

5.1.1 Programme 1 - Support Services

The 2018/19 budget was R765 million and increased to R807 million for 2019/20. This programme includes its five sub-programmes namely: 1.1 Corporate Services; 1.2 Finance; 1.3 Business Enablement; 1.4 Strategic Support; and 1.5 Governance. The inflation increase on salaries and ICT expenditure make up the bulk of the 12.8% increase.

5.1.2 Programme 2 - Benefit Administration

The 2018/19 budget was R370 million and increased to R391 million for 2019/ 20. This programme includes its three sub-programmes namely: 2.1 Civil and Military Pensions; 2.2 Employee Benefits; and 2.3 Client Relations Management. The inflation increase on salaries make up the bulk of the 6% increase.

5.1.3 Expenditure estimates

The expenditure estimates are aligned to the MTEF framework and are recorded as such in **Table 8; Provisional expenditure per programme**

GPAA Programmes expenditure

The expenditure estimates for Programme 1 and Programme 2 for 2019/2022 is presented below.

	Audited outcomes			Approved budget	Medium term expenditure estimates		
	2015/16 R'000	2016/17 R'000	2017/18 R'000	2018/2019 R'000	2019/2020 R'000	2020/2021 R'000	2021/2022 R'000
Programme							
Programme1:Support Services	655,971	622,166	625,117	765,031	806,860	852,106	900,207
Programme 2: Benefits Administration	284,933	316,396	343,660	370,186	391,337	414,481	438,994
TOTAL	**940,904**	**938,562**	**968,777**	**1,135,217**	**1,198,017**	**1,266,567**	**1,339,212**

Table 8: - Provisional expenditure per programme

GPAA Economic classification expenditure analysis

The expenditure analysis per economic classification is presented in *Table 9: GPAA Economic classification expenditure analysis*:

	Audited Outcomes			Approved budget	Medium-Term Expenditure Estimate		
Economic classification	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments							
Compensation of employees	433,933	458,618	485,470	526,671	557,218	590,851	628,089
Goods and services of which:				550763			
Communication	46,602	50,050	79,423	46,916	49,403	52,120	54,987
Computer services	99,578	92,466	62,360	229,443	241,604	254,892	268,911
Consultants	146,890	116,056	96,281	71,106	74,875	78,980	83,323
Printing & Stationery	16,465	20,292	28,088	32,189	33,895	35,707	37,673
Lease payments	25,700	51,035	49,349	47,433	49,947	52,694	55,592
Repairs and maintenance	7,702	20,650	12,288	13,463	14,177	14,957	15,779
Advertising and Promotion	6,554	7,621	20,495	25,045	26,373	27,787	29,315
Training and staff development	8,737	8,562	8,906	13,230	13,931	14,696	15,505
Travel and subsistence	17,905	20,051	19,029	22,421	23,609	24,904	26,274
Other	53,433	69,256	107,088	107,300	112,985	118,999	123,754
Losses from sale of assets	-	-	-	-	-	-	-
Total Expenditure	**863,499**	**914,657**	**968,777**	**1,135,217**	**1,198,017**	**1,266,587**	**1,339,202**

Table 9: GPAA Economic classification expenditure analysis

5.1.4 Relating expenditure trends to strategic outcome orientated goals

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

Programme 1– Support Services (2017/18) expenditure analysis

Programme 1. During the current financial period the programme spent R625.1 million against the quarter budget of R721.8 million. The deviation against the budget was R96.7 million which translates to an underspending and savings of about 17%.

Programme 2 – Benefits Administration (2017/18) expenditure analysis

Programme 2. During the current financial period the programme spent R343.7 million against the first quarter budget of R362.8 million. The deviation against the budget was R19.2 million which translates to an underspending and saving of about 5%.

6. STRATEGIC PLANNING PROCESS

6.1 Overview

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

Over the medium term, the GPAA will initiate various projects, the format of which can be evaluated through all phases - from diagnosis to implementation and impact. The National Evaluation Plan intervention as advocated by the Department of Planning, Monitoring and Evaluation (DPME) will be embraced to profile evaluation plans for projects that are of national importance and solicit opportunities for resource sharing, given the fact that delivery on the GPAA's mandate requires a cross-sectorial approach. It is on this basis that the results-based approach has been embedded in the GPAA's planning instruments as depicted in ***Figure 6: The GPAA's strategic planning methodology***

6.1 GPAA's strategic planning methodology

The GPAA's planning methodology is depicted in the figure below:

