



AUDITOR-GENERAL  
SOUTH AFRICA



*17 April 2018*

*Auditing to build public confidence*

**Annexure to the presentation on Health Portfolio Review of the 2018-19 Annual Performance Plans (APPs)**

## Reputation promise

The Auditor-General of South Africa (AGSA) has a constitutional mandate and, as the supreme audit institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.



# Annexures to the presentation



1. Annexure A – Scope of Annual Performance Plans (APPs) 2018/19 review
2. Annexure B - Strategic Alignment of the APP to NDP and MTSF
3. Annexure C - Alignment of key objectives per the ENE to the targets in APP
4. Annexure D - Overview of key findings on the review of the 2018/19 APPs
5. Annexure E – Budget Analysis
6. Annexure F - Status of records review



**A**

## **Scope of Annual Performance Plans (APP) review**

## Scope of the 2018/19 APP review



- The interim review provides an early warning where concerns with regards to the measurability and relevance of the indicators and targets have been identified
- The interim review does not entail the performance of detail procedures where underlying systems and supporting documentation is inspected to give assurance on the verifiability of indicators and targets
- The interim review is only performed on a selection of significant programmes

# Scope of the 2018/19 APP review (cont.)



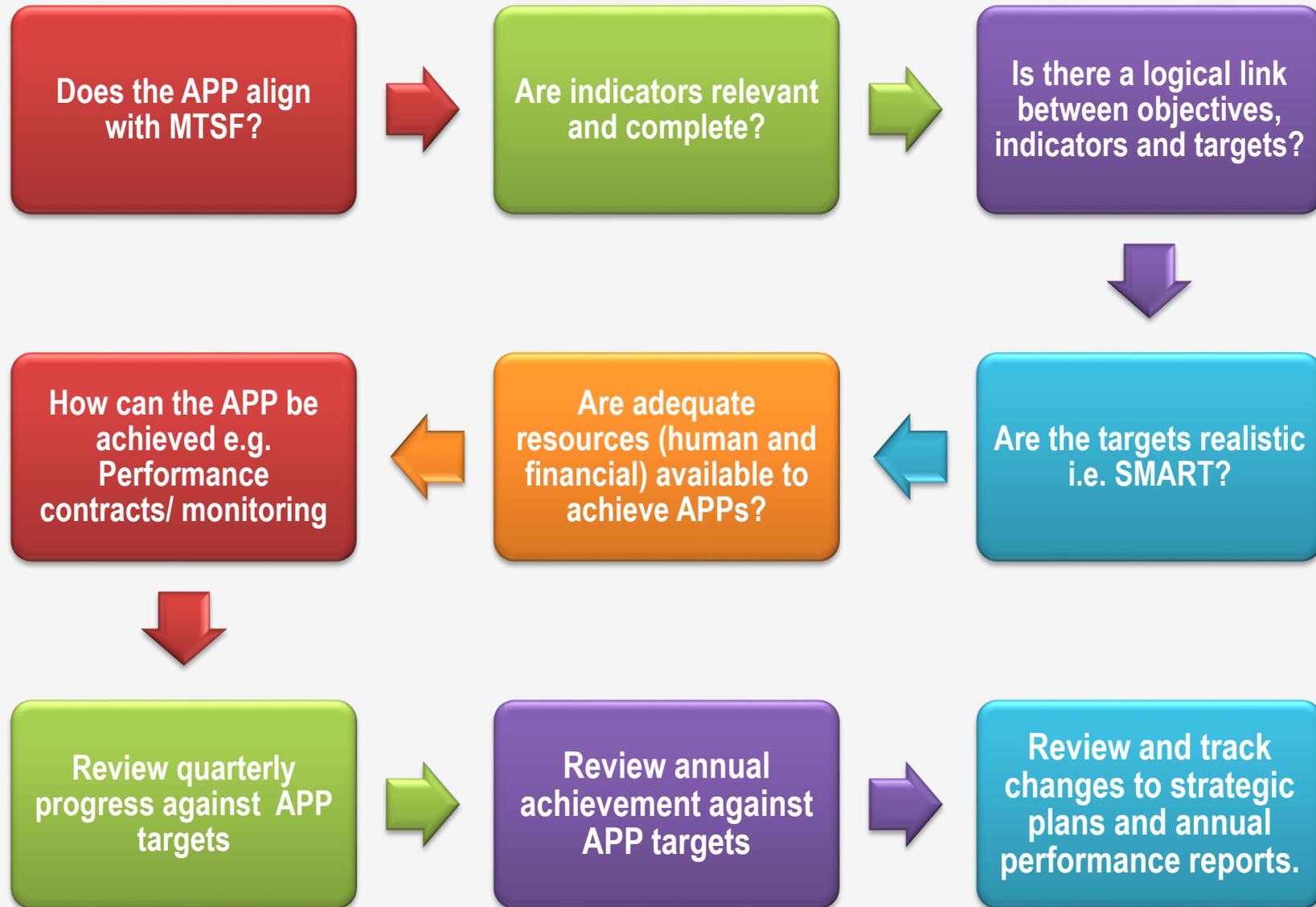
## Review process

- Assessed the process followed by departments and entities to prepare and submit strategic plans and APPs.
- Assessed the **measurability and relevance** of the final draft indicators and targets planned for selected programmes

## Reporting

- Findings from the review are communicated in the 2017-18 interim management report to enable changes to be made.
- Findings relevant to the interim review do not have an impact on the audit conclusion on usefulness or reliability of the selected programmes for the PFMA 2017-18 year end audit.

# Key considerations when reviewing the APP



# Criteria used to assess the draft APP



## Measurability of indicators and targets

## Relevance of indicators and targets

**Indicators are well-defined**

**Indicators are verifiable**

**Targets are specific, measurable and time-bound.**

**Indicators and targets are relevant to the mandate and realisation of strategic goals and objectives**

**Well-defined** = clear, unambiguous definition so that data will be collected consistently and will be easy to understand and use.

**Verifiable** = it must be possible to validate the processes and systems.

**Specific** = the nature and the required level of performance can be clearly identified

**Measurable** = the required performance can be measured

**Time bound** = the time period or deadline for delivery is specified

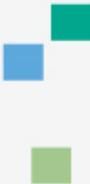
The performance measure/ indicator and target relates logically and directly to an aspect of the entity's mandate and the realisation of its strategic goals and objectives.



