

ANNUAL REPORT 2015/16



Presentation Outline

- *Performance information by programme*
- *Annual Financial Report*
- *Human Resources Statistics*

**PERFORMANCE INFORMATION
BY
PROGRAMME**

2



**PROGRAMME 1
OFFICE OF THE CEO**

3



• **PROGRAMME PURPOSE:**

To provide the leadership, communication and regulatory functions required to carry out the mandate and functions of the OHSC as per the legislative requirements.

4



Performance against strategic objectives

Strategic objective	Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on deviations
1.4. HEs found to be compliant with prescribed norms and standards are certified	System for certification of compliant establishments set up and functional	New indicator	System set up and functional	Target not achieved	Draft threshold for compliance proposal developed, awaiting approval	Awaiting promulgation of the norms and standards and regulations
1.5. Enforcement action is effected with respect to persistently non-compliant HEs	System and procedures for timely enforcement action set up and functional	New indicator	System set up and functional	Target not achieved	Draft enforcement policy developed, awaiting approval	Awaiting promulgation of the procedural regulations
2.4. Recommendations made by the Ombud are monitored	System and procedures for communication and monitoring of Ombud recommendations set up and functional	New indicator	System set up and functional	Target not achieved		Awaiting the appointment of the Ombud by the Minister
3.1. Public, provider and stakeholder awareness on the roles and powers of OHSC is created	Number of media and communication events and campaigns to increase awareness of the OHSC among public, providers and stakeholders carried out annually	New indicator	4	Conducted a media and communication events and campaigns	Target exceeded	
3.3. Memoranda of Agreement (MoAs) to further the mandate and objectives of the OHSC are in place with relevant regulators or other organisations	Number of MoAs with regulators to protect and promote quality and safety of care in place each year	New indicator	2	Signed 2 MoAs, 16 second visit to assist the OHSC during its development stage	Target achieved	
3.6. Information relating to compliance with norms and standards is published	Number of reports on inspections conducted, recommendations issued, and compliance status of HEs	New indicator	2	Issued 2 inspection reports	Target achieved	

5



Achievements

The Office of the CEO exceeded its planned target of creating public awareness about the OHSC. This achievement means that through media engagements:

- The public is now more aware of the existence of the Office
- It is also more aware of the mandate of the OHSC to promote the quality and safety of healthcare users.

6



Work in Progress

- Systems to certify compliant health establishments (HE's) will be finalized in the forthcoming period.
- The Board's Certification and Enforcement Committee agreed to the compliance thresholds on the IT system that require timeous reporting for decisions on certification of compliant HEs.
- A draft enforcement policy was developed for Board-approval during the first quarter of 2016/17 (awaiting promulgation of regulations) .
- The system to determine compliance will be installed once the IT system required for certification reporting has been procured.
- A system functionality proposal that supports timeous decisions about certification was presented to the Board for approval 2016/17 (awaiting promulgation of regulations).
- The monitoring of Ombud recommendations will commence once the Ombud is appointed.

7



Challenges

- The functionality of systems to certify HE's and enforce measures against non-compliant HE's depends on the promulgation of the regulations,
- The same goes for the implementation of enforcement policies aligned with the regulations.
- The system to escalate complaints awaits the appointment of the Ombud.
- MoAs with relevant regulations to further the mandate and objectives of the OHSC, which is a new indicator, will be effected in the new financial year.

8



PROGRAMME 2 CORPORATE SERVICES

9



• **PROGRAMME PURPOSE:**

To provide the financial, human resources, IT and administrative support necessary for the OHSC to deliver on its mandate and comply with all relevant legislative requirements.

10



Performance against strategic objectives

Strategic objective	Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on deviations
4.1. A fully functional Office is set-up and suitably staffed in accordance with the mandate and goals of the OHSC	60% funded staff appointed	New indicator	00%	92%	32%	Target exceeded due to transferring employees from NDoH
4.4. Financial management and PFMA requirements are complied with	Unqualified audit report without findings	New indicator	Unqualified audit report	Unqualified audit report	n/a	n/a
4.5. The IT system leverages technology to meet the needs of the OHSC	IT system in place and functional	New indicator	System in place	Target partially achieved	Implemented accounting, inventory, payroll and asset management systems	NDoH withdrew OHSC IT Line of Business tender in the 2 nd quarter