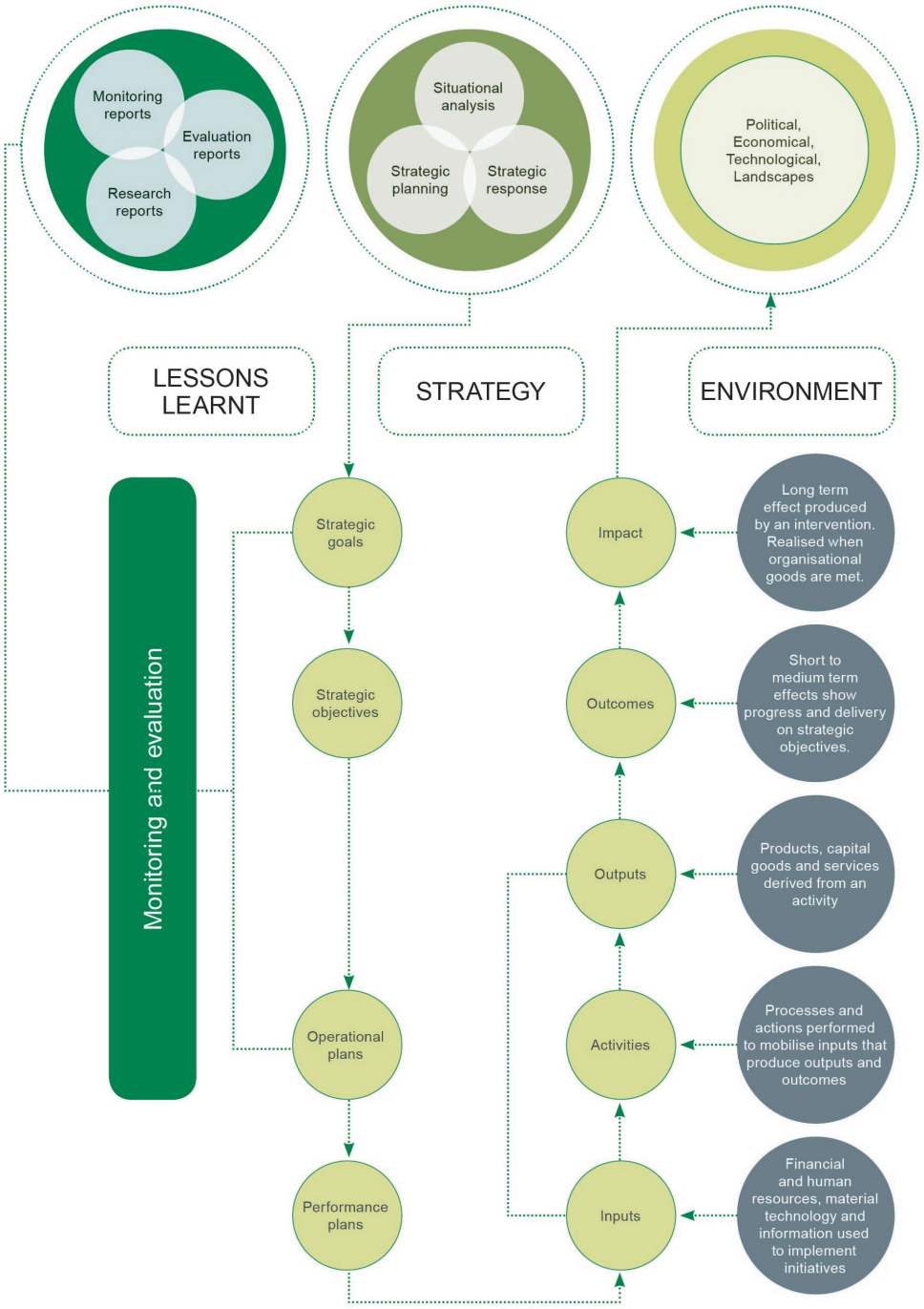
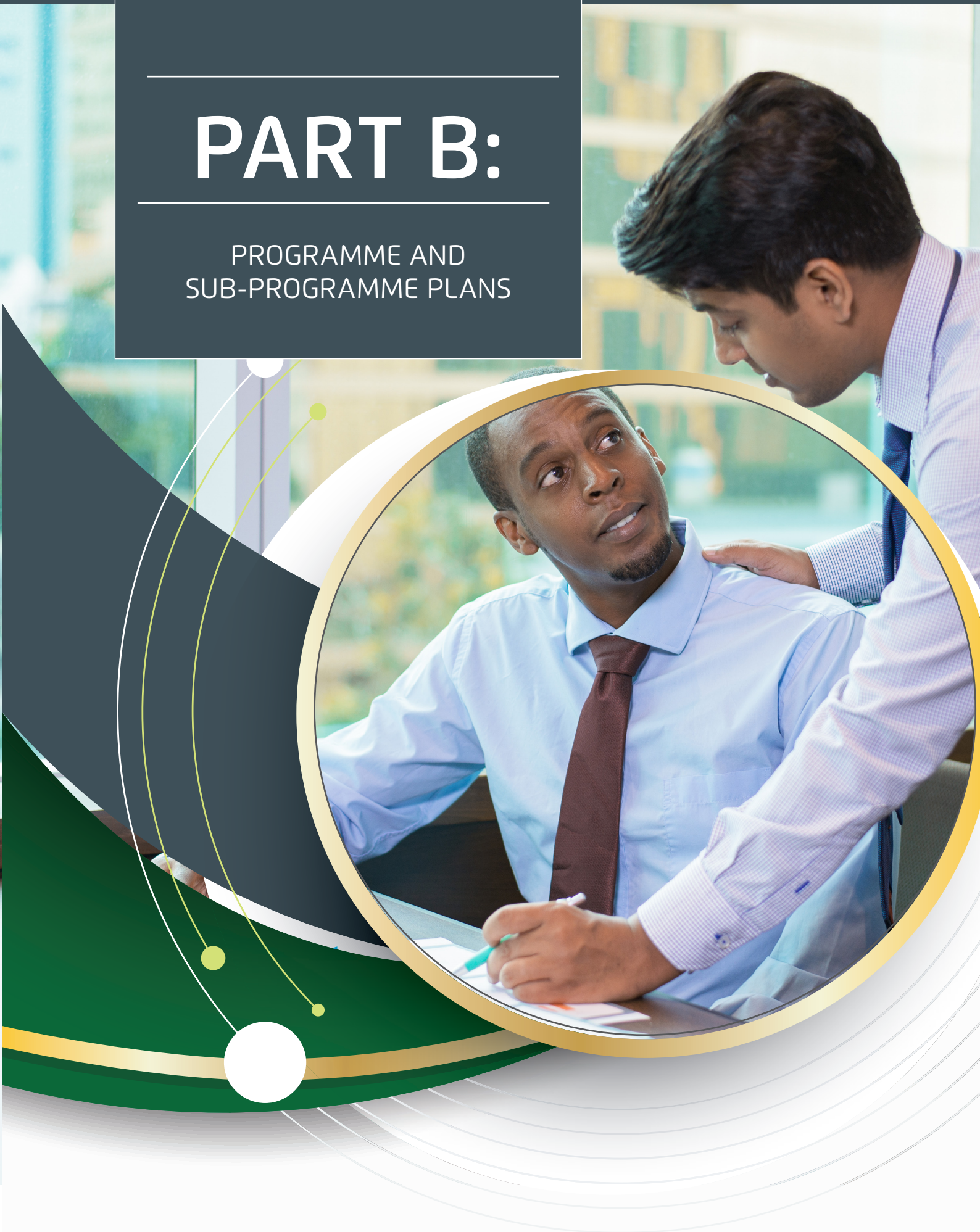


Figure 7: The GPAA's strategic planning methodology

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

PART B:

PROGRAMME AND SUB-PROGRAMME PLANS



7. PROGRAMME 1 – SUPPORT SERVICES TARGETS ON A 7 YEAR HORIZON

7.1 Programme 1 Support Services –Performance Indicators from 2016/2017 to 2022/23:

Programme 1 administers the business and governance affairs of the GPAA and gives rise to strategic outcomes in support of the core business of Programme 2 Benefits Administration. **Table 10: Programme 1- 7 years targets** is a representation of Programme 1 Support Services targets from 2016/17 to 2022/23.

Strategic Goals	Strategic Objective	item	Performance Indicator	Audited/ Actual Performance		
				2016/17	2017/18	
1 Optimal core services	1.1 To provide support to core business to deliver quality service to GPAA customers and clients	1.	% reduction in unclaimed benefits accounts amount	80% of the total year unclaimed benefits amount relating to the current year (should be higher)	67% of the new (current year) unclaimed benefits of the accumulated unclaimed benefits total	
		2.	% unclaimed benefits paid within 30 working days after receipt of duly completed documents	Not measured	Not measured	
		3.	% actual fraud cases finalised within each reporting period	16 fraud prevention activities implemented (PSC)	9 fraud prevention activities implemented (PSC)	
		4.	% of cases processed through the BPA system	Not measured	70% Benefits Payment Automation (BPA) systems implemented	
		5.	% increase in clients enrolled on self-service	Self-service functionality went live on 30 March 2017	100% of self service system implemented for access to clients	
		6.	Clean audit	Not measured	Not measured	
		7.	% of disabled employees	Not measured	Not measured	
		8.	% of female employees as a total employees	Not measured	Not measured	
		9.	% of black employees as a total employees	Not measured	Not measured	
		10.	% of accurate invoices paid within 30 working days	Not measured	Not measured	
		11.	% completion of legacy mainframe replacement project (final modernisation project)	Not measured	Not measured	

Table 10: Programme 1- 7 years targets

	Estimated Target	Planned Target	Medium Term Targets		
	2018/19	2019/20	2020/21	2021/22	2022/23
	85% of unclaimed benefits aging balance within the current financial year	25% reduction in unclaimed benefits accounts amount	30%	35%	40%
	Not measured	80%	85%	90%	98%
	14 fraud prevention activities implemented (PSC)	72%	82%	92%	95%
	70% cases submitted through the BPA system	80% cases submitted through the BPA system	85% cases submitted through the BPA system	90% cases submitted through the BPA system	95% cases submitted through the BPA system
	40% increase in clients enrolled on self-service	60%	70%	80%	90%
	Clean audit	Clean audit	Clean audit	Clean audit	Clean audit
	2%	2%	2%	2%	2%
	51%	51%	51%	51%	51%
	75%	75%	75%	75%	75%
	Not measured	100% invoices paid within 30 days	100% invoices paid within 30 days	100% invoices paid within 30 days	100% invoices paid within 30 days
	Not measured	40 %	95%	Project completed	Project completed

8. PROGRAMME 1 – SUPPORT SERVICES TARGETS ON A 7 YEAR HORIZON

8.1 Programme 2 Benefits Administration–Performance Indicators from 2016/2017 to 2022/23:

Programme 2 consists of three sub-programmes that administer a range of benefits and is responsible for client relationship management. **Table 11: Programme 2- 7 years targets** is a representation of Programme 2 Benefits Administration targets from 2016/17 to 2022/23.

