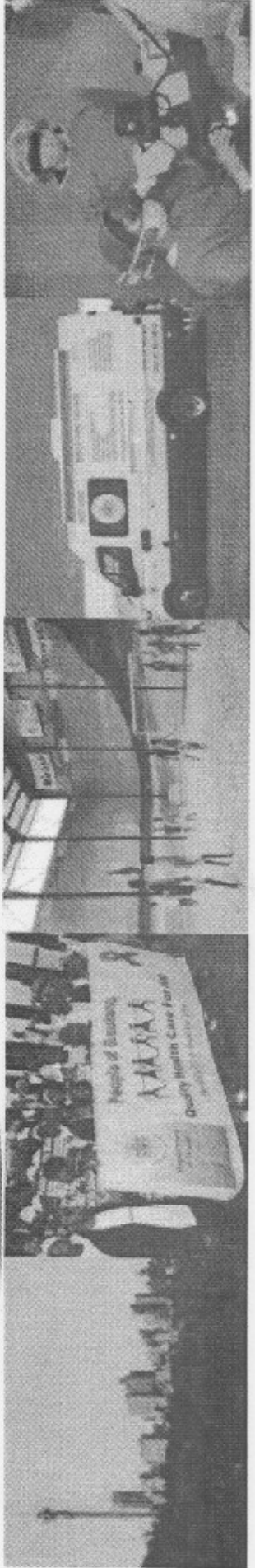


**Conditional Grant Presentation to the
Select Committee of Finance**

3 September 2008




Health
for a better life




*Conditional Grant Presentation to the
Select Committee of Finance*


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health

for a better life



- 
- Outline of the presentation
 - Purpose of the presentation
 - Conditional Grants Status
 - Financial performance
 - Budget allocation trends
 - Experiences, challenges and successes per grant
 - Monitoring of Grants



Our staff are the backbone of the health system
and we value them



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Purpose



- Presentation to the Select Committee of Finance on Capital Expenditure and Conditional Grants.
- To present the performance against these allocations for Gauteng Health as at the end of the First Quarter of 2008/2009



Conditional Grants

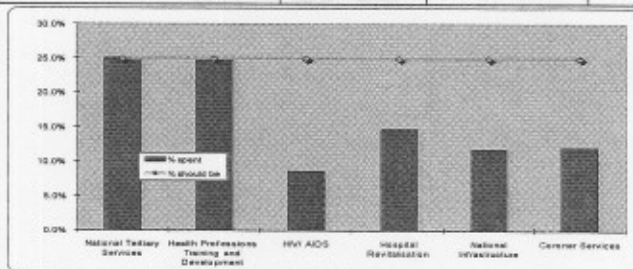


- **Gauteng Health benefits from the following conditional grants**
 - National Tertiary Services Grant (NTSG)
 - Health Professions Training and Development Grant (HPTDG)
 - Revitalisation Grant (Capital)
 - Provincial Infrastructure Grant (Capital)
 - HIV and AIDS Grant
 - Forensic Pathology Services Grant (FPS)



Status of Conditional Grants at 30 June 2008

Conditional Grants	Budget	Expenditure	% spent
National Tertiary Services	R2 186 619	R546 657	25%
Health Professions Training and Development	R610 828	R152 707	25%
HIV/AIDS	R541 119	R46 810	9%
Hospital Revitalisation	R844 312	R105 915	12%
Forensic Pathology Services	R77 472	R9 346	12%
Provincial Infrastructure Grant	R86 981	R10 314	12%
Total	R 4 347 331	R871 749	20%



Conditional Grants : Financial Performance

- **National tertiary Services Grant**
- **Health Professions Training and Development Grant**
 - Spending on these two grants are on track
 - Challenges are the development of a standardized financial model for all provinces; as well as collation of data from external sources
- **Comprehensive HIV and Aids Grant**
 - 9% of the allocation has been expended on the overall grant budget for the 1st quarter
 - Expenditure incurred against the equitable share amounting to R139 million still needs to be journalized to the conditional grant
 - The under expenditure was due to the introduction of the new SCOA that caused misallocations (R9.3m)
 - There was no interface for two months from MEDSAS and R70 million was not reported
 - Laboratory Cost amounting to R10 million was paid late into the next quarter
 - There was a back log for the payment of suppliers as a result of challenges experienced on SCOA
 - The main challenges is employment of chief community liaison officers (CCLO), high demand for milk products, non compliance by NGO's to submit quarterly claims in time and escalating costs of ART drugs as more sites are opened.
 - Monitoring, controls have been strengthened by implementing NGO's training on expenditure guidelines, reconciliation and submission of reports and facilitating to improve the process of employment of CCLO's.