11



Achievements

- 88 (92%) of the 96 funded posts were filled as at 31 March 2016.
- This is 32% higher than the set target of 60%.
- The NDoH transferred 41 employees to the OHSC to support the transfer of its compliance inspection function to the OHSC, while it recruited 47 employees directly through the OHSC recruitment drive.
- As a new public entity, the OHSC developed and implemented the necessary policies, procedures and systems to ensure compliance with the requisite regulatory frameworks.
- The IT platform for the OHSC is largely a greenfields environment.
- During the year under review, the primary focus was on installing information systems for finance and accounting, procurement, payroll administration and assets and inventory management.
- The OHSC continued to use the district health information system (DHIS) during the review period.

12



Challenges

- Inadequate office space for the OHSC, as a fast-expanding organisation, was a major challenge during the past year and became more critical as the number of staff increased.
- In addition, the scarcity of health professionals with specialised skills led to the re-advertising of some posts but met with no success.
- The critical need for IT systems to manage complaints and compliance inspection were not met, as the procurement of both was included in the OHSC Line-of-Business Solutions (LOBS) tender that was cancelled by the NDoH.
- The request for the rollover of the funds was successful.

13



Action Plans

In the year ahead:

- The OHCS will procure sufficient office space to cater for a growing organisation and headhunt specialised health professionals where the traditional recruitment methods are unsuccessful.
- The implementation of the OHSC ICT strategy, which was presented to the Board for approval at the end of the reporting period

14



PROGRAMME 3 COMPLIANCE INSPECTORATE

15



• PROGRAMME PURPOSE:

To manage the inspections of health establishments in order to assess and encourage compliance with national health system norms and standards as prescribed by the Minister and take measures to ensure such compliance.

16

Performance against strategic objectives

Strategic objective	Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on deviations
1.3. Compliance with quality standards in regulated HEs is monitored and inspected at least every 4 years and relevant action is taken	% of public sector clinics, CHCs and hospitals inspected annually by the OHSC	New indicator	10%	13%	3%	Target exceeded
1.4. Non-compliant HE are subjected to re-inspection or review within 6 months	% of provisionally non-compliant HEs subjected to re-inspection or review within six months	New indicator	30%	36%	6%	Target exceeded
4.3. Inspectors accredited after successfully completing approved training course	Requirements and procedures for accreditation of inspectors approved by the Board	New indicator	Approved procedures for accreditation of inspectors	Target achieved	Target achieved	Accreditation procedures of inspectors approved by the Board on 20/01/2016

17

Achievements

- The OHSC exceeded its inspection and re-inspection targets by 3% and 5% respectively.
- The implementation of Standard Operating Procedures (SOPs) supported the well-planned and rigorous inspections.
- The integrity, reliability and credibility of inspection reports are critical in determining the criteria for re-inspection.
- The application of quality control processes/measures, such as intra-team validation and peer review, strengthened these outcomes.
- The Board approved the requirements and procedures for the accreditation of inspectors in the fourth quarter of the year under review.

18



Challenges

- The non-promulgation of regulations and inadequate resources made it difficult to exercise powers of enforcement and inspect 25% of private HEs as mandated by the NHA.
- Additional funding is required for additional resources to meet the set targets.
- Re-inspections increased the number of inspections significantly and impacted on resources which could have been directed towards routine inspections.
- The tender for a service provider to design the curriculum for inspector training was re-advertised without success.

19



Action Plans

- The OHSC appointed inspectors and senior inspectors to increase the capacity within and number of inspection teams from five to eight to deal with the inclusion of private HEs under the awaited promulgated regulations.

20



PROGRAMME 4 COMPLAINTS MANAGEMENT (and Ombud)

21



• **PROGRAMME PURPOSE:**

To consider, investigate and dispose of complaints relating to non-compliance with prescribed norms and standards in a procedurally fair, economical and expeditious manner.

(*Ombud functions have been integrated into strategic objectives and indicators as the Ombud is functionally located within the OHSC [NHAA Sect 81 (3)(b)] and uses OHSC staff [NHAA Sect 81 (3)(c)]but funding is ring-fenced).

