

**COMMITTEE REPORT OF THE PORTFOLIO COMMITTEE ON HEALTH AND SOCIAL DEVELOPMENT IN RELATION TO THE 4<sup>th</sup> QUARTER PERFORMANCE REPORT FOR 2015/16 FINANCIAL YEAR - DEPARTMENT OF HEALTH – MEETING HELD ON 30 AUGUST 2016 IN COMMITTEE ROOM 07**

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**1. INTRODUCTION**

As stated in Rule 218 sub-rule (1) (2) and (3) of the Rules and Orders of the Mpumalanga Provincial Legislature, the Member of the Executive Council responsible for a provincial Department must table quarterly reports of the Department to the Speaker, within 30 calendar days after the end of a quarter.

The Committee considered the 4<sup>th</sup> quarterly report of the Department of Health (the Department) for the 2015/16 financial year, reporting period January – March 2016. Interaction with the Department was aimed at assessing the Department's performance for the quarter, in relation to its 2015/16 Annual Performance Plan (APP).

**2. METHOD OF WORK**

The Speaker referred the Department's fourth (4<sup>th</sup>) quarterly report to the Portfolio Committee on Health and Social Development for consideration and report back to the Legislature, as contemplated in rule 218 (4) of the Rules and Orders of Mpumalanga Provincial Legislature (the Rules).

On 30 August 2016, the Committee met with the Department to deliberate and scrutinize in detail the aforementioned document. The Committee then met on 07 September 2016, to consider the draft Committee report.

**3. GENERAL OBSERVATIONS**

The Committee observed that:

- The Department under achieved on its planned targets in all of its eight programmes;
- The Department over spent on all of its eight programmes;

- At the end of the 4th Quarter, the Department achieved only **64** of the total of **131** targets; this represents **48.85%** achievement of the total targets, however overspent by **7.45%** translating into **R189 409 000**. Compensation of Employees recorded an over- expenditure of **4.77%** amid the rate of vacancies at the Department at over **7%**. Goods and services have overspent by **24.27%** translating into **R175 462 00**.

#### 4. DELIBERATIONS ON THE 4<sup>th</sup> QUARTERLY REPORT

The HOD was requested to brief the Committee on the progress made on the implementation of the APP's strategic objectives of the 4<sup>th</sup> quarter. Thereafter the Committee interacted with the Department.

#### Programme analysis

##### Summary of Programme Performance

PROGRAMME	PLANNED TARGETS	TARGETS ACHIEVED	% TARGETS ACHIEVED	% Q4 EXPENDITURE
Administration	11	2	18.8%	51.87%
District Health Services	69	37	53.62%	29.44%
Emergency Medical Services	6	3	50%	29.77%
Provincial Hospital Services	20	8	40%	35.54%
Central Hospital Services	13	7	53.8%	27.95%
Health Science and training	4	3	75%	28.55%
Health Care Support	3	0	0%	41.66%
Health Facility Management	5	4	80%	54.56%

## **PROGRAMME 1: ADMINISTRATION**

The Committee noted that this programme provides the overall management of the Department, strategic planning, legislative, communication services and centralised administrative support through the MEC and administration.

This programme is budgeted **R 297 951 000**, which is **2.93%** of the total budget of the Department. In the fourth quarter the Department recorded an expenditure of **R 94 507 000** which translate into a **26.87%**, over-spending by **1.86%**. This is against the background that in the third quarter the Department spent **21.46%** of its budget which was quarter under spending of **3.54%**.

This programme had **eleven (11)** planned targets; only **two (2)** have been achieved. This represent meagre **18.18%** achievement rate of planned targets, this is against the **66%** achievement of targets planned for the third quarter.

### **Poor Performance**

Noting that the Department failed to achieve all its planned targets, the Committee asked if the Department considered the impact of this programme's failure to meet its target and the leadership implications. The Department reported to have considered the impact of this programme's failure to meet its target and the leadership implications. The leadership implications is the non-delivery of services and the impact of the failure is the delays in ensuring that hospitals are connected and human resources not allocated equitable in hospitals. The Department further reported that the remedial actions are in place in terms of ensuring that the challenges are addressed - fast track the appointment of managers in key positions and collaboration with the National Department of Health on issues of broadband access.