**B**

## Strategic Alignment of the APP to NDP and MTSF

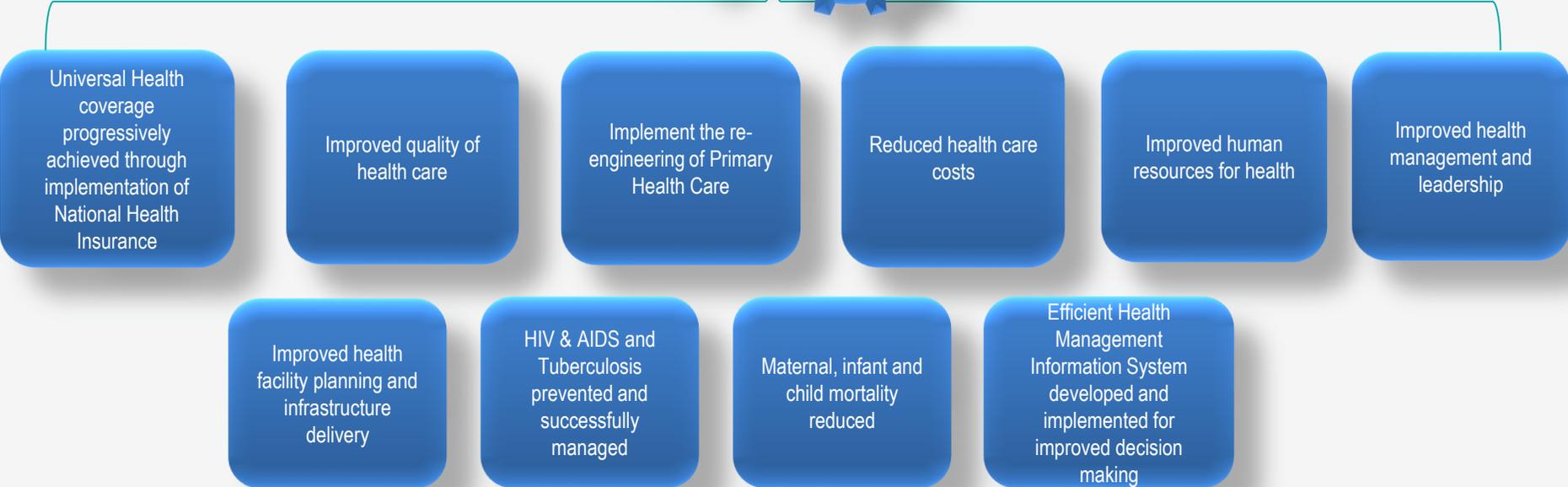
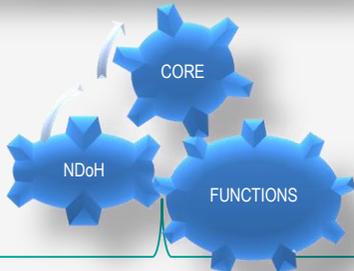
# Strategic alignment of portfolio – NDoH (APP 2018/19)



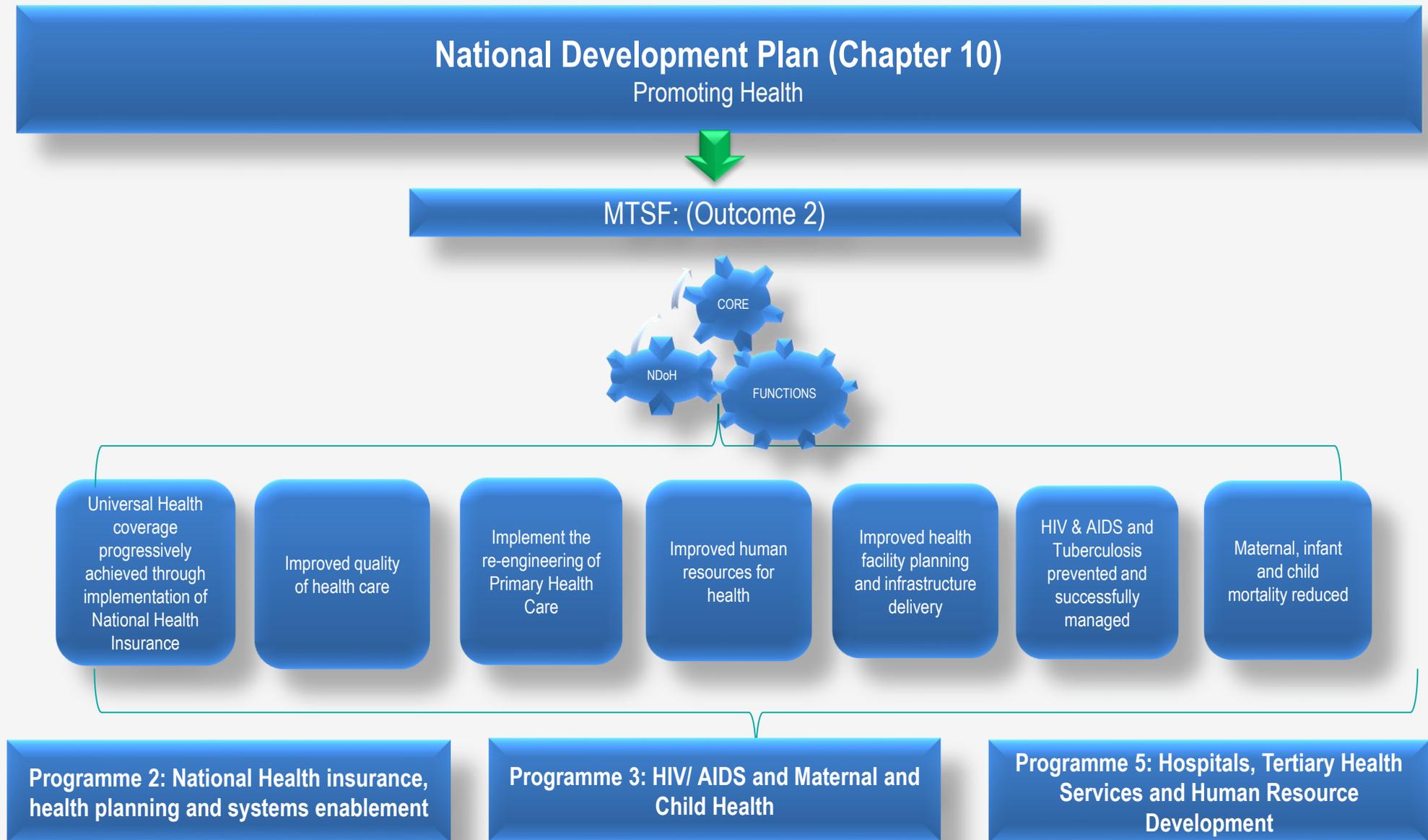
## National Development Plan (Chapter 10) Promoting Health



### MTSF: (Outcome 2)



# Strategic alignment of portfolio – NDoH (APP 2018/19)





**C**

## **Alignment of key objectives per the ENE to the targets in APP**

# Key objectives per ENE vs Targets – NDoH (APP 2018/19)



Programme 2: National Health insurance, health planning and systems enablement			
Key Objective per ENE	Key objective per APP	Performance target	Comment/Observation
Achieve universal health coverage by 2030 through the phased implementation of national health insurance over the medium term.	Achieve Universal Health Coverage through the phased implementation of National Health Insurance	NHI Bill submitted to Parliament	Included in the 2018/19 APP
Lay the legal foundation for national health insurance by enabling the enactment of the National Health Insurance Bill by March 2021.	Achieve Universal Health Coverage through the phased implementation of National Health Insurance	NHI Bill submitted to Parliament	Included in the 2018/19 APP
Improve equity in the distribution of funding by establishing a functional national health insurance fund by March 2020.	Achieve Universal Health Coverage through the phased implementation of National Health Insurance	Service providers accreditation and contracting mechanisms developed	Included in the 2018/19 APP
Strengthen revenue collection by implementing a revenue retention model in all provinces by March 2019.	Not included in the APP	Not included in the APP	Not included in the 2018/19 APP
Improve access to chronic medicines and alleviate pressure on primary health care facilities by ensuring that 3 million patients receive chronic medicine through a centralised chronic medicine dispensing and distribution system by March 2021.	Improve contracting and supply of medicines through innovative service delivery models	2,500, 000 patients enrolled for receiving medicines through the CCMDD programme (cumulative)	Included in the 2018/19 APP
Strengthen the monitoring of the availability of medicine by establishing a national stock management surveillance centre that reports on stock availability at all primary health care facilities by March 2021.	Establish a national stock management surveillance centre to improve medicine availability	3625 of health facilities reporting stock availability at national surveillance centre (cumulative)	Included in the 2018/19 APP
Improve health information and operational processes in primary health care facilities by implementing the health patient registration system in all primary health care facilities by March 2021.	<ul style="list-style-type: none"> <li>Implement eHealth Strategy of South Africa through the development of patient information systems</li> <li>Develop and implement a system for the creation of a NHI Beneficiary Registry</li> </ul>	<ul style="list-style-type: none"> <li>eHealth Strategy 2019-2023 published</li> <li>3000 PHC Facilities maintained;</li> </ul> Additional 470 PHC facilities and 22 Hospitals implementing the health patient registration system (HPRS) <ul style="list-style-type: none"> <li>35 million</li> </ul>	Included in the 2018/19 APP

