

**Questions and issues raised by Portfolio
Committee members on the 2009/10
Annual Report of the National Department
of Health on 12 October 2010 – obtained
from the Audio Recording of the meeting**

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No	Questions and Issues raised	Responsibility	Answer
1	What are the reasons for the overspending and bank overdraft from Provinces?	Programme1	Possible under funding for health programmes and the Compensation of Employees allocations related to the OSD for nurses and the Improvement of Conditions of Services (ICS), as well as poor financial management and lack of monitoring systems and budget control.
2	Observation : The same provinces that under-spend on the grants are the same provinces that are having overdrafts	Programme1	Observation noted.
3	In several instances problems with procurement is mentioned as a challenge. The turnaround time for procurement indicated in the report does not correlate with this.	Programme1	The turnaround time indicated in the report relates to general procurement processes which do not have exceptions or queries. Cases which result in delays are those which have technical limitations

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			such as either non responsiveness of the bidders to the specifications and or conflict of interest in bids as well as weaknesses in the evaluation processes of bids, which result in either cancellation of the tender or re-advertisement of the tender. This eventually results in the delay in the spending of the earmarked funds for specific projects.
4	The Report indicates that 6 out of 9 provinces did not overspend on compensation of employees. The committee would like to know which Provinces did overspend	Programme1	Eastern Cape KwaZulu Natal Gauteng
5	The report indicates the only 90 out of 106 SMS members submitted PMA's The committee acknowledges the measures implemented by the Department. but would like to	Programme1	1. Penalties include: Negative assessment on Core Management Criteria of People Management and Empowerment of the

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	<p>know</p> <ul style="list-style-type: none"> - Where are the Supervisors that are supervising those that did not comply and what penalties are there for them ? - The Committee want to know what did these people do while earning a salary and what about the development of these managers in the absence of a PMA ? 		<p>supervisor; and</p> <p>Subjection to disciplinary action</p> <p>2. Development of managers cannot be done in the absence of a Personal Development Plan to which the manager and supervisor agreed upon and committed to. Future intervention include freezing of salary for non-compliance and followed by disciplinary action.</p> <p>The same penalties will have to be imposed on the relevant supervisors should there be proof that the supervisor failed in his or her duties to ensure submission of the PMA from the staff supervised.</p> <p>Work done by the sms members who did not submit their PMAs was based on the Operational Plans of their clusters and or directorates.</p>

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6	<p data-bbox="399 386 996 423">Slide 7 : Indicate expenditure of Provinces</p> <ul style="list-style-type: none"> <li data-bbox="445 477 1069 618">- Would like this to be unpacked in more details with an explanation on how these figures were calculated <li data-bbox="445 672 1005 760">- Would like to have a breakdown per Province 	Programme1	<ul style="list-style-type: none"> <li data-bbox="1435 386 2114 695">(i) Accruals estimated to R3,2 billion refer to outstanding accounts which could not be paid before the end of the financial year (March 2010), where goods and services were already delivered. This is only for the 2009/10 financial year. <li data-bbox="1435 743 2114 943">(ii) Unauthorized expenditure estimated to R7,8 billion refers to over expenditure of the total vote or programme per province for the financial year 2009/10. <li data-bbox="1435 997 2114 1305">(iii) Cumulative unauthorized expenditure estimated at R11,6 billion refers to over-expenditure from previous financial years which has not yet been condoned either by the provincial Legislatures or the relevant Departments.

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			<p>(iv) Bank overdrafts estimated to R8 billion refer to expenses incurred from the respective bank accounts at provincial level, which exceeded the available cash in the bank.</p> <p>(v) Over expenditure estimated to R3,4 billion refers to the difference between the total allocation per province and the actual expenditure, for the financial year 2009/10.</p> <p>(vi) The brake down per province is attached.</p> <p>All the above amounts were used as indicators by the National Department and Treasury, to measure provincial financial management discipline and performance.</p>

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7	<p>Would like to know what is happening to the cost centre project</p> <p>Who is driving the project - is it the CFO</p>	Programme1	The project was devolved to the participating provinces for roll out under the leadership of the provincial CFOs and the hospital CEOs. The project was piloted at specific hospitals.
8	Can the Department explain what does the terms unauthorized expenditure, bank overdraft and over expenditure mean	Programme1	<p>(i) In terms of the PMFA, Unauthorized expenditure refers to over expenditure of the total vote or programme for a particular financial year.</p> <p>(ii) Bank overdraft refer to expenses incurred from a respective bank account, which exceeded the available cash in the bank.</p>
9	The Department is requested to explain the issue of unauthorized expenditure. What was this money spend on and what is the plan in the department to	Programme1	(i) Provinces have reported that the reasons for the over expenditure is due to under funding for health programmes and the Compensation of Employees allocations

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	deal with this issue		<p>related to the OSD for nurses and the Improvement of Conditions of Services (ICS).</p> <p>Other provinces have indicated “unfunded mandates” either from provincial or national policies. E.g campaigns on health promotion programmes such as immunization etc. provinces have indicated inadequate funding for such campaigns or programmes.</p> <p>(ii) There is a special project initiated by National Health, working together with the Office of the Accountant General, the provincial Health Departments and the provincial Treasuries, to assist the health departments with stringent measure to monitor and control the budget and expenditure to work towards ensuring</p>

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			compliance with the PFMA regulations with regard to financial management.
10	<ul style="list-style-type: none"> - The President at numerous instances mentioned that corruptions should be ruled out. What is the Department's plan to deal with corruption? Does the Department have people that assist with ruling out corruption? - Drugs and equipment are disappearing from facilities. What is the Department's plan to address this? 	Programme1	<ul style="list-style-type: none"> (i) The project indicated in 9 above includes ensuring existence of well established Risk Management Units at all the ten Departments, which should also ensure that Fraud and corruption is addressed at all levels with special focus on the Supply Chain Management and processes. (ii) The processes include Asset Management and ensuring accurate and complete Asset Registers, which will assist departments in tracking all minor and major equipment and assets.