Strategic Goals	Strategic Objective	Item	Performance Indicator	Audited/ Actual Performance	
				2016/17	2017/18
4. Well preserved pension funds	4.1 To influence client and stakeholder behaviour	12.	% client satisfaction levels	97%	94%
		13.	% reduction of abandoned calls	92% post voice call resolution	80% post voice call resolution
2.Satisfied Clients	2.2 To register new members or employers in a compliant manner	14.	% of NT members admitted within 21 days	Not measured	99%
		15.	% of GEPF members admitted within 14 days	New measure	99% of GEPF members admitted within 21 days
	2.3 To process contributions in a compliant manner 2.4 To ensure that contributions are valid, accurate and complete	16.	% of GEPF contributions reconciled by the 22nd of the month	New measure	98%
	2.1 To ensure that member and beneficiary data is accurate and usable	17.	% GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)	New measure	32% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)
		18.	% of NT pensioner records maintained	New measure	99%
		19.	% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates	New measure	100%
	2.3 To process contributions in a compliant manner	20.	% of NT membership certificates issued within 30 days of admission	New measure	99%

Table 11: Programme 2 - 7 year targets

	Estimated target	Planned Target	Medium Term Targets		
	2018/19	2019/20	2020/21	2021/22	2022/23
	94%	96%	97%	98%	99%
	20% reduction of abandoned calls	25% reduction of abandoned calls	30% reduction of abandoned calls	40% reduction of abandoned calls	50% reduction of abandoned calls
	96%	100%	100%	100%	100%
	96% of GEPF members admitted within 21 days	99% of GEPF members admitted within 14 days	99% of GEPF members admitted within 14 days	99% of GEPF members admitted within 14 days	99% of GEPF members admitted within 14 days
	95%	99%	99%	99%	99%
	25% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)	25%	25%	25%	25%
	95%	100%	100%	100%	100%
	100%	100%	100%	100%	100%
	92%	100%	100%	100%	100%

8.1 Programme 2 Benefits Administration–Performance Indicators from 2016/2017 to 2022/23: Continues

Programme 2 consists of three sub-programmes that administer a range of benefits and is responsible for client relationship management. **Table 11: Programme 2- 7 years targets** is a representation of Programme 2 Benefits Administration targets from 2016/17 to 2022/23.

Strategic Goals	Strategic Objective	Item	Performance Indicator	Audited/ Actual Performance		
				2016/17	2017/18	
3. Less than 30 day turnaround time for the payment of benefits	3.1 To process benefits in a compliant manner to the satisfaction of clients	21.	% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received	Not measured	92%	
		22.	% of GEPF benefits paid on time (excluding death benefits)	80% of benefits paid within 60 days	71%	
		23.	% of NT benefits paid on time	98% benefits paid within 60 days	99%	
4. Well preserved pension funds	4.1 To influence client and stakeholder behaviour	24..	% reduction of un-serviced clients in the walk in centre	Not measured	Not measured	

Table 11: Programme 2 - 7 year targets

	Estimated Target	Planned Target	Medium Term Targets		
	2018/19	2019/20	2020/21	2021/22	2022/23
	70%	80%	80%	80%	80%
	81% of benefits paid within 45 days	85% of benefits paid within 45 days (excluding death benefits)	90% of benefits paid within 45 days (excluding death benefits)	92% of benefits paid within 45 days (excluding death benefits)	95% of benefits paid within 45 days (excluding death benefits)
	85% of benefits paid within 25 days	90% of benefits paid within 25 days	91% of benefits paid within 25 days	92% of benefits paid within 25 days	95% of benefits paid within 25 days
	20 % reduction of un-serviced clients in the walk in centre	25 % reduction of un-serviced clients in the walk in centre	30%	40%	50%

9. PROGRAMME 1 – SUPPORT SERVICES 2019/2020 SCORECARD

9.1 Programme 1 Support Services –Performance Indicators for 2019/2020: Annual Targets

Programme 1 administers the business and governance affairs of the GPAA and gives rise to strategic outcomes in support of the core business of Programme 2 Benefits Administration. There has been no structure change to Programme 1 during 2018/2019.

Strategic Goals	Strategic Objective	Capability Model Performance Area	Strategic Risks	Item	Performance Indicator	
1 Optimal core services	1.1 To provide support to core business to deliver quality service to GPAA customers and clients	8. Functions / Processes	3. Inefficient data management	1.	% reduction in unclaimed benefits accounts amount	
				2.	% unclaimed benefits paid within 30 working days after receipt of duly completed documents	
		11. Assurance and Compliance	2. Inability to detect or prevent fraud, maladministration, theft corruption in a timely manner.	3.	% actual fraud cases finalised within each reporting period	
		12. Business Enablement	2. Inability to deliver on ICT objectives.	4.	% of cases processed through the BPA system	
				5.	% increase in clients enrolled on self-service	
		2. Stakeholders	5. Non-compliance of the GPAA to legislation and applicable rules	6.	Clean audit	
		10. Support governance functions		7.	% of disabled employees	
				8.	% of female employees as a total employees	
				9.	% of black employees as a total employees	
		10. Support Governance Functions		10.	% of accurate invoices paid within 30 working days	
		12. Business Enablement	2. Inability to deliver on ICT objectives.	11.	% completion of legacy mainframe replacement project (final modernisation project)	

Table 12: Programme 1 Support Services – Performance Indicators for 2019/2020: Annual Targets

9.2 Costing objectives for Programme 1

Goal	objective	2019/20 Performance Indicators	Programme 1 Overheads	
1 Optimal core services	1.1 To provide support to core business to deliver quality service to GPAA customers and clients	1 to 11	Compensation of Employees	R158 888 389.05
			Goods and Services	R479 950 340.23
			Capital Expenditure	R39 037 216.10

Table 13: Costing objectives for Programme 1

	2018/2019 Planned Target	2019/2020 Annual Target	2018/19 approved budget
	85%% of unclaimed benefits aging balance within the current financial year.	25%	R12 592 794.08
	New measure	80%	
	14 fraud prevention activities implemented (PSC)	72%	R15 774 521.80
	70%	80%	R3 674 870.07
	40%	60%	R3 674 870.07
	Clean audit	Clean audit	R20 940 603.30
	2%	2%	Included in compensation of employees
	51%	51%	Included in compensation of employees
	75%	75%	Included in compensation of employees
	New measure	100%	R2 671 380.63
	New measure	40%	R3 674 870.07

9.3 Programme 1 Support Services –Performance Indicators for 2019/20: Quarterly Targets

Item	Performance Indicator	2018/2019 Planned Target	
1.	% reduction in unclaimed benefits accounts amount	85%of unclaimed benefits aging balance with the current financial year	
2.	% unclaimed benefits paid within 30 working after receipt of duly completed documents	New measure	
3.	% actual fraud cases finalised in 60 days	14 fraud prevention activities implemented (PSC) annually	
4.	% of cases processed through the BPA system	70% of Benefit Payments Automation (BPA) System implemented	
5.	% increase in clients enrolled on self-service	100% Self-Service System implemented for access to clients	
6.	Clean audit	Clean audit	
7.	% of disabled employees	% of disabled employees versus total employees employed at GPAA	
8.	% of female employees as a total employees	% of female employees as a total employees	
9.	% of black employees as a total employees	% of black employees as a total employees	
10.	% of accurate invoices paid within 30 working days	New measure	
11.	% completion of legacy mainframe replacement project (final modernisation project)	New measure	

