

**NORTH WEST DEPARTMENT OF HEALTH**  
**Presentation on the status of Conditional Grants**

Public Hearings on  
Conditional Grants – 17  
January 2006

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**North West Department of Health Team**

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**Overview of Presentation.**

- Introduction.
- Purpose.
- Conditional grants administered by NWDoH.
- Monitoring Mechanisms.
- Expenditure.
- Current status of Conditional Grants.
- Closure.

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**Introduction**

- The overall conditional grants allocation amounts to 10.82% of the total allocation of the department for the year under review (05/06).
- An amount of R40m has been withheld by National Health as per agreement from the Revitalization grant.
- The percentage expenditure as at December 2005 amounts to 60.7%.
- Total commitments to date amount to R11,119 which puts the overall expenditure of R241,861 at 63.6%.

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**Introduction cont.**

- The low overall percentage expenditure is mainly resulting from the new grant for Forensic Pathology Services which was only received after the Adjustment Estimates. It therefore reduced the percentage of exp. vs available funds.
- In comparison with prior year, the 3rd quarter performance has improved with 11.8 %.
- On the whole, the overall percentage as at December 2005 for the total vote amounts to 70.7%

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**Purpose:**

To report on performance of conditional grants as managed by the Department, and outline monitoring capacity, achievements, challenges and remedial actions for the 3<sup>rd</sup> Quarter of 2005/06.

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## Conditional grants administered by NWDoH.

- Comprehensive HIV & AIDS.
- Hospital Management & Quality Improvement.
- Health Professional Training & Development.
- Integrated Nutrition Programme.
- Hospital Revitalization.
- National Tertiary Services.
- Forensic Pathology Services.
- Malaria, cholera Prevention/poverty alleviation.

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## Monitoring Mechanisms.

The NWDoH has employed a dedicated manager to monitor the performance of conditional grants with the following results:

- Compliance with Acts and Treasury regulations has been enhanced - business plans compiled and submitted in accordance with DORA.
- Monitoring has been enhanced - monthly and quarterly reports are compiled and submitted timely to the NDoh, Treasury & AG.
- Transfers from National Treasury are correctly appropriated into relevant cost centres of the Department.
- Cash flow appropriation has improved due to continuous and direct interaction between the Conditional Grants manager and Programme Managers and Provincial Treasury.
- Analysis of expenditures on a monthly basis has ensured that payments effected per month are in line with the conditions of the approved business plans.
- Requests for roll-overs to Provincial Treasury have been compiled and submitted timely - with the result that the department is expecting a decrease in rollovers for the 2005/06 financial year.

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## Monitoring Challenges.

- Project Management capacity of conditional grant programme managers require enhancement.
- Putting together of conditional grants business plans linked to strategic needs of the Department require strengthening.
- Need to strengthen business plans in line with good project planning principles.
- Interfaces between various conditional grants require strengthening e.g HPTDG & Hospital Management & quality improvement grants.

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## Financial Information.

Grant R1000	Budget.	Transfers to date.	Expend Decemb er'05.	Expen to date.	% expenditure / Budget.	Commitment as at 31 Dec 05.	Budget Balance.
Comprehensive HIV & AIDS	100,921	80,505	6,055	68,562	67.94%	5,933	32,359
Hospital Management & Quality Improvement	18,303	9,482	1,474	8,551	46.72%	341	9,752
Health Professionals Training & Development	64,012	46,925	5,492	50,245	78.49%	493	13,767
Integrated Nutrition Programme	10,981	8,249	2,299	7,704	70.16%	222	3,277
Hospital Revitalization	102,399	57,201	11,779	58,546	57.17%	206	43,853
National tertiary Services	71,282	50,915	5,650	36,388	51.05%	3,410	34,894

## Financial information.

Grant. R1000	Budget.	Transfers to date.	Expend Decemb er'05.	Expend to date.	% expenditure / Budget.	Commitment as at 31 Dec'05	Budget Balance
Malaria, cholera prevention / Poverty alleviation	1,392	1,392	73	73	5.24	457	1,319
Forensic Pathology Services	11,116	5,558	124	673	6.05	57	10,443

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## Current status of Conditional Grants

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## Comprehensive HIV & AIDS

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## Comprehensive HIV & AIDS (CONT)

### ■ Purpose

- To enable the health sector to develop an effective response to the HIV and AIDS epidemic. The funds of the grant are loaded on separate cost centres which are solely for the grant.

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## Financial Information

Budget.	Transfers to date.	Expenditure for December 2005.	Expenditure to date.	% Expenditure Budget.	Commitments as at 31 December 2005.	Budget Balance.
R'000	R'000	R'000	R'000	R'000	R'000	R'000
100,921	80,505	6,055	68,562	67.94%	5,933	32,359

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## Comprehensive HIV & AIDS (67,94%)

### ■ Achievements

- The major operational plan objectives of the Programme have been met in terms of making ARV sites functional, and improving service delivery by contracted NGO's and administrative activities.
- Uptake in the programme is rising.
- Rise in accredited sites from 4 to 10, and 11 more sites identified for readiness.

