

REPORT OF THE PORTFOLIO COMMITTEE ON HEALTH ON THE ANNUAL PERFORMANCE PLAN OF THE DEPARTMENT OF HEALTH, ITS ENTITIES (2018/19 - 2020/2021) AND VOTE 16, DATED 25 APRIL 2018

The Portfolio Committee on Health (the Committee), having considered Budget Vote 16: Health, together with the Annual Performance Plan (APP) of the Department of Health (the Department) and six entities (South African Health Products Regulatory Authority, South African Medical Research Council, Office of Health Standards Compliance, Council for Medical Schemes, National Health Laboratory Service and the Compensation Commissioner for Occupational Diseases), reports as follows:

1. INTRODUCTION

The Constitution of South Africa (Act No. 108 of 1996) recognizes that Parliament has an important role to play in overseeing the performance of government departments and public entities. Through the review of strategic plans, annual performance plans, annual budget and medium-term expenditure framework allocation and needs.

This report summarises presentations received from the Department and its entities, focusing on their 2018/19 Annual Performance Plans and Budget as well as allocations over the MTEF. In addition, the Committee was also briefed by the Auditor General South Africa (AGSA) and Financial and Fiscal Commission (FFC) on their analysis of the APPs. The report details the deliberations, observations and recommendations made by the Committee relating to Vote 16.

2. CONSIDERATION OF THE ANNUAL PERFORMANCE PLAN AND BUDGET OF THE DEPARTMENT

On 19 April 2018, the Portfolio Committee engaged the Department on its Annual Performance Plan and budget for 2018/19.

3. OVERVIEW OF THE DEPARTMENT OF HEALTH

The Department aims to provide leadership and coordination of health services to promote the health of all people of South Africa through an accessible, caring and high quality health system based on primary health care approach. The Department derives its annual performance plan for 2018/19 financial year from the 2018 State of the Nation Address (SONA), National Development Plan (NDP) Vision-2030, the Medium-Term Strategic Framework (2014-2019), the Minister of Finance budget speech (2018) and the Department's planned policy initiatives and other relevant policies.

3.1. Department of Health Planned Policy Initiatives

The key policy priorities of the Department include the following:

- **Implementation of the National Health Insurance (NHI).** The first phase of a 5-year preparatory work plan to improve health systems performance, interventions to improve service delivery and provision, has been implemented at all levels of the health system.

The Minister of Health published the White Paper on NHI for public comments in December 2015. In addition, the Department has set up 6 NHI work streams. The public comments and recommendations from the NHI work streams contributed to the development of the NHI policy. In June 2017, the NHI Policy of South Africa was gazetted as the official policy on NHI. An evaluation of the first phase of NHI is currently underway and the report will be finalised during 2018/19 financial year.

The second phase will entail development of systems and processes to ensure effective functioning and administration of the NHI Fund. The NHI Fund will pool revenue and purchase health services, through contracting health service providers accredited by the Office of Health Standards Compliance. In addition, an implementation team will be established as a government component reporting to the Minister of Health.

- **South African Health Products Regulatory Authority (SAHPRA).** SAHPRA is established as a Section 3A Public Entity, meaning that it will be able to retain funds generated from applications, in order to acquire experts on a full-time basis. The key focus areas over the medium-term will be to evaluate and register pharmaceuticals, and medical devices, manage and co-ordinate the registration process, ensuring access to safe medicines and continue regulatory compliance.
- **Operation Phakisa and Ideal Clinic Initiative.** The Ideal Clinic Realisation and Maintenance programme began in 2013 with the aim to ensure that Primary Health Care (PHC) facilities has good infrastructure, human resources and systems in place. An improved and effective PHC system is seen as key to improving the health outcomes of the country in the most cost-effective manner.

3.2. Annual Performance Indicators for 2018/19

Some of the key performance indicators under each programme are as follows:

Programme 1: Administration

The purpose of the administration programme is to provide support services to the National Department of Health. These include: Human resources development and management, labour relations services, information communication technology services, property management services, security services, legal services, supply chain management and financial management services. The Department plans for the current financial year (2018/19) are:

- To obtain a clean audit opinion.
- To ensure improvements in audit outcomes for at least five provincial departments.