Performance against strategic objectives

Strategic objective	Performance Indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on deviations
2.1. An accessible mechanism by which complaints can be lodged with the OHSC is in place	Call Centre in place and functional	New indicator	Call centre functional	Target not achieved	N/A	Call Centre procurement delayed by SITA engagements for proposal, which was not supported by NT. OHSC advised to use open tender to test market
2.2. Complaints or concerns regarding non-compliance with norms and standards are effectively managed and disposed of	System for receiving and managing complaints set up and functional	New indicator	System set up	Target partially achieved	Awaiting promulgation of procedural regulations for alignment with developed policy and procedures	Policy and procedures developed and implemented as interim measure pending procedural regulations promulgation
	% complaints lodged with OHSC managed and resolved within 6 months	New indicator	50%	45% Target not achieved	(5%)	Majority of complaints related to private sector Awaiting Promulgation of regulations for powers of investigation
2.3. Findings and recommendations relating to complaints of non-compliance with prescribed norms and standards are issued within 6 months	System and procedures for investigation of complaints set up	New indicator	System set up	Target partially achieved	Awaiting promulgation of procedural regulations for alignment with developed policy and procedures	Policies and procedures developed as interim measure and all complaints investigated Severity Assessment Matrix developed as selection criteria for investigation

Achievements & Challenges

- Two of the targets related to the programme's four performance indicators were partly achieved and two not achieved.
- The underachievement was due mainly to the delays in promulgating the procedural regulations to investigate healthcare norms and standards and establishing a Call Centre.
- While some progress occurred with the setting up of the latter, the appointment of a service provider to install the system will be completed only in the first quarter of the new financial year.
- The majority of complaints received were against private sector HEs but await the promulgation of procedural regulations which will empower the OHSC to investigate and enforce action to remedy non-compliance.

24

~PROGRAMME FIVE~ HEALTH STANDARDS DESIGN, ANALYSIS & SUPPORT

25

• PROGRAMME PURPOSE:

To provide high-level technical, analytical and educational support to the work of the Office in relation to the development and analysis of norms and standards and support for their dissemination.

26



Performance against strategic objectives

Strategic objectives	Performance Indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on deviations
1. 1.1. All HEs obligated or regulated by prescribed norms and standards are registered annually for purposes of monitoring and inspections	System for annual registration of regulated HEs set up and functional	New indicator	System set up	Target not achieved	N/A	Developed second draft proposal on submission of annual returns by HEs but not yet approved
1. 1.2. Guidance is provided on compliance with norms and standards for regulated HEs	% of relevant authorities responsible for support to public HEs that have received guidance on compliance with norms and standards	New indicator	40%	89%	49%	Visited 8 relevant authorities (provincial departments of health)
1.6. Early warning reports of potential situations of risk from HEs or users are monitored to prioritise inspections	Surveillance system set up for reporting on indicators of risks to compliance	New indicator	System set up	Target not achieved	N/A	Draft early-warning system (EWS) testing protocol developed but not yet approved
2. Norms and standards for different types of HEs are consulted, developed and/or revised for submission to and promulgation by the Minister	System and procedures for selection, development or periodic review of norms and standards for different types of HEs set up and functional	New indicator	System setup	Target partially achieved	Awaiting promulgation of regulations by the Minister	Final norms and standards and procedural regulations submitted to a Minister of Health on 07/12/2015 for promulgation Further processing beyond OHSC control

27



Achievements

- Regulations in the form of norms and standards, as well as inspection procedures, are fundamental to guiding the OHSC inspection process.
- A key milestone during the period under review was the revision of regulations based on stakeholder comments.
- State law advisors reviewed the revised regulations, which were submitted to the Minister and are awaiting approval and final promulgation in the Government Gazette.
- The OHSC undertook provincial visits to eight of the nine provinces and carried out risk-based inspections at four HEs that were identified through early-warning system (EWS) reports.
- OHSC inspectors also piloted a facility profile tool intended for use by HEs to submit their annual data.
- The pilot process helped to refine the tool for a seamless transition for when the system is in place and regulations promulgated.

28



Challenges

- The delay in promulgating the regulations also delayed key processes, such as extending guidance and support to the relevant authorities for HEs in the private sector. .
- The installation of the IT system for the EWS real-time reporting process will be finalised in the new financial year and could not be comprehensively tested.
- The Greenfield nature of the work done by the Health Standards Design, Analysis and Support programme requires staff with scarce high-level technical and analytical skills and despite being re-advertised, key senior management positions remained vacant at the end of the 2015/16 financial year.