# Key objectives per ENE vs Targets – NDoH (APP 2018/19)



## Programme 3: HIV/ AIDS and Maternal and Child Health

Key Objective per ENE	Key objective per APP	Performance target	Comment/Observation
Reduce the maternal mortality rate to fewer than 100 per 100 000 live births by March 2020 through implementing and sustaining essential training in obstetric emergencies, conducting maternal mortality reviews, and ensuring that appropriate interventions are implemented.	To reduce under 5 mortality rate to less than 33 per 1 000 live births	<ul style="list-style-type: none"> <li>Survey protocol developed and field work completed</li> <li>Implementation plans developed in partnership with Provincial DoH; and Three (3) provincial trainings conducted</li> </ul>	Included in the 2018/19 APP
Reduce the neonatal mortality rate to fewer than 9 per 1 000 live births by March 2020 by capacitating health care workers to manage sick and small neonates, and procuring essential equipment such as continuous positive airway pressure machines.	Not included in the APP	<ul style="list-style-type: none"> <li>Not included in the NDoH 2018/19 APP, but the targets are covered in the provinces APP</li> </ul>	Not included in the NDoH 2018/19 APP, but the targets are covered in the provinces APP
Improve access to sexual and reproductive health services by ensuring that at least 75 per cent of couples access modern contraceptive methods by March 2020.	Not included in the APP	Not included in the APP	Not included in the APP
Protect girls by reducing the risk of contracting cervical cancer later in life by vaccinating 90 per cent of girls in grade 4 against the human papilloma virus by March 2021.	To enable the health sector to prevent cervical cancer by making available HPV vaccination for grade four school girls in all public and special schools.	<ul style="list-style-type: none"> <li>Not included in the NDoH 2018/19 APP, but the targets are covered in the provinces APP</li> </ul>	Not included in the NDOH APP but it is covered in the provinces APP by the use of the HPV conditional grant.
Reduce the rate of mother-to-child HIV transmission to below 1.1 per cent by March 2021 through the effective implementation of the guidelines on the prevention of mother-to-child transmission.	To enable the health sector to develop and implement an effective response to HIV/AIDS and TB	<ul style="list-style-type: none"> <li>Not included in the NDoH 2018/19 APP, but the targets are covered in the provinces APP</li> </ul>	Not included in the NDOH APP but it is covered in the provinces APP by the use of the Comprehensive HIV & AIDS, TB & COS grant
Reduce the mortality rate for children under 5 years to less than 33 per 1 000 live births by March 2020 through implementing the recommendations from the Committee on Morbidity and Mortality in Children Under 5 Years.	To reduce under 5 mortality rate to less than 33 per 1 000 live births	<ul style="list-style-type: none"> <li>EPI coverage survey protocol developed and field work completed</li> </ul>	Included in the 2018/19 APP

# Key objectives per ENE vs Targets – NDoH (APP 2018/19)



Programme 3: HIV/ AIDS and Maternal and Child Health			
Key Objective per ENE	Key objective per APP	Performance target	Comment/Observation
Contribute to the health and wellbeing of learners by screening more than 480 000 grade 1 learners and 230 000 grade 8 learners for health-related barriers to learning per year by March 2020.	To expand the healthcare service benefits through the strategic purchasing of services from healthcare providers	<ul style="list-style-type: none"> <li>Not included in the 2018/19 APP, Child, Youth and School Health sub-programme supports provincial units responsible for implementation of policies and guidelines. Which is covered by the National Health Insurance (NHI): Personal Services Component grant</li> </ul>	Not included in the NDOH APP but it is covered in the provinces APP
Achieve a TB treatment success rate of 88 per cent and a 5 per cent or less TB loss-to-follow-up rate by March 2020 through the increased identification of TB patients and ensuring patients complete their treatment.	To implement combination of prevention and treatment interventions to reduce burden of HIV, STI and TB infections	<ul style="list-style-type: none"> <li>80 000 undiagnosed TB infected persons (new cases) found</li> </ul>	Included in the 2018/19 APP
Increase the life expectancy of people living with HIV by increasing the number of people accessing antiretroviral treatment to 5.9 million by March 2020	To implement combination of prevention and treatment interventions to reduce burden of HIV, STI and TB infections	<ul style="list-style-type: none"> <li>5000 000 clients remaining on ART (TROA)</li> </ul>	Included in the 2018/19 APP
Reduce new HIV infections by implementing a combination of prevention interventions, such as HIV counselling and testing, medical male circumcisions and condom distribution, over the medium term.	To implement combination of prevention and treatment interventions to reduce burden of HIV, STI and TB infections	<ul style="list-style-type: none"> <li>5000 000 clients remaining on ART (TROA)</li> <li>14 000 000 people reached in the National Health Screening and Testing campaign annually</li> <li>600 000 Medical Male Circumcisions performed</li> <li>80 000 undiagnosed TB infected persons (new cases) found</li> </ul>	Included in the 2018/19 APP