Programme 2: National Health Insurance, Health Planning and Systems Enablement

The purpose of the National Health Insurance (NHI), Health Planning and Systems Enablement Programme is to improve access to quality health services through the development and implementation of policies to achieve universal health coverage, health financing reform, integrated health systems planning, monitoring and evaluation and research. Under Programme 2, the Department plans to achieve the following:

- The draft NHI Bill will be gazetted for public comments.
- Private health providers will be contracted to provide health services.
- The eHealth Strategy (2019-2023) will be published.
- 3000 PHC facilities already using the health patient registration system (HPRS) will be maintained and an additional 470 PHC facilities and 22 hospitals will implement HPRS.
- 35 million patients will be registered on the HPRS.
- 3625 health facilities will be reporting stock availability at the national surveillance centre.
- 2.5 million patients will be enrolled for receiving medicines through the centralised chronic medicine dispensing (CCMDD) programme.
- Surveillance system for monitoring antimicrobial resistance will be accessible to three Provincial Departments of Health.
- The Traditional Health Practitioners Amendment Bill will be published for comments.
- The 2018/19 annual single exit price adjustments will be gazetted and implemented.
- 1500 PHC facilities will conduct patient experience of care surveys.
- The NHI Phase 1 evaluation report will be published.

Programme 3: HIV/AIDS, TB and Maternal and Child Health

The purpose of HIV/AIDS, TB and Maternal and Child Health programme is to develop and monitor implementation of national policies, guidelines, norms and standards, and targets for the national responses needed to decrease the burden of disease associated with burden of

HIV and TB epidemics; to minimise maternal and child mortality and morbidity; and to optimise good health for children, adolescents and women; and monitor and evaluate the outcomes and impact of these. Targets under Programme 3 for the current financial year (2018/19) are as follows:

- On implementing prevention and treatment interventions to reduce the burden of HIV, STI and TB infections, the following will be achieved: 5 million patients remaining on ART; 14 million people reached in the national health screening and testing campaign; 600 000 medical male circumcision performed; and 80 000 new TB cases found.
- The EPI coverage survey protocol will be developed and field work completed.
- In reducing under 5 mortality rate, implementation plans will be developed in partnership with Provincial Departments of Health and three provincial trainings will be conducted.

Programme 4: Primary Health Care Services (PHC)

The purpose of Primary Health Care Service Programme is to develop and oversee the implementation of legislation, policies, systems and norms and standards for a uniform well-functioning district health system, environmental health services, communicable disease control, non-communicable disease control as well as health promotion and nutrition programmes. The targets for Programme 4 for 2018/19 financial year are as follows:

- The National Malaria Elimination Strategic Plan for South Africa will be published.
- The work plan for the International Health Regulations Joint External Evaluation recommendations will be developed.
- On strengthening district governance, plans will be developed for ten district structures to meet the minimum requirements of the District Health Management Office structure guidelines.
- On the Ideal Clinic programme, 1400 primary health care facilities in the 52 districts to qualify as Ideal Clinics.
- In improving accessibility of PHC services to people with disabilities, 40% of 3400 primary health care facilities will be accessible to people with disabilities.
- In improving quality of services at district hospitals, the status of all district hospitals will be determined against the ideal district hospital framework.
- 78 major Health Care Risk Waste (HCRW) generating public health facilities (hospitals that generate more than 2 kilograms per day) will be assessed for adherence to HCRW norms and standards.
- 21 municipalities will be randomly selected and audited against environmental health norms and standards.
- In strengthening mental health services, fifteen district mental health teams will be established.

Programme 5: Hospital, Tertiary Health Services and Human Resource Development

The purpose of this programme is to develop policies, delivery models and clinical protocols for hospitals and emergency medical services. It is also to ensure alignment of academic medical centres with health workforce programmes, training of health professionals and to ensure the planning of health infrastructure meet the health needs of the country. This programme will also assist the government to achieve the population health goals of the country through nursing and midwifery, by the provision of expert policy and technical advice and recommendations on the role of nurses in attainment of desired health outputs. Below are targets for 2018/19 under Programme 5:

- Ensure that Guidelines on Organisational Structures for central hospitals are approved by Technical National Health Council.
- In ensuring quality health care through compliance to National Core Standards (NCS), ten central hospitals will be assessed.
- Oncology service improvement plan for public hospitals will be developed.