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11	<p>Page 23 make reference to the Provincial Support Unit</p> <ul style="list-style-type: none"> - Want to know if this unit was functional - The Committee requested the documentation on the mandate of this unit 	Programme1	<p>Documentation related to mandate attached electronically</p> <p>(i) The Provincial Support Unit indicated in the Annual Report was not functional in the period under review. No personnel could be recruited into the newly established unit, due to inadequate funds for Compensation of Employees.</p> <p>The mandate of the unit is based on a normal process followed with the creation of a new Cluster. The creation of the cluster was approved by the then Minister, Minister Hogan and supported by the National Treasury. The main function of the unit is to ensure monthly monitoring and reporting of the provincial performance, with the intension of intervention through provincial visits where</p>

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			applicable. The initial intention was to focus on Financial Management and related matters. The function of the unit is currently being reviewed to be responsive to a broader area of support to the provinces.
12	<p>The Department has an acting CFO since 2008.</p> <ul style="list-style-type: none"> - When will the post be advertised and filled <p>Chair Persons said: the Department don't have to answer on this. The post should just be advertised and filled</p>	Don't have to respond	<ul style="list-style-type: none"> (i) Advertisement of the post done. (ii) Short-listing completed. (iii) Interviews to be held before the end of November 2010.
13	<p>The Department needs to spend appropriately. Under-spending is unacceptable. Why is the money not used?</p>	Programme1	<ul style="list-style-type: none"> (i) Concerns regarding the unacceptable under spending are noted and agreed to. (ii) Funds were not spent due to compliance

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			with the PFMA regulations regarding earmarked funds, which included conditional grant funds for the Revitalization grant.
14	An issue was raised on the Departmental recruitment policy could not hear what the question was	Programme2	A recruitment and selection policy and procedure for the National Department of Health was approved by the Director-General in April 2010.
15	<p>Turnaround time for TB Sputum was lower than the set target. This is a problem is we say TB is a priority</p> <ul style="list-style-type: none"> - Have the Department went back to the drawing board to improve the management of TB - Cannot continue to have reports that TB is 	Programme2	Sputum Turn-around time - Although the Turn-Around Time (TAT) once sputa reach laboratories is impressive, health system challenges relating to fewer laboratories available at district/PHC level, inadequate transportation (needed for transportation of specimen between facilities and laboratories), equipment and personnel continue to undermine efforts to make improvements on the TAT. Discussions with the NHLS to strengthen decentralisation of laboratory services, improvements in deliveries of specimen transportation (more frequent courier services) and use of existing communication technologies,

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	not managed		<p>including SMS for dissemination of laboratory results.</p> <p>Improving the management of the TB programme - The programme provides technical support, especially on training, policies and guidelines for clinical management and monitoring and evaluation of performance. The line management responsibility, including the deployment of resources for TB control and management, rests with PHC and district systems services. Over the past few years, the Department has invested resources in strengthening the TB programme, which now is a formal cluster at national level, with each province having the programme managed at least by a Director. 42 TB coordinators have been employed by provincial departments, to further strengthen the programme, although their functions will be expanded to allow them to focus on PHC</p>

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			services broadly.
16	<p>Performance with regards to TB is of great concern.</p> <ul style="list-style-type: none"> - The Department need to explain why the targets for MDR and XDR TB were not reached 	Programme2	<p>Targets for MDR and XDR not met - Initial policy required MDR & XDR TB co-infected patients to be provided with ARVs only if their CD4 count was 200 or less. Unfortunately, in calculating the rate, the denominator included all MDR cases (not those eligible in terms of the policy), thereby leading to a perception of poor performance. With the new policy, that is, all co-infected DR-TB patients to be provided with ARVs irrespective of CD4 count, there has been significant improvement. Against a baseline of 55% in 2009, 62.6% co-infected MDR patients received ARVs in quarter 1 of 2010, with an increase to 69.8% in Quarter 2. About 90% of XDR TB co-infected patients were provided with ARVs in Quarter 2 in 2010 compared to 72.5% in</p>

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			2009.
17	<p>ARV and TB Drug Stock outs reported</p> <ul style="list-style-type: none"> - Does this result in patients not receiving their treatment for any length of time - If patients did not receive their treatment the Department is requested to indicated which Provinces and how many patients were affected 	Programme2	No, because the facility has buffer stock of about six weeks.
18	Slide 8 : Indicate 164 of the 549 identified maternity facilities implemented the Basic Antenatal Care (BANC) programme.	Programme2	It is expected that all facilities will be able to implement this by 2012

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	<ul style="list-style-type: none"> - The Department is requested to explain this performance and to indicate the time frame for implementation at all the facilities. 		
19	<p>Slide 8 : 30% of women were reviewed within three days post-partum days</p> <ul style="list-style-type: none"> - The Departments is requested to provide the committee with a provincial break down 	Programme2	The revised guideline is that women and neonates must be seen within six (6) days of having delivered/been delivered. There is no provincial breakdown at present – this data will be collected
20	<p>The committee would like to know the impact of the condoms that are being distributed.</p> <p>Is PHC and health promotion really functioning</p>	Programme2	<p>This is not easy to do from a methodological point of view. However two studies (HSRC and Khayaletsha) showed that there is a correlation between condom use and HIV incidence and STI rates</p> <p>Health promotion is functioning and implemented well in all provinces, with a focus on the 5 pillars:</p>