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## Comprehensive HIV & AIDS (CONT)

### ■ Challenges

- HR challenges particularly in rural parts of the province.
- A continuous focus on quality beyond uptake is critical.
- Challenges with infrastructure (space) in some of our facilities.
- Turn around time of the procurement system requires improvement, often resulting from programmes not complying with all requirements.

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## Comprehensive HIV & AIDS (CONT)

### ■ Remedial Action:

- Exploration of partnerships beyond government is being looked at.
- Temporary structures are being put up as an interim solution to challenges with space.
- With Continuous interaction between the Programme and Supply Chain Management, turn around times should improve.
- Improved management of cash flow.

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## Hospital Management and Quality Improvement

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## Hospital Management and Quality Improvement (CONT)

- Purpose
  - To transform hospital management and improve quality of care in line with National policy.

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## Financial Information

Budget.	Transfers to date.	Expenditure for December 2005.	Expenditure to date.	% Expenditure Budget 2005.	Commitments as at 31 December 2005.	Budget Balance.
R'000	R'000	R'000	R'000	R'000	R'000	R'000
18,303	9,482	1,474	8,551	46.72%	341	9,752

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## Hospital Management and Quality Improvement (46,72%)

- Achievements:
  - Despite various challenges, our reviews suggests improvement in the quality and management of our hospitals compared to 18 months ago.
  - The main beneficiary of the grant (Swartruggens Hospital) is functioning well since its official opening, located in an area that is historically underserved.
  - Quality improvement programme and accreditation (partnership with COHSASA) resulted in accreditation of a psychiatric hospital (Witrand) for the first time.

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## Hospital Management and Quality Improvement (CONT)

- Challenges:
  - Hospitals which are not revitalisation sites have tended to utilise equitable share even for activities that are in the grant without effective journalising.
  - To encourage spending on respective cost centres under this Programme and to ensure that all benefiting cost centres spend from this grant not from the equitable share.

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## Hospital Management and Quality Improvement (CONT)

- Remedial Action:
  - For the quality improvement programme, about R5m is still to be transferred to COHSASA; the revenue system improvement programme (in partnership with SITA) is also owed funding that will be transferred in this quarter; this is expected to lift current poor spending patterns.
  - In the long term, more balance between revitalisation sites and non-revitalisation hospitals will be struck; and some duplication with other grants (e.g. HPTDG) to be managed better from business plan

## Health Professional Training and Development.

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## Health Professional Training and Development (CONT)

- **Purpose:**
  - Support Provinces to fund service costs associated with training of Health Professionals.

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## Financial Information

Budget.	Transfers to date.	Expenditure for December 2005.	Expenditure to date.	% Expenditure Budget.	Commitments as at 31 December 2005.	Budget Balance.
R'D00	R'D00	R'D00	R'D00	R'D00	R'D00	R'D00
64,012	46,925	5,492	50,245	78.49%	493	13,767

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## Health Professional Training and Development (78,49%)

- **Achievements:**
  - Our nurses training programme is going well, with increase in number of post basic programmes.
  - The expenditure level under this grant is presently at 78% which is within the required level at this period.
  - The necessary virements were effected to align the budget to the activities of the Programme.

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## Health Professional Training and Development (CONT)

- **Challenges:**
  - A concerted effort to closely monitor the expenditure under the conditional grant to avoid over expenditure.
  - Other clinical categories beyond nursing require closer attention, in relation to training and development.

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## Health Professional Training and Development (CONT)

- **Remedial Action:**
  - In the long term, training activities by hospitals should be co-ordinated properly between the HPTDG and HMQIG, given potential for duplication.

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## Integrated Nutrition Programme.

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## Integrated Nutrition Programme (CONT)

- **Purpose:**
  - To implement integrated nutrition activities aimed at improving the nutritional status of all South Africans.

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## Financial Information

Budget.	Transfers to date.	Expenditure for December 2005.	Expenditure to date.	% Expenditure Budget.	Commitments as at 31 December 2005.	Budget Balance.
R'000	R'000	R'000	R'000	R'000	R'000	R'000
10,981	8,249	2,299	7,704	70.16%	222	3,277

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## Integrated Nutrition Programme (70,16%)

- **Achievements:**
  - Greater alignment between INP and its support of the CCMT (HIV & AIDS) exists.
  - The Programme's expenditure pattern has shown improvement and plans to utilise the balance of the budget are in place.
  - Inputs for the budget adjustment have been finalised to meet the Programme needs and to effect minor alignment between the budget and business plan.

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## Integrated Nutrition Programme (CONT)

- **Challenges:**
  - Better coordination with departments of agriculture, social development and education is required.
  - Historical focus on PSNP means that the programme has had to get out of this mode, and constantly ensure that performance is at the required level to maintain the right expenditure.
  - Generally, expenditure is expected to be on track.

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## Integrated Nutrition Programme (CONT)

- **Remedial Action:**
  - As expenditure is generally on track, only minor alignment to be pursued between the budget & activities in the business plan.

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## Hospital Revitalization.