# Key objectives per ENE vs Targets – NDoH (APP 2018/19)

Programme 5: Hospitals, Tertiary Health Services and Human Resource Development			
Key Objective per ENE	Key objective per APP	• Performance target	Comment/Observation
Accelerate the construction and maintenance of health infrastructure by enhancing the capacity of the health sector to deliver health infrastructure on an ongoing basis.	To build new and improve quality of existing health infrastructure in South Africa	<ul style="list-style-type: none"> <li>Specifications of 28 new facilities compliant with Infrastructure norms and standards</li> <li>40 clinics and Community Health Centres constructed or revitalised                             <ul style="list-style-type: none"> <li>8 hospitals constructed or revitalised</li> </ul> </li> <li>125 facilities maintained, repaired and/or refurbished in NHI Districts</li> <li>100 facilities maintained, repaired and/or refurbished outside NHI pilot Districts</li> </ul>	Included in the 2018/19 APP
Increase the management capacity of central hospitals through training, coaching, mentoring and benchmarking 10 central hospitals against the standardised organisational structure by March 2020.	Strengthen local decision making and accountability of central hospitals to facilitate semi-autonomy	Audit of 10 Central hospital structures against Guidelines on Organisational Structures for Central Hospitals completed Report on findings with recommendations completed	Included in the 2018/19 APP
Ensure appropriate and affordable staffing levels and staffing mixes at all health facilities by benchmarking all primary health care facilities and district hospitals against normative guidelines by March 2020.	Improve management of PERSAL data to track implementation of staffing norms and facilitate HRH planning	Draft HR Regulations for consideration by NHC	Included in the 2018/19 APP
Improve the quality of nursing education and practice by ensuring that all 17 nursing colleges are accredited to offer the new nursing qualification by March 2020.	Strengthen Nursing Education Training and Practice through implementation of the objectives of the Nursing Strategy.	9/17 remaining colleges have customised curricula for the new 3yr Diploma in General Nursing New courses commenced in 2019 academic year	Included in the 2018/19 APP
Ensure access to the efficient and effective delivery of quality emergency medical services by monitoring compliance with regulations pertaining to emergency medical services by March 2020.	Ensure access to and efficient effective delivery of quality Emergency Medical Services (EMS) Ensure access to and efficient effective delivery of quality Emergency Medical Services (EMS)	9 provincial department of health monitored for compliance with the EMS regulations using the approved checklist 9 x EMS Improvement plans revised accordingly	Included in the 2018/19 APP
Improve the functioning of the criminal justice system by eliminating backlogs for blood alcohol level testing in forensic chemistry laboratories by March 2019, and reducing turnaround times on an ongoing basis.	Eliminate the backlog of blood alcohol tests by 2018/19 and toxicology tests by 2020/21	<ul style="list-style-type: none"> <li>100% backlog eliminated for blood alcohol tests in Johannesburg laboratory</li> <li>60% backlog eliminated for toxicology tests</li> </ul>	Included in the 2018/19 APP
Improve the management of health facilities at all levels of care by ensuring that hospital chief executives and primary health care facility managers benefit from a coaching and mentoring programme implemented through the knowledge management hub over the medium term.	Improve management of health facilities at all levels are through the Health Leadership and Management Academy	150 Hospital and 900 PHC Managers accessing the knowledge hub information system for coaching and mentoring	Included in the 2018/19 APP



**D**

## Overview of key findings on the review of the 2018/19 APPs

# Overview of entities where a review was performed on the 2018/19 APP's



ENTITY	APP reviewed	Findings noted on usefulness	Recommendations effected prior tabling of APP at Parliament
Council for Medical Schemes (CMS)	Yes	Yes	Yes
Compensation Commission for Occupational Disease (CCOD)	No	N/A	N/A
Medical Research Council (MRC)	No	N/A	N/A
National Department of Health (NDoH)	Yes	Yes	Yes
National Health Laboratory Services (NHLS)	Yes	Yes	Yes
Office of Health Standards Compliance (OHSC)	Yes	Yes	Yes

# Findings on the review of the 2018-19 APPs



## Department of National Department of Health

Programme	Total no. of indicators included in the APP	Indicator not Well defined (draft APP) - to be corrected based on recommendations from the review	Indicator not Verifiable (draft APP)- to be corrected based on recommendations from the review	Targets not Measurable (draft APP)- to be corrected based on recommendations from the review
Programme 2: National Health insurance, health planning and systems enablement	14	3 (21%)	3 (21%)	1 (7%)
Programme 3: HIV/ AIDS and Maternal and Child Health	7	0	0	0
Programme 5: Hospitals, Tertiary Health Services and Human Resource Development	19	7 (37%)	2 (11%)	2 (11%)

# Findings on the review of the 2018-19 APPs

## Council for Medical Schemes

Programme	Total no. of indicators included in the APP	Indicator not Well defined (draft APP) - to be corrected based on recommendations from the review	Indicator not Verifiable (draft APP)- to be corrected based on recommendations from the review	Targets not Time bound (draft APP)- to be corrected based on recommendations from the review	Targets not Measurable (draft APP)- to be corrected based on recommendations from the review
Programme 3 - Accreditation	3	3 (100%)	3 (100%)	0	3 (100%)
Programme 4 - Research And Monitoring Unit	2	1 (50%)	2 (100%)	0	2 (100%)
Programme 5 - Stakeholder Relations Unit	4	3 (75%)	2 (50%)	1 (25%)	2 (50%)
Programme 6 - Compliance And Investigation Unit	2	1 (50%)	2 (100%)	0	2 (100%)
Programme 7 - Benefits Management Unit	2	2 (100%)	0	0	0
Programme 8 - Financial Supervision Unit	5	5 (100%)	4 (80%)	0	4 (80%)
Programme 9 - Complaints Adjudication Unit	1	1 (100%)	1 (100%)	0	1 (100%)

# Findings on the review of the 2018-19 APPs



## Office of Health Standards Compliance

Programme	Total no. of indicators included in the APP	Indicator not Well defined (draft APP) - to be corrected based on recommendations from the review	Indicator not Verifiable (draft APP)- to be corrected based on recommendations from the review	Targets not Measurable (draft APP)- to be corrected based on recommendations from the review
Programme 2: Compliance Inspectorate, Certification and Enforcement	7	4 (57%)	2 (29%)	4 (57%)
Programme 3 - Complaints Management and Office of the Ombud	9	3 (33%)	1 (11%)	2 (22%)
Programme 4: Health Standards Design Analysis and Support	5	3 (60%)	1 (20%)	1 (20%)

# Overview of Key findings on the review of the 2018-19 APPs



## National Health Laboratory services

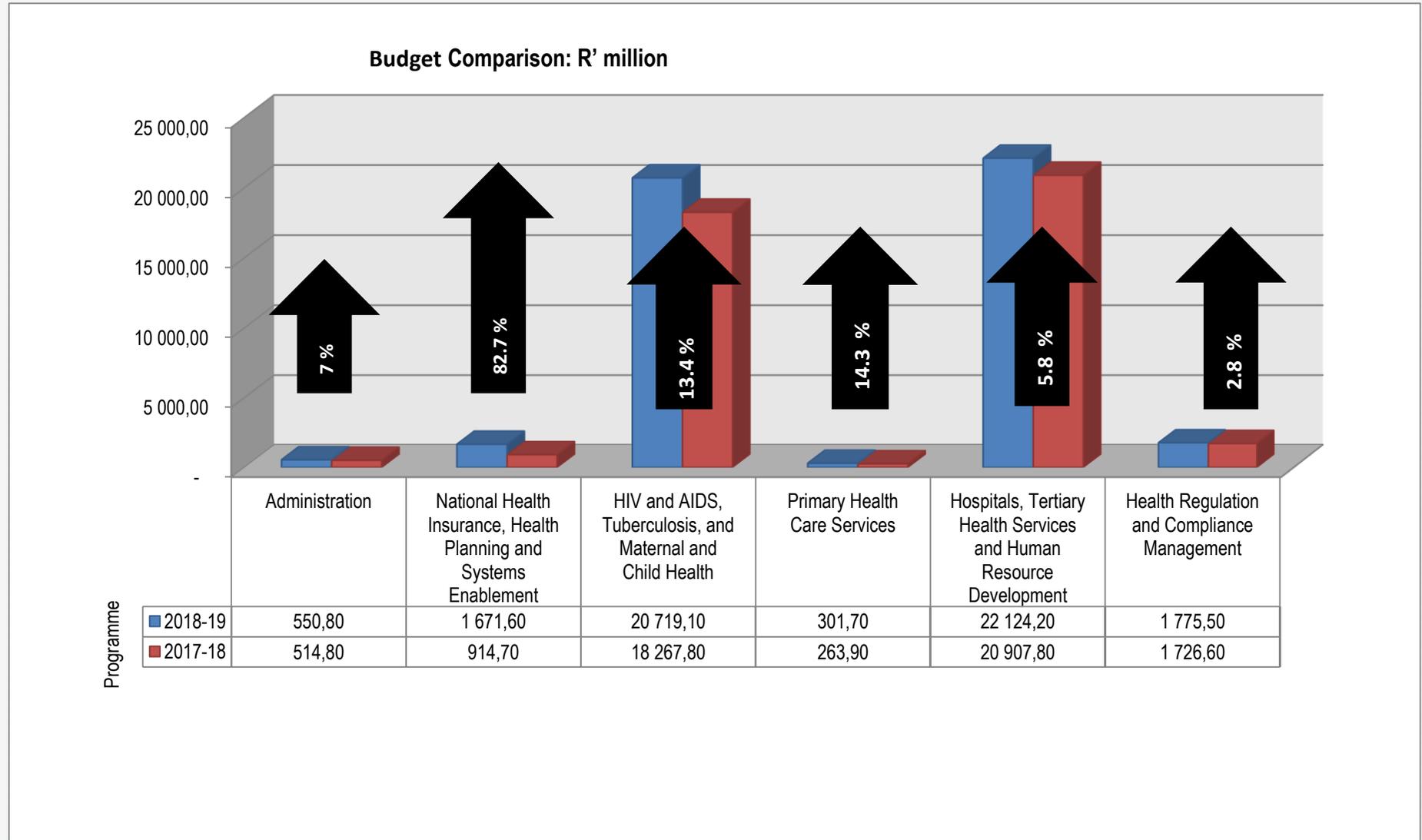
Programme	Total no. of indicators included in the APP	Indicator not Well defined (draft APP) - to be corrected based on recommendations from the review	Indicator not Verifiable (draft APP)- to be corrected based on recommendations from the review	Target not Specific (draft APP)- to be corrected based on recommendations from the review	Target not Measurable (draft APP) - to be corrected based on recommendations from the review	Indicator not Relevant (draft APP)- to be corrected based on recommendations from the review
Programme 2:Surveillance of Communicable Diseases	7	6 (86%)	6 (86%)	4 (57%)	5 (71%)	1 (14%)
Programme 4: Academic Affairs, Research and Quality Assurance	14	12 (86%)	14 (100%)	2 (14%)	13 (93%)	0
Programme 5: Laboratory Services	10	10 (100%)	10 (100%)	9 (90%)	8 (80%)	0