Conditional Grants : Financial Performance



- **Forensic Pathology Services Grant**
 - Expenditure on this grant is R9,346 m
 - Under expenditure is as a result of salaries being paid from the equitable share as opposed to the grant. Has been rectified with spending up to 41% as at the end of August 2008
 - Allocated budget will be spent in full

- **Hospital Revitalization Grant**
 - Expenditure on this grant is R105 915m
 - It is anticipated that the full allocation will be spent on this grant

- **Provincial Infrastructure Grant**
 - Expenditure on this grant is R10 314m
 - It is anticipated that the full allocation will be spent on this grant

Reasons for under spending being reflected for capital projects

- 1st quarter expenditure aligns to cash flow projections for projects at 20% (Revitalization) and 14% (PIG)
- R30m for Revitalization and R3m for PIG were not journalized to Health's books
- Most projects were scoped and costed in the 1st quarter completely, actual expenditure only shows in the 2nd quarter



Grant budget allocation trends



Conditional Grants	2004-2006		2005-2006		2006-2007		2007-2008		2008-2009	
	Adj. Recd 2004-05	From 2003-04 Adjustment Budget	Adjustment Budget	From 2004-05 Adjustment Budget	Adjustment Budget	From 2006-06 Adjustment Budget	Adjustment Budget	From 2006-07 Adjustment Budget	Original Budget	From 2007-08 Adjustment Budget
	R	%	R100	%	R100	%	R	%	R100	%
National Tertiary Services Grant	1,727,798	2.85%	1,780,465	1.82%	1,895,004	0.60%	1,959,399	3.00%	2,188,619	11.02%
Health Professions Training and Development Grant	560,778	3.98%	554,039	-1.22%	554,039	0.00%	581,741	5.00%	610,628	5.00%
HIV/AIDS	134,231	100.00%	185,048	37.86%	270,195	46.01%	399,804	47.85%	541,119	25.81%
Forensic Pathology Services			16,944		82,020	334.07%	92,428	12.65%	77,472	-16.16%
Hospital Revitalization (Capital)	165,126	75.40%	88,955	-42.89%	415,201	388.75%	567,052	36.53%	718,312	26.67%
Infrastructure Grant (Capital)	95,658	40.92%	73,855	-11.28%	81,549	10.27%	81,039	0.18%	85,951	5.47%
Total National	2,675,412	2.34%	2,709,057	1.26%	3,269,098	20.67%	3,681,923	12.63%	4,221,331	14.86%

The percentages in red circles shows the allocation changes of the grants since 2003/04.

The allocation for the NTSG and HPTDG has not kept up with CPIX or medical inflation and have also been decreasing in real terms over the years. Since these grants largely funds the central hospitals this reduction in real terms resulted in the increasing over-expenditure at these facilities.

The FPS grant has not been funded for capital expenditure and maintenance in 2008/2009



Our staff are the backbone of the health system and we value them



Successes of Audited CG Transfers and Expenditure



National Conditional grant	2006-2007				2007-2008			
	Transfers	Expenditure	% Spent on Transfers	Qualified Audit Opinion	Transfers	Expenditure	% Spent on Transfers	Qualified Audit Opinion
National Health Funded								
National Tertiary Services	R 1 866 094	R1 866 094	100 %	No	R1 959 399	R1 959 399	100 %	No
Health Professions Training and Development	R554 039	R554 039	100 %	No	R581 741	R581 741	100 %	No
HIV and AIDS	R270 195	R270 211	100 %	No	R399 604	R 399 604	100 %	No
Forensic Pathology Services	R82 020	R66 285	81 %	No	R85 372	R84 350	91 %	No
Hospital Revitalisation(Capital)	R415 201	R350 797	85 %	No	R566 416	R 511 097	90 %	No
National Treasury Funded								
Provincial Infrastructure(Capital)	R81 549	R81 549	100 %	No	R 81 699	R71 096	87 %	No
Total	R3 269 098	R3 188 975	97%		R3 674 231	R3 607 287	98%	

Funds are already committed on those grants that reflect the full allocation not being spent in 2007/2008. Roll overs have been requested for these grants.