29



Action Plans

- In the forthcoming financial year, we will fast-track the development of the EWS and the annual data submissions system to ensure a seamless transition once the regulations are promulgated.
- The relevant authorities will be identified from HE submissions and guidance and support visits scheduled to the relevant authorities.
- The comprehensive framework for the EWS will also be tested with sample HE data to ensure its readiness for implementation.

30

FINANCES

31

Revenue Collection

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Revenue	
Government grant	88,906,000
Interest received	194,489
Expenditure	
Compensation of employees	39,478,925
Board fees and related costs	1,429,669
Depreciation and amortisation	655,203
General expenses	21,048,831
Surplus for the year	26,487,862

Performance against allocated budget

Programme	Budget (R)	Actual Expenditure (R)	(Over)/Under Expenditure (R)
Office of the CEO	11,048,093	5,874,012	5,174,081
Corporate Services	25,611,190	23,380,802	2,230,388
Compliance Inspectorate	34,501,367	30,492,386	4,008,981
Complaints Management (and Ombud)	9,568,318	3,498,972	6,069,446
Health Standards Design, Analysis and Support	8,177,033	4,154,647	4,022,386

Explanation to the surplus

Compensation of employees

- The Board commenced with the process for the appointment of the CEO, and by year end, this process was not yet concluded.
- The Ombud was only appointed after year end.
- At the start of the financial year, the OHSC did not have full staff complement and the recruitment process continued throughout the financial year with some savings realized from the budget of the positions which were filled later in the year.

Operational expenses

- The communication and stakeholder relations strategy was finalised in the latter part of the financial year and will be implemented in the new financial year.
- The process for the procurement of the call centre will be finalised in the new financial year.
- Additional savings were realised in the administrative expenditure such as telephone costs, audit fees, computer maintenance as well as leasing of offices.

34



HUMAN RESOURCES

OVERSIGHT STATISTICS

35



Personnel Costs by Programme

Programme	Total expenditure for the entity (R)	Personnel expenditure (R)	Personnel expenditure as a % of total expenditure (R)	No. of employees	Average personnel cost per employee (R)
Office of the CEO	5,874,012	3,733,898	6	6	622,316
Corporate Services	18,592,709	6,555,412	10	15	437,027
Compliance Inspectorate	30,492,387	23,266,828	37	55	423,033
Complaints Management and Ombud	3,498,872	3,033,971	5	6	505,662
HSDAS	4,154,047	2,888,816	5	6	481,469
TOTAL	62,612,627	39,478,925	63	88	448,624

36



Personnel Costs by Salary Band

Level	Personnel expenditure (R)	% of personnel expenditure to total personnel cost (R)	No. of employees	Average personnel cost per employee (R)
Executive management	2,702,880	7	2	1,351,440
Senior management	5,998,944	15	8	749,868
Professionally qualified and experienced specialists and mid-management	11,843,527	30	20	592,176
Skilled technical and academically qualified workers, junior management and supervisors	14,320,260	36	37	387,034
Semi-skilled and discretionary decision-making	4,613,314	12	21	219,682
Unskilled and defined decision-making	0	0	0	0

**The personnel costs for executive management include the Interim CEO, Dr Carol Marshall, who was seconded to the OHSC by the NDoH on a contract that expired on 31 July 2015, although she is not counted in the number of employees.*

37



Employment and Vacancies

Division	2015/16 No. of employees	2015/16 approved posts	2015/16 employees	% of vacancies
Office of the CEO	6	8	2	25
Corporate Services	15	16	1	6
Compliance Inspectorate	55	56	1	2
Complaints Management and Ombud	6	8	2	25
HSDAS	6	8	2	25
TOTAL	88	96	8	8

38



Employment and Vacancies by Level

Level	2015/16			
	No. of employees	Approved posts	Vacancies	% of vacancies
Executive management	2	5	3	60
Senior management	8	10	2	20
Professionally qualified and experienced specialists and mid- management	20	22	2	9
Skilled technical and academically qualified workers, junior management and supervisors	37	38	1	3
Semi-skilled and discretionary decision- making	21	21	0	0
Unskilled and defined decision-making	0	0	0	0
TOTAL	88	96	8	8

39



THANK YOU