- Obstetric service improvement plan for public hospitals will be developed.
- 9 Provincial Departments of Health will be monitored for compliance with Emergency Medical Services (EMS) regulations using the approved checklist. Nine EMS improvement plans will be developed.
- On health infrastructure, 400 facilities will comply with infrastructure norms and standards; 20 clinics and community health centres will be constructed or revitalised; two hospitals will be constructed or revitalised; 125 facilities in the NHI district will be maintained, repaired and/or refurbished; and 100 facilities will be maintained, repaired and/or refurbished outside the NHI pilot district.
- Draft Human Resource Regulations will be submitted to NHC for consideration.
- Ensure that 100% of South African Medical Interns and Community Service personnel who studied at South African Universities are allocated for placement by October and April respectively.
- The Human Resources for Health Strategic Plan for 2019 - 2024 will be drafted.
- All students returning from Cuba during 2018/19 will be placed for final clinical training in the local medical schools.
- 150 Hospital and 900 PHC managers will access the knowledge hub information system for coaching and mentoring.
- In strengthening Nursing Education and Training and Practice, nine of the 17 remaining colleges will have customised curricula for the new 3-year diploma in General Nursing; new courses will commence in 2019 academic year; and norms and standards for clinical training platform will be approved.
- In eliminating the backlog of blood alcohol tests and toxicology tests, 100% backlog will be eliminated for blood alcohol tests in Johannesburg laboratory and 60% backlog for toxicology tests eliminated.

Programme 6: Health Regulation and Compliance Management

The purpose of this programme is to regulate the scale of food and to ensure accountability and compliance by public entities and statutory health professional councils in accordance with applicable legislative prescripts. Targets under Programme 6 for the current financial year (2018/19) include:

- The National Public Health Institute of South Africa (NAPHISA) Act is promulgated into law.
- Biannual governance progress reports will be produced of all health entities and councils.
- A handbook for Board members serving on public health entities and statutory professional councils will be developed.

3.3. Budget Overview

3.3.1. Consolidated Health Budget

The public health budget spans across the national department, its entities and the provincial departments of health. The consolidated budget totals R205.4 billion.

Economic classification:

- A significant portion of the consolidated health expenditure (62.7%) is dedicated to Compensation of Employees, which totals R128.8 billion.
- Consolidated health expenditure on Goods and Services totals R57.4 billion for 2018/19, which constitutes 27.9% of health expenditure.
- Consolidated health expenditure also makes provision for R12.9 billion (6.3%) allocated to Capital spending and transfers, and R6.3 billion for current transfers and subsidies (3.1%).

3.3.2. NDoH Budget

The Department receives R47.1 billion for 2018/19, up from R42.6 billion in 2017/18. This represents an increase of 10.5% in nominal terms (4.8% in real terms).

Programme	Budget		Nominal Increase / Decrease in 2018/19	Real Increase / Decrease in 2018/19	Nominal Percent change in 2018/19	Real Percent change in 2018/19
	2017/18	2018/19				
R million						
Programme 1: Administration	514,8	550,8	36,0	7,3	6,99 per cent	1,42 per cent
Programme 2: National Health Insurance, Health Planning and Systems Enablement	934,7	1 671,6	736,9	649,8	78,84 per cent	69,51 per cent
Programme 3: HIV and AIDS, TB, and Maternal and Child Health	18 297,8	20 719,1	2 421,3	1 341,2	13,23 per cent	7,33 per cent
Programme 4: Primary Health Care Services	263,9	301,7	37,8	22,1	14,32 per cent	8,36 per cent
Programme 5: Hospitals, Tertiary Health Services and Human Resource Development	20 907,8	22 124,2	1 216,4	63,0	5,82 per cent	0,30 per cent
Programme 6: Health Regulation and Compliance Management	1 726,6	1 775,5	48,9	- 43,7	2,83 per cent	-2,53 per cent
TOTAL	42 645,6	47 142,9	4 497,3	2 039,6	10,5 per cent	4,78 per cent

Table 1: National Department of Health Budget (2018/19)

The two largest programmes, namely Programme 3: HIV and AIDS, TB, Maternal and Child Health (R20.7 billion) and Programme 5: Hospitals, Tertiary Services and Human Resource Development (R22.1 billion), jointly constitute 90.9% of the total budget allocation to the Department. Programme 4: Primary Health Care Services, receives the smallest allocation (R301.7 million), which is less than 1% (0.64%) of the Department's budget.