Audited expenditure at year closure 07/08



Conditional Grant	Adjustment Budget Allocation 2007/8	Amount Transferred 2007/8	Audited expenditure 2007/8	% Spent 2007/8
	R'000	R'000	R'000	%
National Tertiary Services	R 1 959 399	R1 959 399	R 1 959 399	100 %
Health Professions Training & Development	R581 741	R 581 741	R 581 741	100 %
HIV and AIDS	R 399 604	R 399 604	R 399 604	100 %
Revitalisation (Capital Projects)	R567 052	R 566 416	R 511 097	90%
Provincial Infrastructure (Capital Projects)	R 81 699	R 81 699	R 71 096	87%
Forensic Pathology	R 92 428	R 85 372	R84 350	91%



National Tertiary Services (NTSG)



Experiences	Challenges	Successes
<ul style="list-style-type: none"> > NTSG expenditure reports not appearing on BAS and this makes it difficult to track actual costs > Strengthening submissions timeline for Tertiary Institutions. > National Health – to define National Tertiary Services definitions 	<ul style="list-style-type: none"> > Lack of dedicated staff in hospitals to this grant > Staff turn over in hospitals affecting consistency > Month to month irregular figures that are not matching expenditure reports > Two large provincial hospitals namely Kalafong and Helen Joseph hospitals not benefiting from this grant but are rendering tertiary services. > No costing model and expenditure cannot be tracked on BAS 	<ul style="list-style-type: none"> > SLA between Department of Health and National Department of Health was signed on the 15 February 2008 > Final draft of the Memorandum of agreement between Gauteng Department of Health and Universities > Optimum utilization of NTSG grant > Reporting process flow enhanced




Development Grant (HPTDG)




Experiences	Challenges	Successes
<ul style="list-style-type: none"> > Business plan consolidation. (Different templates) > Determine health personnel needs between Health and Universities. 	<ul style="list-style-type: none"> > The development of a proper financial HPTG model > Populate the HPTD database with correct and relevant information. > Development of new joint structure with tertiary education institutions. 	<ul style="list-style-type: none"> > Submission of HPTDG business plan reports in time > Database developed and implemented



HIV and AIDS Grant		
Experiences	Challenges	Successes
<p>High Transmission Areas funded for prevention of STI's including HIV</p> <p>Implementation of multidrug ARV prophylaxis for prevention of mother to child transmission of HIV</p>	<p>>Professional nurses staff attrition led to failure to treat STI's on site this should reduce with OSD implementation</p> <p>>Training of staff still dependant on partners</p>	<p>>Number of female condoms distributed increased 11000 to 15000 per quarter</p> <p>>Increased detection of STI's and referral</p> <p>>Over 6000 mothers and babies benefited from multi drug ARV prophylaxis.</p> <p>>Vertical transmission of HIV reduced from 10% to 4%</p>



HIV and AIDS Grant (Cont.)		
Experiences	Challenges	Successes
<p>Routine offer VCT piloted in two facilities</p> <p>Mentorship project for NGO's</p>	<p>Training on routine offer dependant on partners negating the gains seen in the pilot</p> <p>Only HAST NGO's benefited</p>	<p>>Number of clients tested increased from 88000 to 102000</p> <p>>NGO's gained capacity in business planning, financial management and reporting. Compliance improved from 20% to 80%</p>



HIV and AIDS Grant (Cont.)		
Experiences Provision of Comprehensive Care Management and Treatment in 61 service points	Challenges Shortage of space and scarce skills staff.	Successes Treatment expanded to 3 prisons. Number of patients treated 132 570 exceeded 127 000 target . Down referral of patients to PHC facilities in all districts to ease patient load in hospitals