**E**

# Budget Analysis

# Comparison - 2018/19 vs 2017/18



% Budget increase



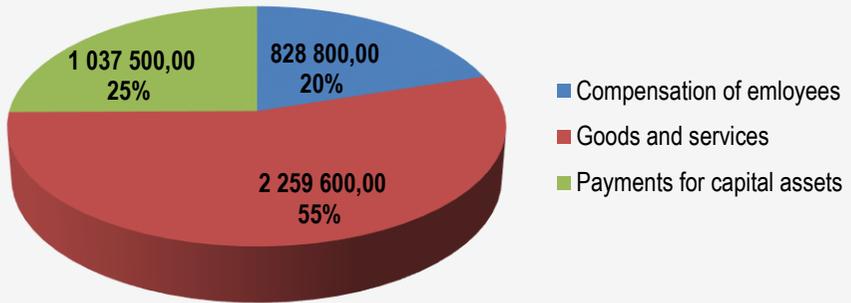
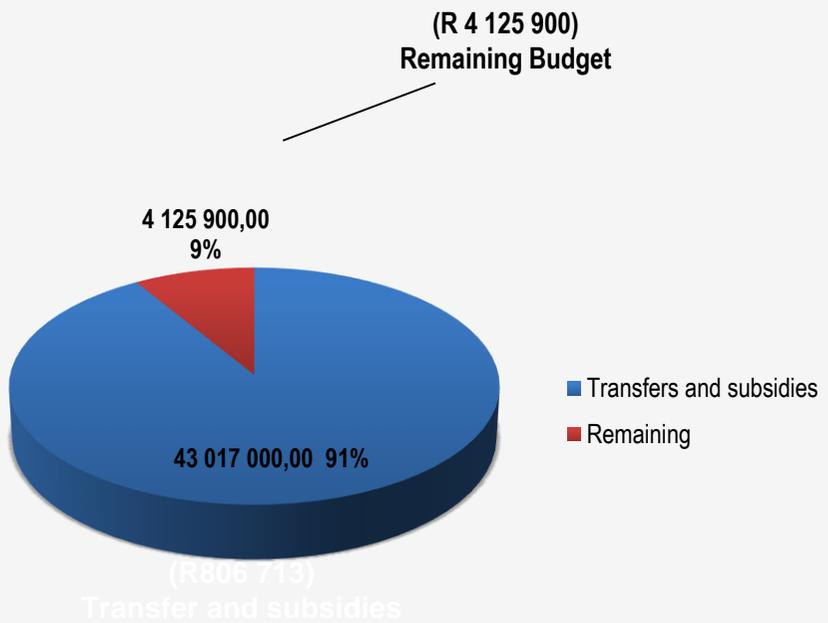
% Budget decrease

# NDOH Budget analysis (budget per Economic classification 2018/19)



## Department of Health - R'000

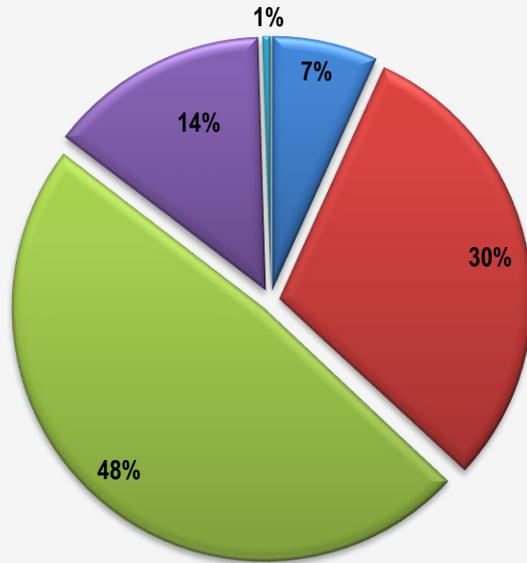
## Remaining Budget – R'000



# Conditional Grants budgeted - 2018/19 vs 2017/18



2018/19

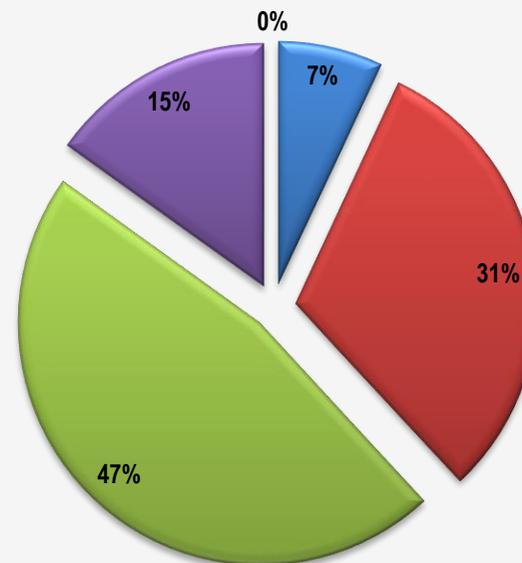


■ Health Professional Training and Development

■ Comprehensive HIV & AIDS, TB & COS

■ Human Papillomavirus (HPV)