In terms of economic classification, the bulk of the Department's budget (R43.1 billion or 91.3%) consists of transfers and subsidies to provinces and municipalities, and departmental agencies and accounts. This figure includes R195.9 million to non-profit institutions, and R1.7 billion to departmental agencies and accounts.

3.3.3. Budget by programme

Programme 1: Administration

Table 2: Administration

Programme	Budget		Nominal Increase / Decrease in 2018/19	Real Increase / Decrease in 2018/19	Nominal Percent change in 2018/19	Real Percent change in 2018/19
	2017/18	2018/19				
R million						
Sub-programme 1: Ministry	31,8	31,2	- 0,6	- 2,2	-1,89 per cent	-7,00 per cent
Sub-programme 2: Management	19,6	25,7	6,1	4,8	31,12 per cent	24,29 per cent
Sub-programme 3: Corporate Services	235,5	245,0	9,5	- 3,3	4,03 per cent	-1,39 per cent
Sub-programme 4: Office Accommodation	165,2	174,9	9,7	0,6	5,87 per cent	0,35 per cent
Sub-programme 5: Financial Management	62,8	74,0	11,2	7,3	17,83 per cent	11,69 per cent
TOTAL	514,8	550,8	36,0	7,3	7,0 per cent	1,42 per cent

Programme 1's expenditure increases by 7.0% in nominal terms (increasing by 1.4% in real terms) from R514.8 million previously to R550.8 million in 2018/19. The largest sub-programme is Corporate Services, of which the allocation increases by 4.0% in nominal terms, but decreases by 1.4% in real terms. The only sub-programme that experiences a nominal percentage decrease is the Ministry sub-programme.

In terms of economic classification, 97.5% of the budget is allocated to current payments. Compensation of employees amounts to R209.2 million, while R328.1 million is allocated to Goods and Services. This includes R155.7 million for operating leases.

Programme 2: National Health Insurance, Health Planning and Systems Enablement

Table 3: National Health Insurance, Health Planning and Systems Enablement

Programme	Budget		Nominal Increase / Decrease in	Real Increase / Decrease in	Nominal Percent change in	Real Percent change in
	R million		2018/19	2018/19	2018/19	2018/19
	2017/18	2018/19				
Sub-programme 1: Programme Management	4,0	4,6	0,6	0,4	15,00 per cent	9,00 per cent
Sub-programme 2: Technical Policy and Planning	97,8	21,4	- 76,4	- 77,5	-78,12 per cent	-79,26 per cent
Sub-programme 3: Health Information Management, Monitoring and Evaluation	67,1	62,0	- 5,1	- 8,3	-7,60 per cent	-12,42 per cent
Sub-programme 4: Sector-Wide Procurement	139,4	46,3	- 93,1	- 95,5	-66,79 per cent	-68,52 per cent
Sub-programme 5: Health Financing and NHI	546,7	1 451,2	904,5	828,8	165,45 per cent	151,61 per cent
Sub-programme 6: International Health and Development	79,7	86,0	6,3	1,8	7,90 per cent	2,28 per cent
TOTAL	934,7	1 671,6	736,9	649,8	78,8 per cent	69,51 per cent

This programme budget increases significantly by 78.8% in nominal terms (69.5% in real terms), due largely to increased funding for the Health financing and NHI sub-programme which increases by 165.5% in nominal terms (151.6% in real terms). NHI allocations are now centralised resulting in significantly lower budgets for the Technical Policy and Planning sub-programme (78.1% nominal decreases) and sector-wide procurement sub-programme (66.8% nominal decrease).