Table 14: Programme 1 Support Services –Performance Indicators for 2019/20: Quarterly Targets

9.4 Reconciling performance targets with the Budget and MTEF: Programme 1 Support Services

Programme 1: Support Services	2019/2020 Budget	2019/2020 Quarterly budget				
	2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	R '000	R '000	R '000	R '000	R '000	R '000
	806,860	201,715	201,715	201,715	201,715	201,715

Table 15: Reconciling performance targets with the Budget and MTEF: Programme 1 Support Services

	2019/2020 Annual Target	2019/2020 Quarterly Targets			
		Q1	Q2	Q3	Q4
	25%	25%	25%	25%	25%
	80%	80%	80%	80%	80%
	72%	20%	40%	60%	72%
	80%	10%	20%	45%	80%
	60%	10%	30%	40%	60%
	Clean audit	-	-	-	Clean audit
	2%	1.5%	1.6%	1.8%	2%
	51%	45%	46%	47%	51%
	75%	75%	75%	75%	75%
	100% of accurate invoices paid within 30 working days	100%	100%	100%	100%
	40 % completion of CIVPEN replacement project (final modernisation project)	10%	20%	30%	40%

10. PROGRAMME 2 – BENEFITS ADMINISTRATION SCORECARD

10.1 Programme 2 Benefits Administration – Performance Indicators for 2019/20: Annual Targets

Programme 2 consists of three sub-programmes that administer a range of benefits and is responsible for client relationship management. There has been no structure change to Programme 2 during 2018/19.

Strategic Goals	Strategic Objective	Capability Model Performance Area	Strategic Risks	
4. Well preserved pension funds	4.1 To influence client and stakeholder behaviour	3. Clients 5. Channels	4. Inability to deliver on GPAA services 8. Business resilience	
2.Satisfied Clients	2.2 To register new members or employers in a compliant manner	1. Customer 3. Clients	5. Non-compliance to legislation and applicable rules	
	2.3 To process contributions in a compliant manner 2.4 To ensure that contributions are valid, accurate and complete	1. Customer 3. Clients		
	2.1 To ensure that member and beneficiary data is accurate and usable	1. Customer 3. Clients	6. Inefficient data management	
		3. Clients	5. Non-compliance to legislation and applicable rules	
	2.3 To process contributions in a compliant manner	1. Customer 3. Clients		
3. Less than 30 day turnaround time for the payment of benefits	3.1 To process benefits in a compliant manner to the satisfaction of clients	1. Customers 3. Clients	5. Non-compliance to legislation and applicable rules 6. Inability to deliver on GPAA services	
4. Well preserved pension funds	4.1 To influence client and stakeholder behaviour	3.Clients	4. Inability to deliver on GPAA services 8. Business resilience	

Table 16: Programme 2 Benefits Administration – Performance Indicators for 2019/2020: Annual Targets

	Item	Performance Indicator	2018/2019 Planned Target	2019/2020 Annual Target	2019/20 Approved budget
	12.	% client satisfaction levels	94%	96%	R1 516 786.53
	13.	% reduction of abandoned calls	20%	25%	R28 818 944.10
	14.	% of NT members admitted within 21 days	96%	100%	R22 144 182.05
	15.	% of GEPF members admitted within 14 days	96%	100%	R4 531 597.44
	16.	% of GEPF contributions reconciled by the 22nd of the month	95%	99%	R6 025 212.25
	17.	% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)	25%	25%	R11 105 784.17
	18.	% of NT pensioner records maintained	95%	100%	R11 262 903.35
	19.	% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates	100%	100%	R 474 109.78
	20.	% of NT membership certificates issued within 30 days of admission	92%	100%	R5 810 704.74
	21.	% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received	70%	80%	R3 984 284.33
	22.	% GEPF benefits paid on time	81% of benefits paid within 45 days	85% of benefits paid within 45 days (excluding death benefits)	R20 813 260.71
	23.	% of NT benefits paid on time	85% of benefits paid within 25 days	99% of benefits paid within 25 days	R8 941 956.24
	24.	% reduction of un-serviced clients in the walk in centre	20 % reduction of un-serviced clients in the walk in centre	25 % reduction of un-serviced clients in the walk in centre	R78 490 259.70

10.2 Costing objectives for Programme 2

Goal	objective	
2.Satisfied Clients	2.2 To register new members or employers in a compliant manner 2.3 To process contributions in a compliant manner 2.4 To ensure that contributions are valid, accurate and complete 2.1 To ensure that member and beneficiary data is accurate and usable	
3. Less than 30 day turnaround time for the payment of benefits	3.1 To process benefits in a compliant manner to the satisfaction of clients	
4. Well preserved pension funds	4.1 To influence client and stakeholder behaviour	

Table 17: Programme 2 Benefits Administration – Performance Indicators for 2019/20: Annual Targets

10.3 Programme 2 Benefits Administration – Performance Indicators for 2018/2019: Quarterly Targets

Item	Performance Indicator	
12.	% client satisfaction levels	
13.	% reduction of abandoned calls in the call centre	
14.	% of NT members admitted within 21 days	
15.	% of GEPF members admitted within 21 days	
16.	% of GEPF contributions reconciled by the 22nd of the month	
17.	% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)	
18.	% of NT pensioner records maintained	
19.	% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates	
20.	% of NT membership certificates issued within 30 days of admission	
21.	% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received	
22.	% of GEPF benefits paid on time	
23.	% of NT benefits paid on time	
24.	% reduction of un-serviced clients in the walk in centre	

Table 18: Programme 2 Benefits Administration – Performance Indicators for 2018/2019: Quarterly Targets

	2019/20 Performance Indicators	Programme 2 Overheads	
	14 to 20	**Compensation of Employees**	R 61 468 959.55
	21 to 24	**Goods and Services**	R 12 332 538.03
	12,13 and 25	**Capital Expenditure**	-

	2018/2019 Planned Target	2019/2020 Annual Target	2019/2020 Quarterly Targets			
			Q1	Q2	Q3	Q4
	94%	96%	-	-		96%
	20%	25%	10%	15%	20%	25%
	96%	97%	97%	97%	97%	97%
	96%	97%	97%	97%	97%	97%
	95%	95%	95%	95%	95%	95%
	25%	25%	-	-	-	25%
	95%	100%	100%	100%	100%	100%
	100%	100%	100%	100%	100%	100%
	92%	93%	93%	93%	93%	93%
	70%	70%	70%	70%	70%	70%
	81% of benefits paid within 45 days	85% of benefits paid within 45 days (excluding death benefits)	81%	82%	83%	85%
	85% of benefits paid within 25 days	86% of benefits paid within 20 days	86%	86%	86%	86%
	20 % reduction of un-serviced clients in the walk in centre	25% reduction of un-serviced clients in the walk in centre	10%	15%	20%	25%

10.4 Reconciling performance targets with the Budget and MTEF: Programme 2 Benefits Administration

Programme 2: Benefits Administration		
	2019/20	
	R '000	R '000
	391,337	

Table 19: Reconciling performance targets with the Budget and MTEF: Programme 2 Benefits Administration

2019/2020 Quarterly budget				
Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	R '000	R '000	R '000	R '000
97,834	97,834	97,834	97,834	97,834

PART C:

LINKS TO OTHER PLANS

11. LINKS TO OTHER PLANS

LINKS TO THE LONG-TERM INFRASTRUCTURE AND CAPITAL GAINS PLANS

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

12. ANNEXURE A – STRATEGIC GOALS OBJECTIVES AND RISKS

The strategic goals and objectives per programmes are complemented by the objective statement and baseline performance indicators in the below tables:

Programme 1 – Support Services

Strategic Goal 1	Optimal core support
Strategic objective 1.1	To provide support to core business to deliver quality service to GPAA customers and clients
Objective statement	To ensure that adequate and sufficient resources and functions are available to support the delivery of quality service to GPAA customers and clients
Baseline based on Performance Indicator (2018/2019)	1. 85 % of the new (current year) unclaimed benefits of the accumulated unclaimed benefits total 2. 8 % reduction in administration costs per member 3. 14 fraud prevention activities implemented (PSC) 4. 100 % cases submitted through the of pensioner case management (PCM) systems 5. 70 % of cases processed through the benefits payment automation (BPA) systems 6. 40% increase in clients enrolled on self service 7. Clean audit 8. 2% disabled employees 9. 51% female employees as at total employees 10. 75 % black employees as at total employees
Justification	Support services provides the necessary infrastructure and functions in order for the core services to operate at maximum potential
Strategic Risks	1. Inefficient management of human capital 2. Inability to detect or prevent fraud, maladministration, theft and corruption in a timely manner. 3.. Inability to deliver on ICT objectives 6. Inefficient data management 7. Cyber attacks 8. Business resilience

Programme 2 – Benefits Administration

Strategic Goal 2	Satisfied clients
Strategic objective 2.1	To ensure that member and beneficiary data is accurate and usable
Objective statement	To cleanse data by collaborating with other entities in optimising the accuracy and quality of data
Baseline based on Performance Indicator (2018/2019)	17. 90% of NT pensioner records maintained 18. 100% of NT suspended pensioners (overseas) reinstated after receipt of Life Certificates
Justification	Ensuring high levels of quality client service and compliance to legal requirements
Strategic Risks	4. Inability to deliver on GPAA services

Strategic Goal 2	Satisfied clients
Strategic objective 2.2	To register new members or employers in a compliant manner
Objective statement	To register new members or employers in a compliant manner in accordance with statutory requirements and SLA
Baseline based on Performance Indicator (2018/2019)	13. 96% of NT members admitted within 21 days 14. 96% of GEPF members admitted within 21 days
Justification	Ensuring high levels of quality client service and compliance to legal requirements
Strategic Risks	5. Non-compliance to legislation and applicable rules

Strategic Goal 2	Satisfied clients
Strategic objective 2.3	To process contributions in a compliant manner
Objective statement	To raise, collect and reconcile contributions in accordance with statutory requirements and SLA
Baseline based on Performance Indicator (2018/2019)	15. 95% of GEPF contributions reconciled by the 22nd of the month
Justification	Ensuring high levels of quality client service and compliance to legal requirements
Strategic Risks	5. Non-compliance to legislation and applicable rules

Strategic Goal 3	Less than 30 day turnaround time for the payment of benefits
Strategic objective 3.1	To process benefits in a compliant manner to the satisfaction of clients
Objective statement	To process benefits in accordance with statutory requirements and SLA
Baseline based on Performance Indicator (2018/2019)	19. 92% of NT membership certificates issued within 30 days of admission 20. 70% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received 21. 81 % of GEPF benefits paid within 45 days 22. 85% of NT benefits paid within 30 days
Justification	Ensuring high levels of quality client service and compliance to legal requirements
Strategic Risks	5. Non-compliance to Legislation and applicable rules

Programme 2 – Benefits Administration

Strategic Goal 4	Well preserved pension funds
Strategic objective 4.1	To influence client and stakeholder behaviour
Objective statement	To communicate with stakeholders in a relevant manner to ensure no premature movement out of the fund and to ensure that client data is accurate.
Baseline based on Performance Indicator (2018/2019)	11. 94% client satisfaction levels 12. 20% reduction of abandoned calls in the call centre (New measure) 16. 25% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data) 23. 20% reduction of un-serviced clients in the Walk in centre
Justification	Ensuring high levels of quality in client data, service and compliance to legal requirements
Strategic Risks	4. Inability to deliver on GPAA services

ANNEXURE B

TECHNICAL INDICATOR DESCRIPTIONS 2019/2020

13. ANNEXURE B – TECHNICAL INDICATOR DESCRIPTION

The technical indicator description for each performance indicator is depicted in the table below:

Indicator 1

Indicator title	% reduction in unclaimed benefits accounts amount
Short definition	The indicator measures the decrease of the Unclaimed Benefits amount
Purpose / importance	To track the decrease of the Unclaimed Benefits amount
Source / collection of data	Ledger
Method of calculation	Difference of the Unclaimed Benefits amount at the end of the reporting period against the unclaimed benefits amount at the beginning of the current reporting period
Method of verification	Review the amount at the end of the reporting period against the total amount at the beginning of the current reporting period
Data limitations	HR capacity constraints. Numerous fraud attempts and inherent limitation of internal controls
Type of indicator	Outcome
Calculation type	Non-cumulative (quarter specific)
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Reduced amount of the Unclaimed Benefits account

Indicator 2

Indicator title	% unclaimed benefits paid within 30 working days after receipt of duly completed documents
Short definition	The indicator measures the turnaround time for payment of Unclaimed Benefits to the recipient
Purpose / importance	To ensure that Unclaimed Benefits are paid to clients within the specified timeframes
Source / collection of data	Ledger
Method of calculation	Total number Unclaimed Benefits paid within 30 working days as a percentage of all Unclaimed Benefits that were paid during the reporting period {Annual Achievement: Q1+Q2+Q3+Q4 divide by 4}
Method of verification	Review the total number of Unclaimed Benefits paid within 30 working days against the total number of Unclaimed Benefits that were paid during the reporting period
Data limitations	HR capacity constraints. Numerous fraud attempts and inherent limitation of internal controls
Type of indicator	Output
Calculation type	Non-cumulative (NB: Annual achievement is the average of all quarters)
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Increase in the percentage of Unclaimed Benefits that are paid on time

Indicator 3

Indicator title	% actual fraud cases within each reporting period
Short definition	The indicator measures the finalisation of Fraud Investigated Cases
Purpose / importance	Deter fraud and corruption in the organisation
Source / collection of data	Investigation report, fraud case database of cases received and cases finalised
Method of calculation	Total number of fraud cases finalised within each reporting period against total number of open fraud cases *Formula to calculate:* Cases finalised in Q1 divide by/ (Opening Balance Q4 (2018/19) + Cases Received for Investigation in Q1 Cases finalised in Q1 + Cases finalised in Q2 divide by / (Opening Balance Q1 + Cases Received for Investigation in Q1 + Cases received for investigation in Q2
Method of verification	Review of the fraud case database on total number of fraud cases finalised within each reporting period and total open fraud cases, in comparison with the Fraud Investigation report,
Data limitations	Resource capacity to handle high volume of cases that could result in backlogs. Nature and complexity of certain cases Limited access to confidential information, e.g. cases that requires for bank information
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	To ensure that fraud and corruption is minimised

Indicator 4

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

Indicator 5

Indicator title	% increase in clients enrolled on Self-Service
Short definition	The indicator measures the extent to which clients are enrolled on the self-service system are increasing
Purpose / importance	To track the progress made in enrolling clients on the Self-Service system
Source / collection of data	The Self Service user administration reports and the access to the Self Service system will be used to determine the number of users on Self Service and the usage of the system.
Method of calculation	Difference (positive or negative) in the total number of clients enrolled on the Self-Service system during the reporting period from to the previous reporting period
Method of verification	Comparison of the total number of clients enrolled on the Self-Service system at the end of the reporting period, against the total enrolled at the end of the previous reporting period
Data limitations	The availability of the required Self Service reports.
Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	An increase in the number of clients enrolled on the Self-Service system