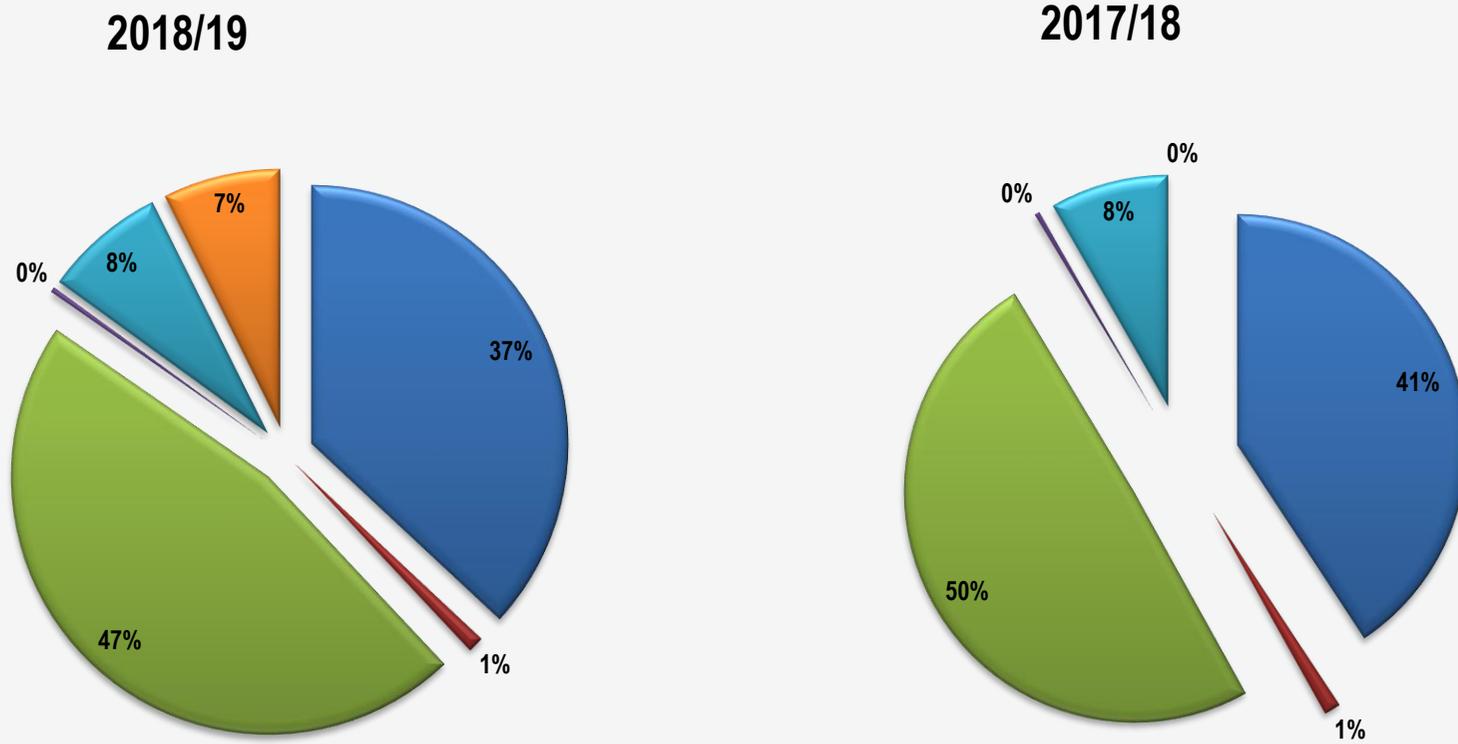
2017/18



■ National Tertiary services

■ Health Facility Revitalisation Grant

# Grants/transfers budgeted for entities 2018/19 compared to 2017/18 in R'000



- The South african Medical Reasearch Council(SAMRC)
- South African National AIDS Council
- The National Health Laboratory Service(NHLS)
- The Council for Medical Schemes(CMS)
- Office of Health Standards Compliance (OHSC)
- South African Health Products Regulatory Authority



**F**

## Status of records review

# AGSA improved audit methodology – Health Sector

Engaging accounting officers in **conversations** that are **insightful, relevant and have an impact**

**Status of records review** = Pro-active follow up procedures



Financial and non – financial information (internal and external reports/documents & discussions with senior managers)



**Key control engagements / status of records review – objectives**

- Identify key areas of concern that may derail progress in the preparation of financial and performance reports and compliance with relevant legislation and consequential regression in audit outcome
- Provide our assessment of the status of key focus areas that we reviewed
- Assess progress made in implementing action plans/ follow through with commitments made in previous engagements
- Identify matters that add value in putting measures and action plans in place well in advance to mitigate risks

**Feedback linked to Focus Areas**



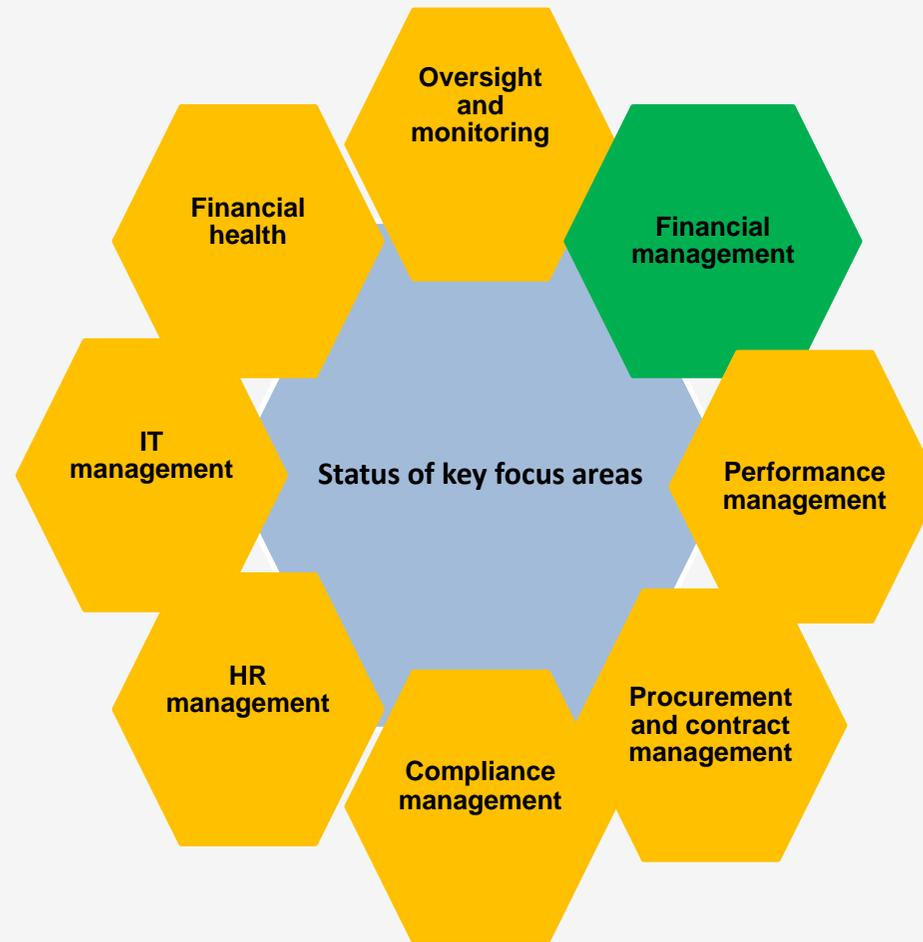
# Eastern Cape - Overall status of key focus areas



<b>Good</b>	The basics are in place as no concerns were identified.
<b>Concerning</b>	Concerns identified.
<b>Intervention required</b>	Level of concerns identified is an indicator that urgent intervention is required to prevent audit failure.