Programme 3: HIV and AIDS, TB, Maternal and Child Health

The bulk of this programme's budget, 98.7%, is allocated to the HIV and AIDS sub-programme, amounting to R20.4 billion in 2018/19. This represents a nominal increase of 13.4%, (7.5% in real terms). The remaining four sub-programmes combined receive less than 1.3 % of the programme's budget. Community Health Workers have been included in the Comprehensive HIV and AIDS, and TB conditional grant.

Table 4: HIV and AIDS, TB, Maternal and Child Health

Programme	Budget		Nominal Increase / Decrease in	Real Increase / Decrease in	Nominal Percent change in	Real Percent change in
	R million		2018/19	2018/19	2018/19	2018/19
	2017/18	2018/19				
Sub-programme 1: Programme Management	6,5	5,4	- 1,1	- 1,4	-16,92 per cent	-21,25 per cent
Sub-programme 2: HIV and AIDS	18 024,4	20 441,5	2 417,1	1 351,4	13,41 per cent	7,50 per cent
Sub-programme 3: Tuberculosis	26,3	27,2	0,9	- 0,5	3,42 per cent	-1,97 per cent
Sub-programme 4: Women's Maternal and Reproductive Health	18,2	19,9	1,7	0,7	9,34 per cent	3,64 per cent
Sub-programme 5: Child, Health and School Health	222,5	225,0	2,5	- 9,2	1,12 per cent	-4,15 per cent
TOTAL	18 297,8	20 719,1	2 421,3	1 341,2	13,2 per cent	7,33 per cent

The TB sub-programme increases only slightly in nominal terms but decreases by 2% in real terms. This is of concern given the stated priority of tackling TB, and the high co-morbidity rate with HIV and AIDS.

The Women's Maternal and Reproductive Health sub-programme is responsible for, amongst other things, reducing maternal mortality and improving access to sexual and reproductive health services. This sub-programme received 0.1% of the programme budget. It receives R1.7 million more than last year, which represents a 3.6% real increase.

The Child, Youth and School Health sub-programme increases with 1.1 % in nominal terms (declining by 4.2% in real terms). A significant portion of the allocated budget funds the roll-out of the Human Papilloma Virus (HPV) Vaccine. This in-kind grant has been converted to a direct conditional grant. This sub-programme develops and monitors policies and guidelines, and sets norms and standards for child health. Each province also has a unit which is responsible for facilitating implementation at provincial level. The cluster focuses on, amongst other things,

reducing under 5 years of age mortality; increasing the number of children with HIV on treatment; strengthening youth health services; including ensuring that health services are youth friendly; and strengthening school health services.

Capital budgets were reduced to reallocate to Information Communication Technology to maintain current systems.

Programme 4: Primary Health Care Services

Table 5: Primary Health Care Services

Programme R million	Budget		Nominal Increase / Decrease in 2018/19	Real Increase / Decrease in 2018/19	Nominal Percent change in 2018/19	Real Percent change in 2018/19
	2017/18	2018/19				
Sub-programme 1: Programme Management	3,1	4,0	0,9	0,7	29,03 per cent	22,31 per cent
Sub-programme 2: District Health Services	46,3	10,6	- 35,7	- 36,3	-77,11 per cent	-78,30 per cent
Sub-programme 3: Communicable Diseases	21,7	22,7	1,0	- 0,2	4,61 per cent	-0,85 per cent
Sub-programme 4: Non-Communicable Diseases	22,5	74,2	51,7	47,8	229,78 per cent	212,59 per cent
Sub-programme 5: Health Promotion and Nutrition	26,3	24,7	- 1,6	- 2,9	-6,08 per cent	-10,98 per cent
Sub-programme 6: Environmental and Port Health Services	144,0	165,6	21,6	13,0	15,00 per cent	9,00 per cent
TOTAL	263,9	301,7	37,8	22,1	14,3 per cent	8,36 per cent

This Programme's budget increases by 14.3% in nominal terms (8.4% in real terms).

The Non-Communicable Diseases sub-programme allocation increases from R22.5 million in 2017/18 to R74.2 million, an increase of 230% in nominal terms (212.6% in real terms). This increase is to support chronic disease prevention and health promotion.