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## Hospital Revitalization (CONT)

- Purpose:
  - To transform and modernise infrastructure and equipment in Hospitals in line with National policy and to achieve a sustainable infrastructure from which modern, equitable and sustainable services can be delivered.

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## Financial Information

Budget.	Transfers to date.	Expenditure for December 2005.	Expenditure to date.	% Expenditure Budget.	Commitments as at 31 December 2005.	Budget Balance.
R'D00	R'D00	R'D00	R'D00	R'D00	R'D00	R'D00
102,399	57,201	11,779	58,546	57.17%	206	43,853

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## Hospital Revitalization (57,17%)

- Achievements:
  - The Swartruggens hospital has now been closed as a revitalisation project.
  - Contractors are on site at both sites and two months ahead of the programme in relation to housing phase.
  - The bulk earthwork and water is presently 90%.
  - R10m transferred to IDT in November. The balance of R29m is to be transferred by end of February 2006 (in terms of existing SLA) based on progress currently being registered.

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## Hospital Revitalization (CONT)

- Challenges:
  - Poor response from the contractors to the advertisements made, too many inexperienced contractors respond, resulting in inadequate competition for contracts.
  - No electrical connection in Vryburg, thus hampering the progress of the project.
  - Some Contractors still behind schedule, which negatively affects expenditure.

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## Hospital Revitalization (CONT)

- Remedial Action:
  - Resolve the electrical problem with local Municipality and Consultants.
  - Work with DPW & IDT to review the implementing strategy and process thoroughly (e.g advertising of contracts for various phases at the same time).
  - Continuous Involvement of the Provincial Treasury in the loading of the cash flow; updating of the project management and information system.
  - In the long term, participate in the national Treasury Infrastructure Implementation Programme from which Education is benefiting.

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## National Tertiary Services.

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## National Tertiary Services (CONT)

- Purpose:
  - To fund National Tertiary Services delivered in 27 Hospitals across the nine Provinces, as identified by the National Department of Health, in order to ensure equitable access to basic tertiary health services by all South Africans.

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## Financial Information

Budget	Transfers to date	Expenditure for December	Expenditure to date	% Expenditure Budget	Commitments as at 31 December	Budget Balance
R'000	R'000	R'000	R'000	R'000	R'000	R'000
71,282	50,915	5,650	36,388	51.05%	3,410	34,894

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## National Tertiary Services (51,05%)

- Achievements:
  - The package of Tertiary services offered in the province has continued to grow, despite challenges of attracting and retaining specialists.
  - Gradually, more specialists are coming into the province (retention is key though).
  - The Programme has shown an improvement in its expenditure compared to the previous months; however, there is still a need for a big improvement.

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## National Tertiary Services (CONT)

- Challenges:
  - The services offered through this grant are partly depended on the availability of specialists to offer particular tertiary services.
  - Building of competence at two of the new tertiary services sites requires continued focus in the current cycle and in the next year.
  - A disputed SCM process resulted in delay in procurement of Medical equipment for 3 hospitals since 2<sup>nd</sup> quarter (CT scans) amounting to about R21M.

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## National Tertiary Services (CONT)

- Remedial Action:
  - The province continues to aggressively search for specialists, including through strengthening partnerships with universities (WITS, MEDUNSA and UP).
  - Finalisation of the disputed SCM process has now almost been achieved, and will lead to procurement of medical equipment as part of this grant.

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## Financial information.

Grant. R'000	Budget.	Transfers to date.	Expenses Decemb or 2005.	Expenses to date.	% expenditure / Budget.	Commitment as at 31 Dec'05.	Budget Balance
Malaria, cholera prevention / Poverty alleviation	1,392	1,392	73	73	5.24%	457	1,319

where effects of drought have drastically subsided.

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## Malaria & Cholera Prevention Grant (CONT)

- **Achievements:**
  - The budget of this grant has been made available to the Department from the Provincial contingency reserve and loaded into the system in November'05. The spending under this grant has started in all the sub-

financial year to spend the remaining funds.

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## Forensic Pathology Services.

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## Forensic Pathology Services (CONT)

- **Purpose:**
  - › To transfer all medico-legal mortuaries under the control of the South African Police Services to Provincial Department of Health .

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## Financial information.

Grant.	Budget.	Transfers to date.	Expenses December 2005.	Expenses to date.	% expenditure / Budget.	Commitment as at 31 Dec'05.	Budget Balance
R000							
Forensic Pathology Services	11,116	5,558	124	673	6.05	57	10,443

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## Forensic Pathology Services (CONT)

- **Achievements:**
  - Provincial business plan approved by NDoH. No achievement since the Province only received an amount of R5,558m after Adjustment Estimates as a transfer for the grant which is the funding the Province has been waiting for since the beginning of the year.

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## Forensic Pathology Services (CONT)

- **Challenges:**
  - › Funding came late to enable any meaningful expenditure to be achieved
  - › The Programme has to ensure that the roll-out of the activities is expedited to ensure spending of funds.

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## Forensic Pathology Services (CONT)

- **Remedial Action:**
  - › The Programme has begun to implement the business plans for the remainder of the financial year.

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