↑	Improved
↔	Unchanged
↓	Regressed

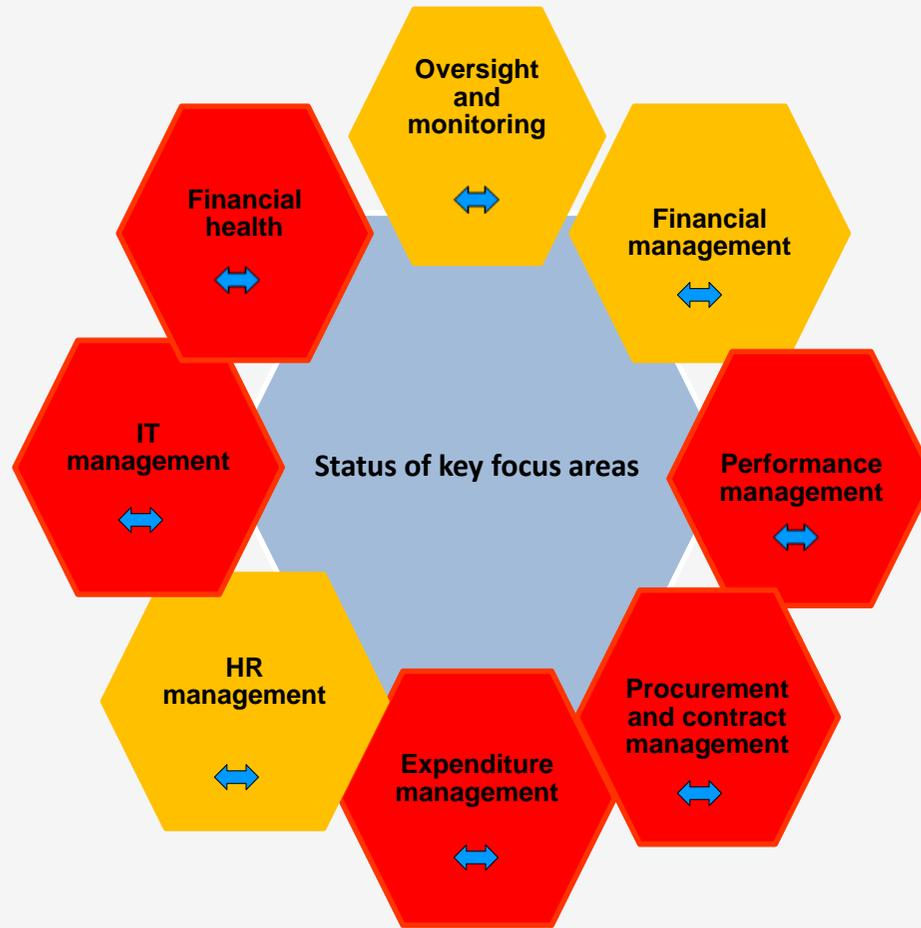
# Free state - Overall status of key focus areas



Good	The basics are in place as no concerns were identified.
Concerning	Concerns identified.
Intervention required	Level of concerns identified is an indicator that urgent intervention is required to prevent audit failure.

↑	Improved
↔	Unchanged
↓	Regressed

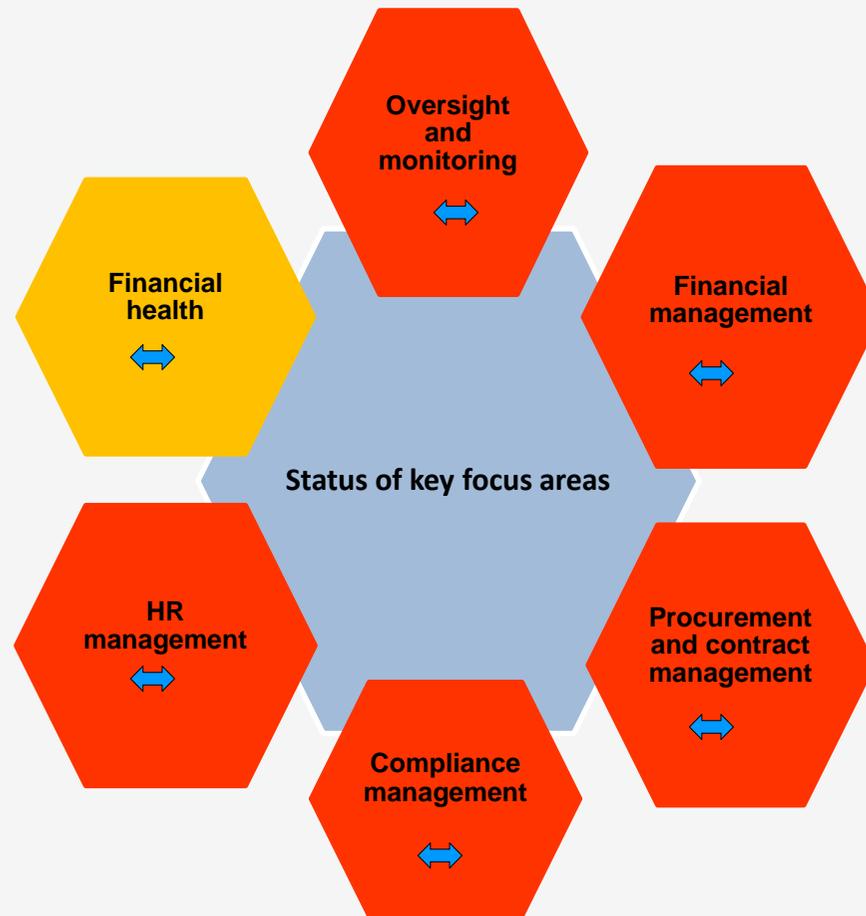
# Gauteng - Overall status of key focus areas



<b>Good</b>	The basics are in place as no concerns were identified.
<b>Concerning</b>	Concerns identified.
<b>Intervention required</b>	Level of concerns identified is an indicator that urgent intervention is required to prevent audit failure.

↑	Improved
↔	Unchanged
↓	Regressed

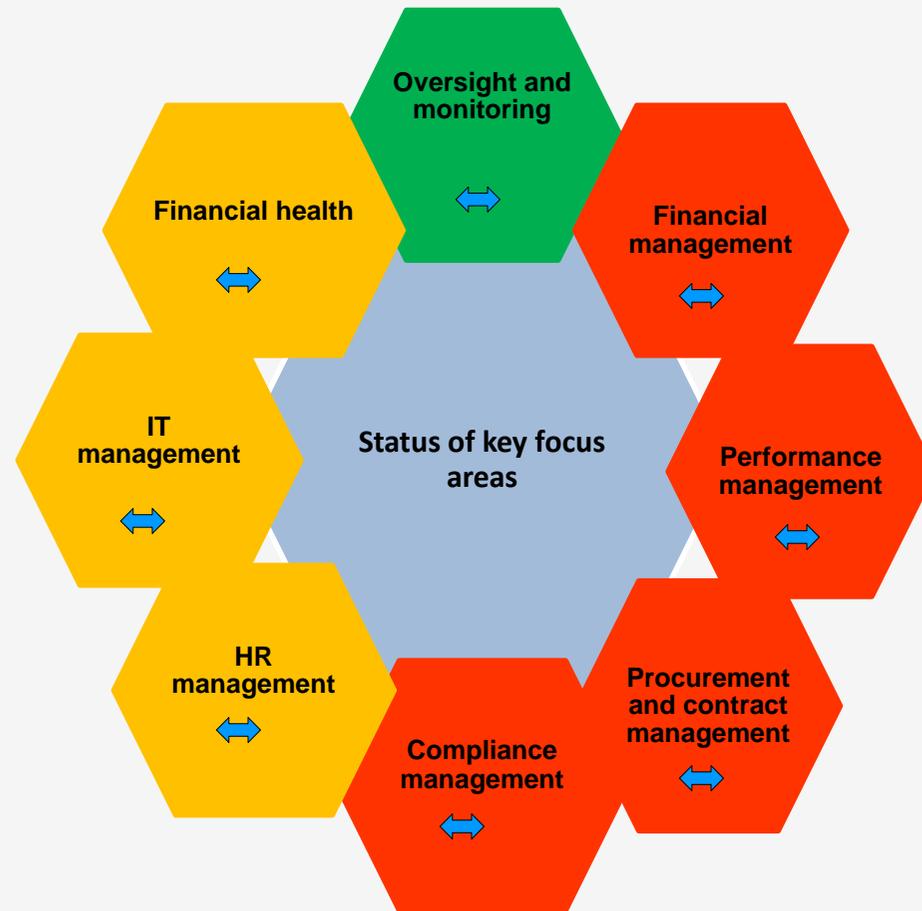
# KwaZulu Natal - Status of key focus areas