The District Health Services sub-programme declines by 77.1% nominally (78.3 % in real terms) from R46.3 million to R10.6 million. It is also one of only two sub-programmes that experience real decrease, the other being Health Promotion and Nutrition which decreases by 6.1% in nominal terms (11% in real terms) from R26.3 million in 2017/18 to R24.7 million in 2018/19).

Programme 5: Hospitals, Tertiary Health Services and Human Resources Development

Table 6: Hospitals, Tertiary Health Services and Human Resources Development

Programme R million	Budget		Nominal Increase / Decrease in 2018/19	Real Increase / Decrease in 2018/19	Nominal Percent change in 2018/19	Real Percent change in 2018/19
	2017/18	2018/19				
Sub-prog. 1: Programme Management	3,7	3,3	- 0,4	- 0,6	-10,81 per cent	-15,46 per cent
Sub-prog. 2: Health Facilities Infrastructure Management	6 423,7	6 740,6	316,9	- 34,5	4,93 per cent	-0,54 per cent
Sub-prog. 3: Tertiary Health Care Planning and Policy	11 680,8	12 405,1	724,3	77,6	6,20 per cent	0,66 per cent
Sub-prog. 4: Hospital Management	5,0	6,5	1,5	1,2	30,00 per cent	23,22 per cent
Sub-prog. 5: Human Resources for Health	2 653,8	2 805,4	151,6	5,3	5,71 per cent	0,20 per cent
Sub-prog. 6: Nursing Services	6,6	9,1	2,5	2,0	37,88 per cent	30,69 per cent
Sub-prog. 7: Forensic Chemistry Laboratories	127,4	145,8	18,4	10,8	14,44 per cent	8,48 per cent
Sub-prog. 8: Violence, Trauma and EMS	6,9	8,5	1,6	1,2	23,19 per cent	16,77 per cent
TOTAL	20 907,8	22 124,2	1 216,4	63,0	5,8 per cent	0,30 per cent

Total expenditure for Programme 5 grows from R20.9 billion in the 2017/18 financial year to R22.1 billion. The budget for this programme increases by 5.8% in nominal terms, and 0.3% in real terms.

The 2018/19 allocation to Health Facilities Infrastructure Management sub-programme increases by 4.9% in nominal terms, declining by 0.5% in real terms.

The Forensic Chemistry Laboratories sub-programme allocation increases by 14.4% in nominal terms (increasing by 8.5% in real terms). The Nursing Services sub-programme exhibits the strongest growth, and increases by 37.9 % in nominal terms from R6.6 million in 2017/18 to R9.1 million in 2018/19.

Programme 6: Health Regulation and Compliance Management

Table 7: Health Regulation and Compliance Management

Programme R million	Budget		Nominal Increase / Decrease in 2018/19	Real Increase / Decrease in 2018/19	Nominal Percent change in 2018/19	Real Percent change in 2018/19
	2017/18	2018/19				
Sub-programme 1: Programme Management	4,5	6,0	1,5	1,2	33,33 per cent	26,38 per cent
Sub-programme 2: Food Control	11,5	10,6	- 0,9	- 1,5	-7,83 per cent	-12,63 per cent
Sub-programme 3: Radiation Control and Health Technology	152,4	14,2	- 138,2	- 138,9	-90,68 per cent	-91,17 per cent
Sub-programme 4: Public Entities Management	1 496,4	1 679,1	182,7	95,2	12,21 per cent	6,36 per cent
Sub-programme 5: Compensation Commissioner for Occupational Diseases and Occupational Health	61,7	65,7	4,0	0,6	6,48 per cent	0,93 per cent
TOTAL	1 726,6	1 775,5	48,9	- 43,7	2,8 per cent	-2,53 per cent

Programme 6 grows slightly (2.8% in nominal terms) from R1.7 billion to R1.8 billion.

Budget allocation under Programme 6 is dominated by the Public Entities Management sub-programme, which receives 94.6%, amounting to R1.68 billion. This constitutes a 12.2% nominal and 6.4% real increase. The allocation to this sub-programme consist of transfers to entities and statutory councils falling within the mandate of health legislation.