### **Over Expenditure**

The Committee asked why the Department recorded an over expenditure of 26.87% (1.87% over the quarterly spending norm), enquiring if this means that the internal control systems of the Department are ineffective. And further asked what the Accounting Officer was doing to address the fiscal ill-discipline. The Department reported that the overspending in the 4<sup>th</sup> quarter is due to the payment of Microsoft Licence paid to SITA which is a once of payment and It became due in the last quarter of the financial year. Furthermore the Department has

reportedly appointed a Budget and Finance Committee which plays an oversight role over all financial matters of the Department. Meetings are held monthly by the committee to discuss budget and expenditure.

### **Full complement of Executive Management Teams in Hospitals**

The Committee enquired if the Department has identified the reasons that resulted in only seven (7) of the thirty three (33) hospitals having a full complement of Executive Management Team and the remedial action put in place to correct this challenge. The Department reported that out of the 33 hospitals 28 qualify to have permanent Chief Executive Officers and out of the 28 hospitals, 25 have appointed CEO and the 03 have acting CEO; namely: Shongwe; Ermelo; and Embhuleni Hospitals. The other five (5) hospitals are complex and do not require Chief Executive Officers, that is: Bernice Samuel; Elsie Ballot; H A Grove; Waterval Boven and Sesifuba Hospitals. The Department further reported that only 10 of the 28 hospitals have full complement and that the reasons for not having a full complement are as a result of resignations, promotions and transfers.

### **Information Officers in Sub-Districts**

As per the commitment by the Department, the Committee asked that upon clearing all accruals, did the Department ensure the appointment of Information Officers in all sub districts, enquiring on the budget set aside for the appointment of information officers and the number of Information Officers planned to be appointed. And further asked how many Information Officers are appointed, still to be appointed and by when. The Department has reportedly planned to appoint 18 Information Officers in the 2016/17 financial year. The target date for appointment is by the end of 2<sup>nd</sup> quarter 2016/17. The Department reported that the total amount of R3 300 486 has been set aside for the appointment of 18 Information Officers.

### **Rural Allowance**

Recalling that the Department reported that the issue of rural allowance was in the process of being reviewed nationally and was to form part of the agenda during the National Human Resource Committee meeting planned to take place from 17 to 18 March 2016; the Committee asked if the Department has made the proposal to the MEC for the Gert District

to be awarded Rural Allowances, further enquired on the associated cost and the affordability. The Department reported that the Accounting Officer did not make a proposal to the MEC for Gert Sibande District to be awarded Rural Allowances, further stating that the reason for not making the proposal is the fact that the National Department of Health advised the Province that the classification of Districts and Hospitals is not the Provincial competency. The Department also reported that this matter is being handled by the National Department of Health and progress report will be communicated to the Province during the month of July 2016.

### **Records Management Policy and the Record Management Policy Manual**

The Committee wanted to know if the Department has evaluated the implementation of the Records Management Policy and the Record Management Policy Manual, and the effect thereof. The Department has reportedly not evaluated the implementation of the Records Management Policy and the Record Management Policy Manual due to the fact that the File Plan is not approved as yet by the Department of Culture, Sports and Recreation.

### **Community Radio Slots**

The Committee enquired if the Department evaluated the benefit for the purchase of radio slots and whether the Department will expand the purchase of radio slots to community radio stations as per the suggestions of the Committee in the third quarter. The Department reported to have not evaluated the benefit of the radio slots in the previous financial year. However, in the 2016/17 financial year, the priority is the procurement of radio slots on all eleven (11) Community Radio Stations in the Province. The Department further reported that the plan is to procure one hour slots on each community radio station per month. This will allow programme managers to interact with the public through a phone-in programme. The public will express their views and concerns on the topic that will be discussed. The Department also reported that the impact of the programme will be evaluated based on the usage of Departmental services.

### **Governance Structures in Health facilities**

The Committee enquired on the measures put in place to ensure that all clinics have Clinic Committees, hospitals have Hospital Boards and districts have District Councils, and

requested for a detailed report on the status of governance structures in the health facilities in the province and their effect thereof and also the implications where such structures do not exist. The Department has reportedly ensured that all clinics have Clinic Committees and all hospitals have Hospital Boards. The term of office for some of the Clinic Committees and Hospital Boards expired in February and March 2016. The Department is also reportedly in the process of appointing new Clinic Committees and Hospital Boards. Clinic Committees and Hospital Boards with expired term of office have been requested to continue as a temporary measure. The Department reported that currently there are 233 out of 284 clinics that have functional Clinic Committees and 27 out of 33 hospitals with functional Hospital Boards.

