

Court wants details on mooted grant payment methods

The Constitutional Court wants Social Development Minister Bathabile Dlamini and the South African Social Security Agency (SASSA) to give reasons - if any - the alternative grant payment systems described in the Auditor General's report are not feasible.



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“The Minister of Social Development and the South African Social Security Agency (SASSA) are directed to include in their quarterly report, due on 18 December 2017, the reasons, if any, the alternatives described in Chapter 4 of the Second Quarterly Report by the Auditor General and the Panel of Experts, dated 16 November 2017, are not feasible,” said the Constitutional Court on Wednesday.

The Ministry and SASSA are due to submit a report to the court on 18 December 2017. The court’s directives issued on Wednesday are in anticipation of this report.

If the alternative grant payments are feasible, the Minister and SASSA were ordered to report by 15 January 2018 how:

- they intend to set up a system of direct payments into beneficiary bank accounts from SASSA’s own corporate bank accounts, enabling beneficiaries to access grants through the National Payment System, which can be tested and made ready to effect payments by 1 April 2018, and
- with respect to the payment of social grant beneficiaries who do not live within five kilometres of an ATM or point of sale device or facility, SASSA and other relevant role players will evaluate and implement other methods making use of new technologies or facilities to facilitate the payments.

The Constitutional Court also ordered the Panel of Experts to urgently arrange a short series of meetings under the guidance of the South African Reserve Bank, National Treasury and other stakeholders to consider the Minister and SASSA’s reports.

Following the meetings prescribed by the court, the panel must file a report in the Constitutional Court on the progress and outcomes of the meeting by Monday, 29 January 2018.

Probe into SASSA and department employees

The report must contain recommendations on whether an investigation by Treasury into the conduct of SASSA employees and officials of the Social Development Department is necessary.

The investigation into these employees will span back to 2016 and determine whether there was any malpractice or obstruction to the issuing of contracts to service providers.

In addition to determining whether there has been foul play, the investigation must determine whether any person involved in this regard must be prosecuted in terms of section 81, 83, or 86 of the Public Finance Management Act 1 of 1991.

The Department of Performance Monitoring and Evaluation (DPME) has been tasked with ensuring that SASSA's governance is stabilised through the appointment of technically and administratively skilled management as well as a board of qualified experts.

The court's orders come on the back of an agreement signed between SASSA and the South African Post Office (SAPO) that paves the way for a collaborative agreement towards the payment of social grants.

The agreement was announced by Minister in the Presidency Jeff Radebe on Tuesday, 21 November 2017, in his capacity as the chair of the Inter-Ministerial Committee (IMC) on Comprehensive Social Security.

Background to the case

In March this year, the Constitutional Court extended SASSA's contract with Cash Paymaster Services (CPS) for a year in order to fulfil the constitutional obligation of paying social grants to beneficiaries.

CPS is responsible for the distribution of social grants to more than 17 million beneficiaries. Its contract, which was declared invalid by the Constitutional Court in 2014, would have come to an end on 31 March 2017.

The court, however, suspended the invalidity so grants could continue to be paid while SASSA made another plan for 1 April 2018.