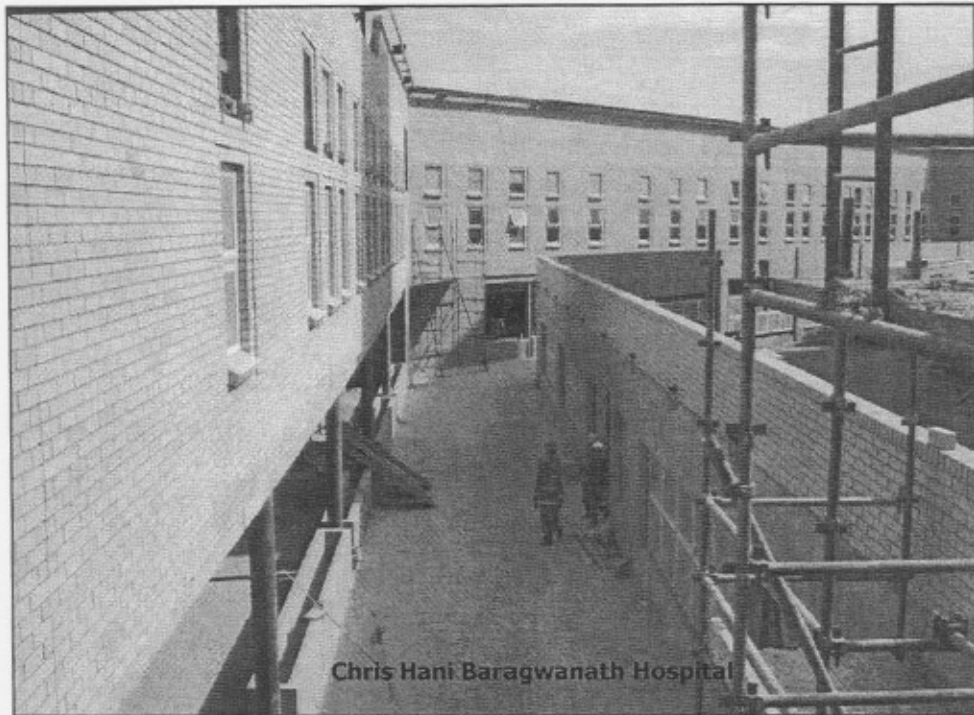


Chris Hani Baragwanath Hospital			
Progress Status	Budget 08/09 R,000	Expenditure YTD	As % of Budget
80% The super structure is near completion. Painting, plumbing & joinery at AE&T is done. Doors, windows, ceiling and bulkheads are done in Radiology. In Pharmacy, internal and external brickwork are done; and in OPD, ceiling services are done. In preparation for 2010	298 292	R26,7m	9%

A further R17,5 million spent by the Implementing agent has not yet been journalized. R146 million earmarked for Health Technology (Equipment) will only be spent in third to fourth quarter.






9/2/2008





New Mamelodi Hospital			
Progress Status	Budget 08/09 R,000	Expenditure YTD	As % of Budget
88% The super structure is complete. 1 st delivery, equipping of the hospital, and commissioning will take place in the second and third quarter of the financial year.	99 708	R8,4 mil	8%

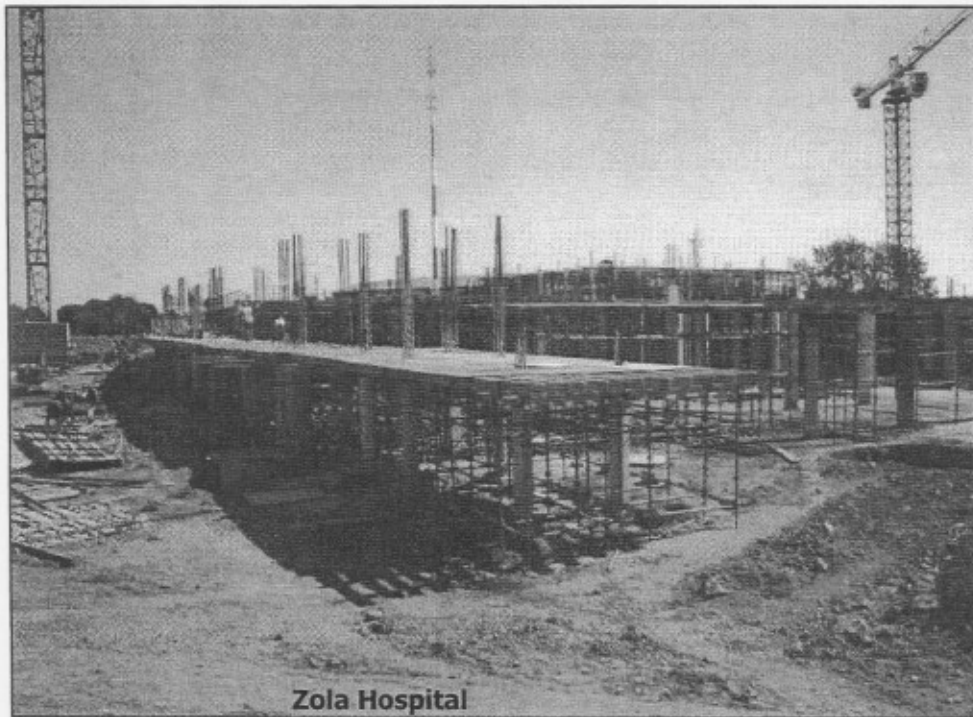
A further R3,9 million spent by the Implementing agent has not yet been journalized. R146 million earmarked for Health Technology (Equipment) will only be spent in third to fourth quarter. Major portion of the funds (R68m) is for equipment - procurement in process


Zola Hospital			
Progress Status	Budget 08/09 R,000	Expenditure YTD R,000	As % of Budget
<p>40% Complete. Construction of various units including gateway is underway.</p> <p>The project has been delayed by poor performance of the contractors. Public Works has opted not to terminate but to capacitate the contractor with group 5 to site team. The construction Programme is being revised.</p>	72 313	R0,2 mil	0.2%

PROVINCIAL GOVERNMENT



Zola Hospital

Germiston Hospital



Progress Status	Budget 08/09 R,000	Expenditure YTD R,000	As % of Budget
45% Complete. Excavations, Foundations, ring beams and columns are done. First floor slabs and lift shaft are also done.	61 000	R23,3mi 	38%

A further R1,2 million spent by the Implementing agent has not yet been journalized.



Germiston Hospital