The Department further reported that the effectiveness of governance is evident through the manner in which the Department is engaged regarding challenges in the communities. The structures have a direct reporting line to the Political Head. The process of establishment of District Health Councils has reportedly commenced but not yet finalised.

## **PROGRAMME 2: DISTRICT HEALTH SERVICES**

The purpose of programme 2 is to render comprehensive primary health care services to the community using the district health system model.

This programme is budgeted **R 6 166 124 000**, which is **60.67%** of the total budget of the Department. This is the biggest programme of the Department. In the fourth quarter, the Department budgeted **R 1 541 530 000** and recorded an expenditure of **R 1 610 090 000** translating in a **4.4%** overspending for this quarter. Noting that in the third quarter, the programme performance resulted in **26.77%** expenditure which indicates an overspending of **1.77%**. This is against the background that in the second quarter, this programme recorded a **26.08%** expenditure which was also a **1.08%** overspending. However, this overspending is offset by the under spending in the first quarter.

This programme, for the fourth quarter had sixty seven targets (**67**) planned targets but achieved thirty seven (**37**) targets. This represents a **53.62%** achievement of planned targets. This is an improvement from the **48%** achievement of targets in the third quarter.

### **Poor Performance**

Noting the 53.62% achievement on planned targets in the quarter, the Committee enquired on the impact of the poor performance and the remedial actions taken to mitigate the impact. The Department reportedly assessed the impact of not meeting the targets for Programme 2, and most of the unmet indicators contributed to inadequate access to quality healthcare services in the Province and the plans to mitigate the impact are in place.

### **Health Care Personnel at Clinics**

The Committee asked if the Department has assessed the need for different health care personnel at clinics, enquiring on the results of the assessment and which new health care personnel will be placed in which clinics. The Department reported to have assessed the need for different health care personnel at clinics using WISN. However, results of the assessment are not yet available because National Department of Health is still busy with PERSAL clean-up.

### **PROGRAMME 3: EMERGENCY MEDICAL SERVICES (EMS)**

This programme provides pre-hospital medical services, inter-hospital transfers, Rescue and Planned Patient Transport to all inhabitants of Mpumalanga within the national norms of 15 minutes in urban areas and 40 minutes in rural areas.

This programme is budgeted R 312 667 000 which is 3.08% of the total budget. The programme, in the fourth quarter this programme was allocated R 78 170 000 and recorded an expenditure of R 81 901 000 representing an overspending of 4.77%. Compared to the third quarter this programme recorded an expenditure of 30.65% which represents a quarter overspending of 5.65%. In the second quarter, this programme spent 22.42% of its budget.

In the fourth quarter this programme planned a total of six (06) targets and achieved only three (03) which represents 50% target achievement. This is an improvement considering that in the first three quarters this programme did not achieve any of its targets.

### **Poor Performance**

Concerned that the Department has continuously failed to achieve on all of its planned targets throughout the financial year (2015/16) the Committee asked what measures were put to ensure improvement in the performance of this programme in the next financial period (2016/17). The Department reported that the following measures are taken:

- The Department has set aside a budget of R16, 5 million for the filling of vacant posts as part of the priority list. The Department envisages filling 96 positions at different qualification categories. This will assist in increasing capacity within the service with an aim of closing the gaps in the non-achievement of targets. The recruitment and selection process is set to be completed by end of 2nd Quarter 2016/17.
- The take-over of the PPTS function should alleviate some pressure from EMS which will result in shared servicing of calls.
- The Department has set aside R8, 4 million for the procurement of equipment from the RT4-2015ME National Treasury tender.

### **PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES**

The Committee noted that this programme renders level 1 and 2 health services in regional hospitals to render TB specialized and Psychiatric hospital services.

This programme is allocated **R 1 185 736 000** which represents **11.67%** of the total budget of the Department. In the fourth quarter, this programme was allocated **R 296 434 000** and recorded an expenditure of **R 327 682 000** representing a **10.54%** overspending in the fourth quarter. However, compared to the previous quarter it is noted that in the third quarter this programme recorded an expenditure of **23.71%** instead of **25%** which represented a quarter under-spending of **1.29%**.