Good	The basics are in place as no concerns were identified.
Concerning	Concerns identified.
Intervention required	Level of concerns identified is an indicator that urgent intervention is required to prevent audit failure.

↑	Improved
↔	Unchanged
↓	Regressed

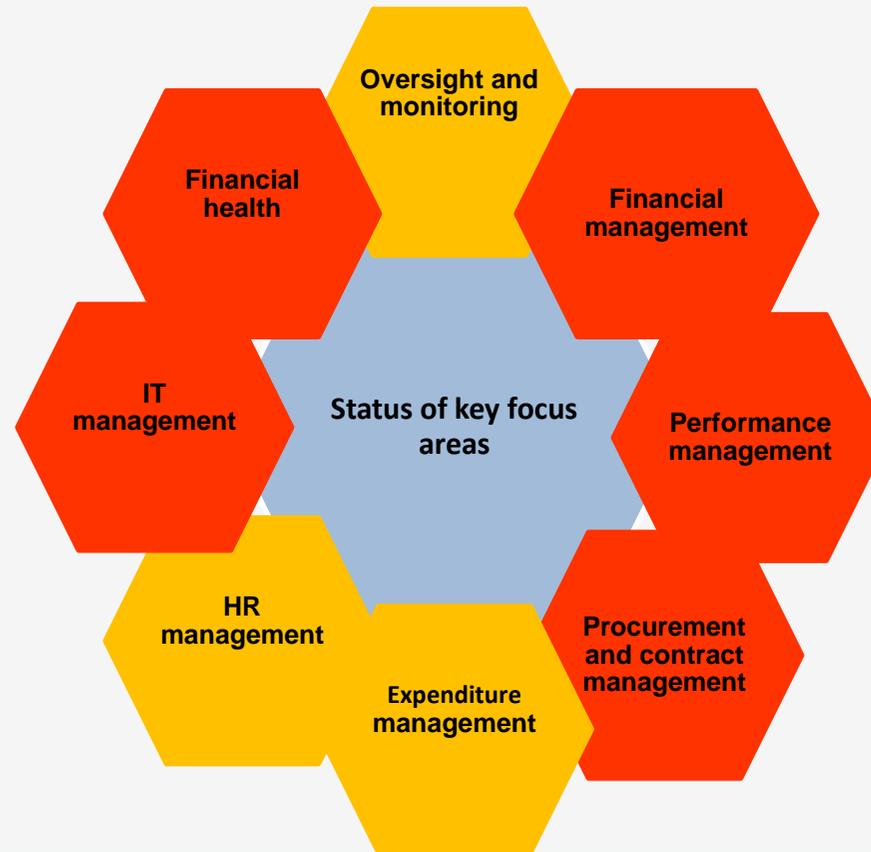
# Limpopo - Overall status of key focus areas



Good	The basics are in place as no concerns were identified.
Concerning	Concerns identified.
Intervention required	Level of concerns identified is an indicator that urgent intervention is required to prevent audit failure.

↑	Improved
↔	Unchanged
↓	Regressed

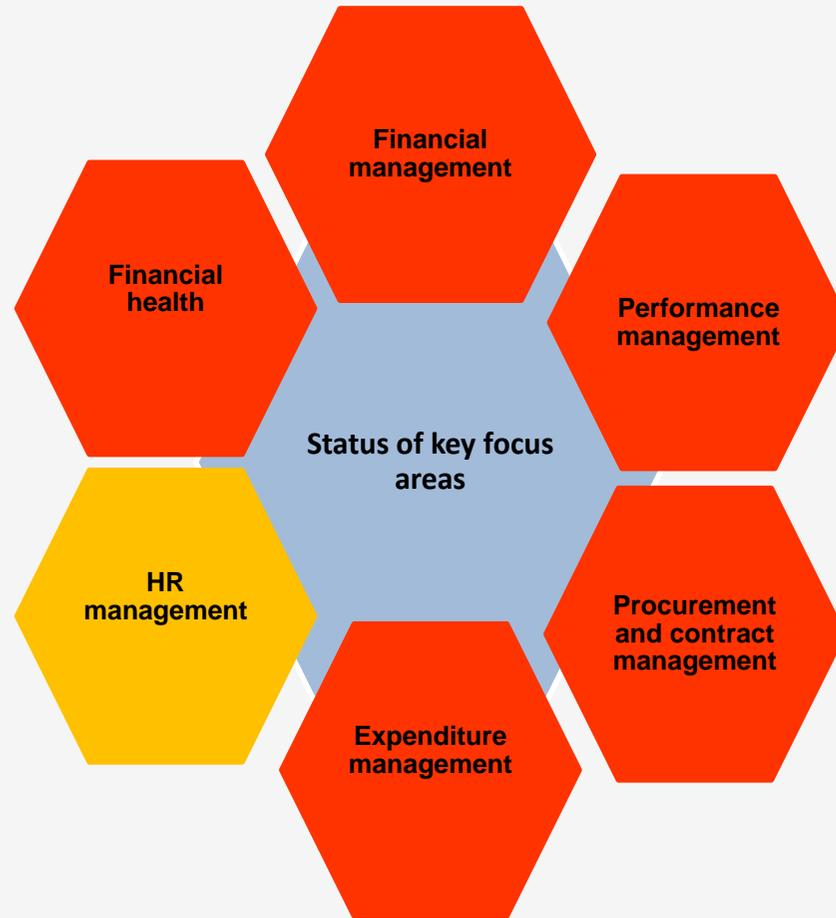
# Mpumalanga - Overall status of key focus areas



<b>Good</b>	The basics are in place as no concerns were identified.
<b>Concerning</b>	Concerns identified.
<b>Intervention required</b>	Level of concerns identified is an indicator that urgent intervention is required to prevent audit failure.

↑	Improved
↔	Unchanged
↓	Regressed

# Northern Cape - Overall status of key focus areas



<b>Good</b>	The basics are in place as no concerns were identified.
<b>Concerning</b>	Concerns identified.
<b>Intervention required</b>	Level of concerns identified is an indicator that urgent intervention is required to prevent audit failure.

↑	Improved
↔	Unchanged
↓	Regressed