Indicator 6

Indicator title	Clean Audit Outcome (External audit outcome)
Short definition	The indicator measures the achievement of an unqualified audit by the Auditor-General of South Africa (AGSA)
Purpose / importance	To ensure that the GPAA gets a clean audit opinion from the AGSA audit
Source / collection of data	Management Report by AGSA
Method of calculation	View the final audit opinion by AGSA on the final Management Report
Method of verification	View the final audit opinion by AGSA on the final Management Report
Data limitations	None
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Clean outcome for the GPAA

Indicator 7

Indicator title	% of disabled employees versus total employees employed at GPAA
Short definition	The indicator measures the number of employees with disabilities as a percentage of all GPAA employees
Purpose/importance	To ensure that people with disabilities have equal opportunities to employment and are equitably represented
Source/collection of data	Declaration forms, Employment Equity report and PERSAL system
Method of verification	Number of employees with disabilities as a percentage of the total number of GPAA employees
Data limitations	None disclosure of the disability and also not getting suitable candidates with disability in the recruitment process
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Increased employment of employees with disabilities

Indicator 8

Indicator title	% of female employees versus total employees employed at GPAA
Short definition	The indicator measures the number of female employees as a percentage of all GPAA employees
Purpose/importance	To ensure that suitably female employees have equal opportunities to employment and are equitably represented
Source/collection of data	Employment equity plan and the PERSAL system
Method of calculation	Total number of female employees as a percentage of the total number of GPAA employees
Method of verification	Comparison of the total number of female employees against the total number of GPAA employees
Data limitations	Not getting suitable female candidates in the recruitment process
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Increased employment of female employees

Indicator 9

Indicator title	% of black employees versus total employees employed at GPAA
Short definition	The indicator measures the number of black employees as a percentage of all GPAA employees
Purpose/importance	To ensure that suitably black employees have equal opportunities to employment and are equitably represented
Source/collection of data	Employment equity plan and the PERSAL system
Method of calculation	Total number of black employees as a percentage of the total number of GPAA employees
Method of verification	Comparison of the total number of black employees against the total number of GPAA employees
Data limitations	Not getting suitable black candidates with in the recruitment process
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Increased employment of black employees

Indicator 10

Indicator title	% of accurate invoices paid within 30 working days
Short definition	The indicator measures the turn-around time for payment of invoices
Purpose/importance	To ensure that invoices are paid within the specified timeframe
Source/collection of data	Accounts Payable Module
Method of calculation	Total number of accurate invoices paid within 30 working days as a percentage of all invoices that were paid during the reporting period {Annual Achievement: Q1+Q2+Q3+Q4 divide by 4}
Method of verification	Review the total number of accurate invoices paid within 30 working days against the total number of invoices that were paid during the reporting period
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative (NB: Annual achievement is average of all quarters)
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Accurate invoices paid within 30 working days

Indicator 11

Indicator title	% completion of legacy mainframe replacement project (final modernisation project)
Short definition	CIVPEN Replacement
Purpose / importance	Final Modernisation project
Source / collection of data	Project plan
Method of calculation	Completion of project tasks
Method of verification	Project Scope
Data limitations	Subjective reports
Type of indicator	Cumulative
Calculation type	% Complete
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Completion of Modernisation

Indicator 12

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

Indicator 13

Indicator title	% Reduction of abandoned calls in the call centre
Short definition	The indicator measurers abandoned call rate in the Call Centre
Purpose / importance	To monitor the increase in serviced calls in the Call Centre
Source / collection of data	System generated report (CSI)
Method of calculation	% reduction of abandoned calls per quarter Formula (Reduction target of % per quarter = Previous year's average calls abandoned/4*Q% target). Actual % reduction per Quarter = (1-(abandoned calls per quarter / (abandoned calls Previous Year/4)) *100
Method of verification	CIS system report (calls serviced versus calls abandoned)
Data limitations	System downtime
Type of indicator	Outcome
Calculation type	cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Increased efficiency (call centre)

Indicator 14

Indicator title	% of NT members admitted within 21 days
Short definition	The indicator measures the admission of members within a specified period of time
Purpose / importance	To track the members that were admitted within the specified time frames
Source / collection of data	CIVPEN for manual admission, turnaround times spread-sheets
Method of calculation	Total members admitted within 21 calendar days after receipt of the information at GPAA against all admissions for the period (Calculate difference between date of receipt at GPAA and GPAA response date)
Method of verification	Date of receipt of information/forms compared to processing date of admissions. Turn-around time between received and admitted
Data limitations	Data integrity
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Admit all members within 14 calendar days after receipt of information

Indicator 15

Indicator title	% of GEPF members admitted within 14 days
Short definition	The indicator measures the admission of members within a specified period of time
Purpose / importance	To track the members that were admitted within the specified time frames
Source / collection of data	CIVPEN for manual admission, recon run for electronic admissions,
Method of calculation	Total members admitted within 21 calendar days after receipt of the information at GPAA against all admissions for the period (Calculate difference between date of receipt at GPAA and GPAA response date) {Annual Achievement: Q1+Q2+Q3+Q4 divide by 4}
Method of verification	Date of receipt of Z125 (for manuals) compared to processing date of admissions. Turn-around time between validation of electronic contributor data sets and execution of the FIN recon run for all admissions CIVPEN for manual admissions and recon run for electronic admissions Review a total list of members admitted against total number of those admitted within 21 days
Data limitations	Data integrity
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Admit all members within 14 calendar days after receipt of information

Indicator 16

Indicator title	% of GEPF contributions reconciled by the 22nd of the month
Short definition	The indicator measures reconciliation of contributions receivable
Purpose / importance	To track collection of Fund contribution revenue
Source / collection of data	Signed - off consolidated contribution reconciliation reports for both electronic (Fin Recon reports) and manual contributors reconciled to the General Ledger
Method of calculation	Contributions for % of members for participating employers reconciled by the 22nd of the following month
Method of verification	Review the consolidated contribution reconciliation reports for both electronic (Fin Recon reports) and manual contributors to be reconciled to the General Ledger
Data limitations	None. Subject to reporting only being available upon finalisation of reconciliation (by the latest 22nd of the following month)
Type of indicator	Output (Financial)
Calculation type	Non-cumulative per quarter and per annum.
Reporting cycle	Quarterly
New indicator	No
Desired performance	Track collection of Fund contribution revenue to ensure Fund solvency Minimum target 95% of reconciliations finalised by the 22nd of the following month. Stretch target 99% of reconciliations finalised by the 22nd of the following month.