In the fourth quarter, this programme planned a total of **20** targets but achieved only **08** representing a **40%** achievement of total targets for this quarter. This is regression considering that in the third quarter; this programme had **eleven (11)** planned targets but only achieved **seven (7)** which represented a **63.64%** of achieved targets and in the second quarter the Department achieved only **70%** of its planned targets in this programme.



### **Poor Performance**

The Committee also asked what measures were put in place to ensure improvement in the performance of this programme in the next financial period (2016/17). The Department reported that in order to improve access to secondary services in the Regional Hospitals, the Department has planned to allocate a total of twelve (12) Cuban Specialists in the three (3) Regional Hospitals during the 1st Quarter of 2016/17 financial year and in the following clinical specialists' domain: Obstetrics & Gynaecology, Anaesthesia, Orthopaedics, Internal Medicine, Radiology, Paediatrics and General Surgery. To improve compliance with National Core Standards, the Department reported that the hospitals have developed Quality Improvement Plans (QIPs) after self-assessments and progress is monitored on a monthly basis.

### **PROGRAMME 5: CENTRAL AND TERTIARY HOSPITAL SERVICES**

The purpose of this programme is to render secondary and tertiary health care services and to provide a platform for training of health care workers including research.

This programme is budgeted **R 1 050 937 000** which represents **10.3%** of the total budget of the Department. In the fourth quarter, this programme had a budget of **R 296 434 000** and recorded an expenditure of **R 327 682 000** representing an over-expenditure of **10.54%**. This is contrary to the performance in the third quarter where the Department spent **22.54%** of its budget which represented an under expenditure of **2.46%**.

This programme in the fourth quarter had planned **13** targets but achieved **07** representing **53.8%** of achieved targets. This is a regression considering that in this programme – for the third quarter, the Department had ten (**10**) planned targets and achieved seven (**7**) resulting in **70%** achievement. In the second quarter, this programme achieved only **50%** of the planned targets.

### **Poor Performance**

The Committee also asked what measures were put in place to ensure improvement in the performance of this programme in the next financial period (2016/17). The Department outlined the following measures in response:

- In order to reduce the high Average Length of Stay in tertiary hospitals, which is due to orthopaedic patients' backlog, the Department has planned to appoint two (2) Cuban Orthopaedic Specialists during the 1st quarter of 2016/17 financial year which is a short term intervention. Additional 8 (eight) Cuban Specialists will be allocated during the 1st Quarter of 2016/17 to improve access to Tertiary (T1) services in the 2 Tertiary Hospitals in the following clinical specialists domain: Neonatology, Paediatrics, General Surgery, Internal Medicine, Anaesthesia and Obstetrics & Gynaecology. In total ten (10) Cuban specialists will be allocated.
- The Department is offering bursaries through the Registrar Training Programme which encourages doctors already working for the Department to train as specialists.
- To improve the Percentage of Hospitals Compliant with all Extreme and Vital Measures of the National Core Standards, the hospitals have developed QIPs after self-assessments and progress is monitored on a monthly basis.

#### **PROGRAMME 6: HEALTH SCIENCE TRAINING**

The Committee noted that the purpose of this programme is to ensure the provision of skills development programmes in support of the attainment of the identified strategic objectives of the Department.

This programme is budgeted **R 349 718 000** which is **3.44%** of the total budget of the Department. In the fourth quarter, the total budget of this programme was **R 87 430 000** with an expenditure of **R 90 495 000** representing a **3.5%** overspending. This when compared to the third quarter shows that in the third quarter, this programme recorded an expenditure of **35.07%** which represent an over-spending of **10.07%**. In the second quarter, this programme spent **26.48%** of its budget. This shows that this programme has been improving in fiscal discipline.

As also reported in the third quarter, this programme is comprised of only annual targets. The programme targeted to award 10 first year bursaries for medicine students, however, at the end of the third quarter a total of **89** bursaries were issues, making this target to overachieve by **70** bursaries awarded.

### **Nursing Colleges**

The Committee asked if the Department has put any plans in place to increase the number of accredited nursing colleges in the province. The Department reported to have put plans in place to increase the number of accredited nursing colleges: The accreditation of Rob Ferreira Hospital as a satellite Nursing College Campus for 2016/17 is on track and procurement of relevant equipment is underway.