4. CONSIDERATION OF THE ANNUAL PERFORMANCE PLANS AND BUDGET OF ENTITIES

The Committee considered the revised strategic plans, APPs and budget of six entities and reports as follows:

4.1. South African Health Products Regulatory Authority

The South African Health Products Regulatory Authority (SAHPRA) came into being on 01 February 2018 after the Medicines and Control Council (MCC) was dissolved. The Medicines and Related Substances Act, (No. 101 of 1965), (as amended by Act 72 of 2008, together with Act 14 of 2015), provides for the establishment of SAHPRA, a Schedule 3A public entity, which will operate as a separate juristic entity, outside of the National Department of Health. SAHPRA will be responsible for monitoring, evaluation, regulation, investigation, inspection, registration and control of medicines, scheduled substances, clinical trials, medical devices and related matters in the public interest.

The new SAHPRA legislation aligns South Africa with other international regulatory authorities and is designed to support a regulatory framework that addresses the changing needs of the South African public. The Authority aims to become more transparent with better accountability and communication to all its stakeholders, including civil society and the general public, health-care professionals, academia and industry.

Situational Analysis

SAHPRA recognises a number of key areas which would affect its performance. This includes amongst others:

Backlogs in Medicines Registration Applications:

- The SAHPRA Board has established a Technical Operations and Regulatory Strategy (TORS) Committee with a mandate to develop an integrated plan to address the backlog using approaches that will allow regulatory assessment of all products in a defined, achievable but ambitious timeline.

- This work will be financed from the envisaged increase in revenue generated through increased fees. The new fee structure will be a departure from the historical fees charged in the MCC era, and will enable establishment of a bold, refocused operational framework.
- Post registration amendments to packaging information etc. remains a significant cause of backlogs. This requires more technical evaluators to handle the volume of requests. Currently, very few full-time in-house staff work as evaluators.

Medical devices:

- There has been over 1000 applications for establishment licences to date, and there is currently insufficient capacity to deal with the registration of medical devices.
- The inspection and registration of these products would likely be conducted by identified conformity assessment bodies accredited by the South African National Accreditation System (SANAS).

The regulation and control of Active Pharmaceutical Ingredients (API):

- Local production of APIs is limited currently and experience in the inspection of API facilities needs to be improved.
- Key initiatives to strengthen the capacity of inspectors to support inspections and assessment of API manufacturing sites are being implemented, including participation in international networks to ensure harmonization of API requirements.

Annual Performance Indicators for 2018/19

The table below highlights some of the annual performance indicators of SAHPRA for 2018/19 financial year.

Table 8: Programme Performance Indicators and Targets for 2018/19

Strategic Objective	Programme Performance Indicator	Strategic Plan Target	Medium Term Target		
			2018/19	2019/20	2020/21
PROGRAMME 1					
Establish, in a phased approach, a fully functional Authority suitably staffed to execute the mandate and goals of SAHPRA	% of funded positions filled	90 %	70 %	80 %	80 %
	% of Staff trained as per annual training plan	100 %	60 %	70 %	80 %
Maximise performance to improve organisational efficiency	% Employee performance agreements signed no later than 31 May of each financial year	100 %	100 %	100 %	100 %
Develop a communication strategy to support improved external stakeholder interactions and relations	Communication strategy developed, approved and published	Approved communication strategy published in year one.	Approved communication strategy published	Communication strategy implemented	Communication strategy implemented
Create public and stakeholder awareness about the mandate of SAHPRA	Number of media and communication events and stakeholder meetings	4	4	4	4
Implement good governance, oversight and accountability through appropriate delegation, including	Audit Outcome	Unqualified audit report	Unqualified audit report	Unqualified audit report	Unqualified audit report