Indicator 17

Indicator title	% of GEPF Existing Member data confirmed annually with the member and/or the Employer Departments (to cleanse member data)
Short definition	This indicator measures the amount of member data records that have been confirmed on an annual basis
Purpose / importance	To ensure that the information is of the required quality to accurately calculate benefits and pay it to the correct beneficiary within the specified timeframes
Source / collection of data	CIVPEN, Transversal systems
Method of calculation	Total number of member data records confirmed against total number of existing members
Method of verification	Comparison of unconfirmed (total list of existing member data records) versus confirmed member data records on CIVPEN, as well as the comparison of member data records with Employer records
Data limitations	Availability of TBVC member data in electronic format and inadequate member information
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Increase in the percentage of confirmed member data records

Indicator 18

Indicator title	% of NT pensioner records maintained
Short definition	The indicator measures the maintenance of Pensioner records for NT members, beneficiaries and pensioners
Purpose / importance	To ensure that pensioner records are accurate and maintained as and when pensioner request changes (e.g. marital status, dependants etc.)
Source / collection of data	CIVPEN updated with records received from pensioner and maintained as such
Method of calculation	Total members of NT pensioner records maintained against total number of all pensioner records
Method of verification	Review of total member of NT pensioner records maintained on the system and on evidence submitted
Data limitations	Data integrity
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes (new on the APP)
Desired performance	Improved maintenance of all NT pensioner records

Indicator 19

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

Indicator 20

Indicator title	% of NT membership certificates issued within 30 days of admission
Short definition	The indicator measures the issuing of membership certificates
Purpose / importance	To track whether NT membership certificates are issued on time (within 30 days) after admission
Source / collection of data	Letters from member's file or Spread-sheet of newly admitted members
Method of calculation	Total number of members issued with membership certificates within 30 days after admission against total number of members admitted
Method of verification	Assess the turn-around time taken to issue membership certificates or letters, variables to be taken into consideration is date when a member was admitted and the date when the membership certificate was issued.
Data limitations	System downtime and availability
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes (new on the APP)
Desired performance	Increase in the number of membership certificates issued

Indicator 21

Indicator title	% of NT (Special Pensions) death benefits paid within 60 days after duly completed documents were received
Short definition	The indicator measures Death Benefits paid within the legislated timeframes (within 60 days)
Purpose / importance	To track whether Death Benefits are paid within the specified timeframes during the reporting period
Source / collection of data	CIVPEN, MIS, turn-around times spread-sheets
Method of calculation	Total deaths benefits paid within 60 days of receipt of correctly completed documents as a percentage of claims paid during reporting period
Method of verification	Assess the turnaround time taken to process received death cases, variables to be taken into consideration is date when death case is received and date when death case is paid.
Data limitations	System downtime and availability
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes (new on the APP)
Desired performance	Increase in the percentage of death benefits that were paid on time

Indicator 22

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

Indicator 23

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

Indicator 24

Indicator title	% Reduction of un-serviced clients in the walk in centre
Short definition	The indicator measures un-serviced client rate in the walk in centre
Purpose / importance	To monitor the increase in serviced tickets in the call centre
Source / collection of data	System generated report (QMSI)
Method of calculation	% reduction of un-serviced tickets per quarter (issued tickets versus serviced tickets = un-serviced clients) % reduction of un-serviced tickets per quarter Formula (Reduction target % per quarter = Previous year's average un-serviced tickets / 4* Q% target). Actual % reduction per Quarter = (1-(un-serviced tickets per quarter / (Previous Year/4)) *100)
Method of verification	QMS system report (tickets issued versus tickets serviced)
Data limitations	System downtime
Type of indicator	Outcome
Calculation type	Quarter on quarter reduction
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Increased efficiency (walk in centre)

13. Addendum to the 2017/2018 – 2020/2021 Strategic Plan

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

1. PART A: STRATEGIC OVERVIEW

Changes from Part A: Strategic Overview are as follows:

1.1 Vision

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

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

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

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

1.2 Mission

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

To serve clients by paying benefits accurately and timeously.

1.2.2 The revised Mission statement stated in the 2018/2019 APP:
To provide administration services to the Government Employees Pension Fund (GEPF) and National Treasury Programme 7 funds and schemes.

1.3 Values

1.3.1 The five values listed in the 2017/2018 – 2020/2021 Strategic Plan are retained with one additional value passion contextualised as:
Passion: We serve our clients with passion and understanding.

1.4 Strategic outcome oriented goals and objectives

1.4.1 Strategic Goals and Objectives depicted in the 2017/2018 – 2020/2021 Strategic Plan:

1.4.2 The following table provides a summary of the revised strategic goals and objectives reflected in the 2018/2019 APP:

Programme	Strategic Goals	Strategic Objectives
Programme 1: Support Services	1) Optimal core services	1.1 To provide support to core business to deliver quality service to the GPAA customers and clients
Programme 2: Benefits Administration	2) Satisfied Clients	2.1 To ensure that member and beneficiary data is accurate and usable
		2.2 To register new members or employers in a compliant manner
		2.3 To process contributions in a compliant manner
		2.4 To ensure that contributions are valid, accurate and complete
	3) Less than 30 day turnaround time for the payment of benefits	3.1 To process benefits in a compliant manner to the satisfaction of clients
	4) Well preserved pension funds	4.1 To influence client and stakeholder behaviour
Programme 1: Support Services and Programme 2: Benefits Administration.	5. Realigned organisation	5.1 To review the organisational form and structure to ensure an optimal delivery mandate
		5.2 To enhance organisational efficiency and effectiveness through process re-engineering and automation

Table 1: Strategic Oriented Goals and 2 – Strategic Outcome Orientated Goals and Objectives

2. Updated Situational Analysis

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

2.5 Key organisational challenges and interventions

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

2.6 APA and SWOT Analysis

During the May 2018 Lekgotla, the GPAA EXCO identified what they aim to achieve, preserve and avoid (APA), and also conducted an analysis of the organisation' strengths, weaknesses, opportunities and threats (SWOT). The APA and SWOT analysis will result in improved service delivery and ultimately the attainment of Goal 4. Well preserved pension Fund. Details are represented in ***Table 7: APA and Table 8: The GPAA's SWOT analysis***

APA

Achieve	Preserve	Avoid
Increased customer and client satisfaction	Skills and knowledge of employees	All talk, no action
Digitisation and digitalisation	Strong governance	Job insecurity
Professional and performance culture	Institutional knowledge	Silo approach
Improved data quality and integrity	Fund size ,value and growth	Unhealthy conflict
Streamlined processes		Indecisiveness and complacency
Efficiency and effectiveness		"Malicious" compliance
Prioritisation of projects		Fraud and corruption
Improved stakeholder management		
Effective change management		
Reduced backlog		

Table 7: APA

SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
Capable and competent employees	Organisational structure and form	Re-engineered processes (Internal and External)	Private fund administration
Strong governance	Silo approaches and disintegrated processes	Realign institutional form	Business continuity
Supportive customers (NT & GEPF)	Quality of data	Position GPAA as Public-Sector administrator of choice	Data breaches
Institutional knowledge	Modernisation delayed / slow	Digitisation and digitalisation	Legislative uncertainty
Fund size value and advantage	Performance and consequence management	Retailisation, AVCs and partnerships with the Private-Sector	Fraud and corruption

Table 8: The GPAA's SWOT analysis

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

7.1 PROGRAMME 1- SUPPORT SERVICES 2018/2019 SCORECARD

All the Performance Indicators for Programme 1 - Support Services have been aligned to the GPAA's new strategic goals and objectives.The additional/revised perfomance indicators for Programme 1 are as follows:

- Performance indicator number 6 has been changed, now the annual target is a 40% increase in clients enrolled on Self-Service. Now measuring phase two of the project.
- % reduction in Unclaimed Benefits accounts amount
- % unclaimed benefits paid within 30 working after receipt of duly completed documents
- % actual fraud cases finalised in 60 days
- % of cases processed through the BPA system
- Clean audit
- % of disabled employees
- % of female employees as a total employees
- % of black employees as a total employees
- % of accurate invoices paid within 30 working days
- % completion of legacy mainframe replacement project (final modernisation project)

8.1 PROGRAMME 2 – BENEFITS ADMINISTRATION 2018/2019 SCORECARD

All the Performance Indicators for Programme 2 – Benefits Administration have been aligned to the GPAA's new goals and objectives and have remained the same. The following performance indicators have been removed:

- Number of dedicated Fund (NT & GEPF) Relationship Officers appointed, and
- % of GEPF annual benefit statements issued within a set period after the yearly salary increases approved by the Fund subject to approval in Q4 of the previous year.
- % Post voice call resolution
- The following performance indicators have been added:
- % Reduction of unservised clients at the Walk-in Centre
- % Reduction of unservised clients at the Call Centre

PART C: STRATEGIC RISK MANAGEMENT

9. STRATEGIC RISK MANAGEMENT

The profile of the GPAA's key strategic risks was developed through formalised risk assessment workshops with the GPAA's Executive Committee (EXCO). Each business unit's management team deliberated on their Strategic Risks

No.	Strategic Risks as stated in the 2017/2018 - 2020/2021 Strategic Plan	Retained/updated Strategic Risks as stated in the 2018/2019 Annual Performance Plan	Mitigation strategies
1	Inability of the Modernisation Programme to achieve the intended objectives.	1.Inefficient Management of Human Capital	1. Fill positions with required skills within the prescribed period 2. Grow internal capacity(develop;-coaching;mentoring) 3. Talent and succession policy development and approval
2	Failure to identify and respond effectively to public relations / media crisis or negative press.	2. Inability to detect or prevent fraud, maladministration, theft and corruption in a timely manner	1. Finalise the sourcing and implementation of the Fraud Hotline 2. Implementation and monitoring of the Forensic methodology, Fraud Prevention Strategy and the Fraud Response Plan 3. Verify all exception reports from ACL and Conduct investigations
3	Project risk implementation (Ability to implement projects successfully)	3.Inability to deliver on ICT Objectives	1. Compliance with Government ICT regulations (GWEA) and TOGAF. 2. Project Steering Committee and Architecture Review Forum set up with approved terms of reference providing clear roles and responsibilities for the business and ICT
4	Inaccurate, incorrect and untimely payment of benefits	4. Inability to deliver on GPAA Services	1. CIVPEN Replacement and system integration 2. Implement capability model (People, Technology, processes)
5	Failure to detect or prevent fraud, maladministration, theft and corruption in a timely manner	5. Non compliance to legislation and applicable rules	1. Alignment of the demand plan to the Business Plans (Realistic timelines, demands) 2. Cascading process from strategy to APP to Business Plans 3. Fully implement Compliance Universe and Plan. 4. Implement disciplinary process on non compliance (consequence management) 5. Monitoring and integrated reporting on compliance 6. Training and awareness on GEP Law 7. Training and compliance awareness 8. Update guidelines and Procedures
6	Loss of critical skills and inadequate development and retention of staff	6. Inefficient Data Management	1. Active data management with available ICT tools and reporting by data owners

No.	Strategic Risks as stated in the 2017/2018 - 2020/2021 Strategic Plan	Retained/updated Strategic Risks as stated in the 2018/2019 Annual Performance Plan	Mitigation strategies
7	Inaccurate, invalid and incomplete client information from Employer Departments	7. Cyber-Attacks	1. Risk assessment for Information Security to identify vulnerabilities and remedial actions required to mitigate. 2. Successful implementation of IS Framework based on annual targets in framework. 3. Utilisation of SIEM in ICT operations.
8	Non-compliance by the GPAA to legal and regulatory requirements (PFMA/ OHS / POPI / Information Management)	8. Business Resilience	1. BC Strategy to deliver on core services within specified RTO and RPO 2. Business Impact Analysis with RPO and RTO 3. Compliance checks on Scenario tests 4. Monthly BC Committee meetings, Emergency meetings 5. Sydicated recovery site at CSA through SITA
9	Inadequate Financial Management		
10	Disruptive incidents due to internal and external factors (i.e. power outages, natural disasters)		

Table 11 – Strategic Risk Management as depicted in the Strategic Plan

Internal Audit will play a pivotal role in the combined assurance framework by providing independent assurance over governance, risk management and systems of internal control, as well as over the combined assurance framework. Contributors in this role predominantly include Internal Audit, Risk Management, Quality Assurance, the external auditor and management. This is based on the best practices adopted by the *King IV Report and Code on Good Corporate Governance* (King IV).

9.1 The above table is a representation of the GPAA's strategic risks depicted in the 2017/2018 - 2020/2021 Strategic plan and the updated ones.

GLOSSARY OF TERMS AND ABBREVIATIONS

Term	Definition
Accountable	Being held liable for actions, decisions and answerable to the Executive Authority
AIPF	The Associated Institutions Pension Fund, as per the AIPF Act 41 of 1963, administered by the GPAA on behalf of National Treasury.
BoT	The Government Employees Pension Fund's Board of Trustees. (GEPF is governed by a Board of Trustees in terms of the GEP Law).
Client	A customer of a professional service provider, or the principal of an agent or contractor.
Core Services	Benefits Administration is the core service of the GPAA according to its mandate and includes Sub-programmes 2.1 National Treasury Schemes and funds. 2.2 GEPF Employee Benefits and 2.3 Client Relations Management
Customer	An entity that receives or consumes products (goods or services) and has the ability to choose between different products and suppliers or an entity directly served by an organisation.
Employers	Any government entity employing persons into government services.
External audit	Periodic or specific purpose (ad hoc) audit conducted by external (independent) qualified accountant(s). Its objective is to determine, among other things, whether: (1) the accounting records are accurate and complete, (2) prepared in accordance with the provisions of Generally Accepted Accounting Principles (GAAP), and (3) the statements prepared from the accounts present fairly the organisation's financial position and the results of its financial operations.
GEP LAW	Government Employees Pension Law of 1996, as amended.
GEPF	The Government Employees Pension Fund. A pension fund governed by the Government Employees Pension (GEP) Law of 1996, as amended, administered by the GPAA on behalf of GEPF's Board of Trustees.
Government	The government of the Republic of South Africa
Government component	A government component is a form of government entity, deemed to be a department according to PSA Section 3A, which is established through a Proclamation by the President on recommendation by the Minister of Public Service and Administration.
GPAA	Government Pensions Administration Agency
Human capital	Human capital refers to the collective value of the organisation's intellectual capital (competencies, knowledge, and skills).
ICT	Information and Communication Technology
Internal audit	A frequent or on-going audit conducted by an organisation's own (as opposed to independent) accountants to: (1) monitor operating results, (2) verify financial records, (3) evaluate internal controls, (4) assist with increasing efficiency and effectiveness of operations and, (5) to detect fraud. Internal audit can identify control problems and aims at correcting lapses before they are discovered during an external audit. Although the internal auditors are the organisation's employees, they normally do not audit themselves or their own departments, but usually entrust this function to independent/external auditors.
NPC	National Planning Commission of South Africa is a government agency responsible for strategic planning for South Africa.
Outcome(s)	Short- and medium-term effects of an intervention's output.
Output(s)	Products, capital goods and services which result from an intervention.
Performance Area(s) (PAs)	Areas that, if the business focuses on and does well, will determine its competitive edge/differentiation or competitive advantage.
Performance Indicator(s) (PIs) (indices)	Performance indicators (PIs) are quantifiable measurements agreed on beforehand that reflect the critical success factors of an organisation.
PFMA	Public Finance Management Act (No.1 of 1999 as amended by Act 29 of 1999)
PSA	Public Service Act of 1994
SLA	Service Level Agreement
Stakeholder	A person, group or organisation that has a direct or indirect stake in an organisation because it can affect or be affected by the organisation's actions, objectives and/or policies. Key stakeholders in an organisation include creditors, clients, directors, employees, government (and its agencies), owners (shareholders), suppliers, unions and the community from which the business draws its resources.
TEPF	The Temporary Employees Pension Fund, as per the TEPF Act 75 of 1979, administered by GPAA on behalf of National Treasury.

Table 1 3– Glossary of terms and abbreviations

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