### **PROGRAMME 7: HEALTH CARE SUPPORT SERVICES**

The purpose of this programme is to improve the quality and access of healthcare services through:

- The availability of pharmaceuticals and other ancillaries;
- Rendering of credible forensic health care which contributes meaningfully to the criminal justice system;
- The availability and use of the appropriate health technologies;
- Improvement of quality of life by providing needed assistive devices;
- Coordination and stakeholder management involved in specialized care;
- Rendering in-house services within the health care value chain.

This programme is budgeted **R 129 037 000** which is **1.3%** of the total budget of the Department. In the fourth quarter the budget of this programme was **R 32 260 000** with an expenditure of **R 37 635 000** which represent a **16.66%** overspending. In comparison with the third and previous quarters it is noted that in the third quarter this programme recorded an expenditure of **26.65%** which results in a **1.65%** quarter overspending. This is an improvement in expenditure considering that in the second quarter this programme spent **22.99%** of its budget which was a quarter under spending of **2.01%**. At the end of the third quarter, this programme recorded an expenditure of **66.15%** instead of **75%** representing an under spending of a whopping **8.85%**.

In this programme there were three **(03)** planned targets for the quarter and none **(0)** was achieved. This is the same as in the third and second quarter where the Department had two targets but achieved none.

### **Poor Performance**

The Committee asked if the Department considered the impact of this programme's failure to meet its planned target and the mitigating actions taken thereof. The Department reported to have assessed the impact of not meeting the targets for programme 7, and the unmet indicators contributed to inadequate access to quality healthcare services in the province and the plans to mitigate the impact are in place. The Department further reported to have appointed the Deputy Director Imaging and Radiological Services with effect from 1 June 2016, who will ensure that facilities that were not audited in the 4th Quarter will be prioritized and are compliant to Radiation Control prescripts. The Department has reportedly started the process of installing Stock Management Systems to improve on medicine availability.

### **PROGRAMME 8: HEALTH FACILITIES MANAGEMENT**

The Committee noted that the purpose of this programme is to build, upgrade, renovate, rehabilitate and maintain health facilities.

This programme is budgeted R 671 722 000 which is 6.6% of the total budget of the Department. In the fourth quarter, this programme was budgeted R 167 930 000 and recorded an expenditure of R 217 576 000 representing an overspending of 29.56%. In the third quarter this programme recorded an expenditure of 24.22% of the total budget instead of 25% which results in a quarter under spending of 0.78%. This is an improvement in expenditure because in the second quarter, this programme recorded an expenditure of 22.24% which was a 2.76% under spending.

The targets of this programme are all annual targets.

### **Ehlanzeni Maintenance Budget**

Noting that district maintenance spending at Ehlanzeni is below 90% at 78%, the Committee asked measures are put in place to ensure that Ehlanzeni District spends its maintenance Budget accordingly. The Department has reportedly appointed a dedicated Director for Engineering and Technical Services (Maintenance) who is responsible for maintenance and ensuring that maintenance is done as per the plan. It is aimed at ensuring that the cash flow and expenditure are closely monitored.

## 5. COMMITTEE FINDINGS FROM THE INTERACTION WITH THE DEPARTMENT

After the interaction with the Department, the Committee made the following findings:

- a. The issue of Rural Allowance is being handled by the National Department of Health and progress report on the matter was to be communicated to provinces during the month of July 2016;

## 6. RECOMMENDATIONS IN RESPECT OF THE FINDINGS

The Committee recommends that the Department must:

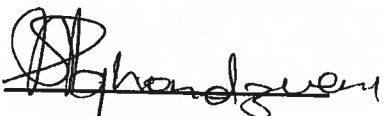
- a. Provide progress report on the issue of Rural Allowance and the provincial plan and provisions made provincially if any, as per the recommendations of the NDoH report by 28 October 2016;

## 7. CONCLUSION

The Chairperson wishes to express her gratitude to the MEC Hon GP Mashego; the Acting HOD and the senior officials of the Department of Health for their active involvement during the deliberations with the Department.

The Chairperson further wishes to thank the Hon. Members of the Committee for their sterling participation and input during the deliberations on the 4<sup>th</sup> quarter report of the Department of Health and also thanked the Legislature staff for their support and contribution towards the production of this report.

Lastly, the Chairperson requests the august House to adopt the report with its recommendations and provide a progress report by **28 October 2016**.

P.P.   
HON. F. NGOBENI

13/10/16  
DATE

**CHAIRPERSON: PORTFOLIO COMMITTEE ON  
HEALTH & SOCIAL DEVELOPMENT**