Financial Management and compliance with PFMA requirements					
Ensure that the monitoring and inspection of information stored on SAHPRA ICT facilities and services are performed in an appropriate and responsible manner	ICT Policy developed and approved	Approved ICT Policy	Approved ICT Policy	Implement ICT policy	Implement ICT policy
Ensure comprehensive plan that outlines how technology should be used to meet IT and SAHPRA goals is in place	ICT Strategy developed and approved	Approved ICT Strategy	Approved ICT Strategy	Implement ICT strategy	Implement ICT strategy
Share, cooperate and strengthen collaborative initiatives with relevant stakeholders	Number of collaborative relationships strengthened	9	2 MOUs	2 MOUs	3 MOUs
Enter into agreements with contract laboratories to support quality assurance and control functions	Number of service level agreements in place	2	1 SLAs	2 SLAs	2 SLAs
Maintain medicine and medical device registers	Updated medicine and medical device registers published on the regulators website quarterly	Quarterly update reports published	Quarterly update reports published	Quarterly update reports published	Quarterly update reports published
PROGRAMME 2					
Take regulatory decision on all Backlog Applications	Backlog Framework developed	-	Backlog Framework developed and implemented	-	-
	% of Backlog Applications with regulatory decisions taken	All Backlog Applications prior to 1 st February 2018 with regulatory decisions taken	-	60 % Backlog Applications prior to 1 st February 2018 with regulatory decisions taken	80 % Backlog Applications prior to 1 st February 2018 with regulatory decisions taken
Issue of licence, permits, registration certificates, certificates of establishments and health products for applications received for Medicines and Medical Devices within a specified timeline after regulatory decision	% of licence/permits/certificates issued within predefined timelines on quarterly basis.	85%	70%	75%	80%

taken					
PROGRAMME 3					
Inspect establishments to ensure compliance with relevant GXP and established standards within pre-defined timelines	% of establishments due for inspection inspected annually	60 %	45 %	50 %	60 %
Inspect permit holders/ establishments of narcotic and psychotropic substances to ensure compliance with established standards within pre-defined timelines	% of permit holders/establishments/sites of narcotic and psychotropic substances inspected annually	20 %	20 %	20 %	20 %
PROGRAMME 4					
Evaluate clinical trial protocols received in accordance with defined standards	% of clinical trial applications evaluated within an evaluation cycle	95%	85%	90%	95%
Evaluate clinical trial protocol amendments in accordance with defined standards	% of clinical trial protocol amendments evaluated within pre-defined timelines	75%	72%	73%	74%
Evaluate the applications received for sale of unregistered health products in accordance with defined standards	% of applications for the sale of an unregistered health product evaluated within a specified timeline	85%	75%	80%	85%
Scientific Evaluation of all NCE/ Biological applications submitted for regulatory decision	% of NCE/Biological applications evaluations concluded with a regulatory decision taken within 275 working days	80%	40%	50%	60%
Scientific Evaluation of New Health Product amendments submitted for regulatory decision (4.5)	% of NCE/Biological amendments evaluations concluded with a regulatory decision within 120 working days (time spent at regulator)	80%	40%	50%	60%
Scientific Evaluation of Generic / Biosimilar applications submitted for regulatory decision	% of Generic / Biosimilar application evaluations concluded with a regulatory decision within 180 working days	80%	40%	50%	60%

	(time spent at regulator)				
Scientific Evaluation of Generic / Biosimilar amendments submitted for regulatory decision	% of Generic/ Biosimilar amendment evaluations concluded with a regulatory decision within 120 working days (time spent at regulator)	80%	40%	50%	60%
Investigate, monitor, analyze solicit and act upon existing and new adverse events, interactions and signals emerging from post-marketing surveillance and vigilance	Published quarterly reports of new adverse events and signals that have been assessed, actioned and concluded	4	2	4	4
	An inclusive vigilance framework for all health products developed and approved	Approved Vigilance Framework for all health products	-	Draft framework developed	Approved Vigilance Framework for all health products

Budget Overview

SAHPRA has a budget of R215.9 million for the 2018/19 financial year made up of R90.7 million fees (42 %) and R125 million (58 %) Treasury allocation. The budget increases to R268.4 million in 2019/20, made up of R136.2 million from fees (51 %) and R132.2 million (49 %) Treasury allocation.

Table 9: Budget Allocation by Programme

Programme	Budget	Percent of total budget per programme	Budget	Percent of total budget per programme	Change in percent allocation
R million	2018/19		2019/20		
Programme 1: Administration	65 100,0	30,16 per cent	90 354,0	33,66 per cent	3,50 per cent
Programme 2: Authorisation Management	30 555,0	14,15 per cent	34 964,0	13,03 per cent	-1,13 per cent
Programme 3: Inspectorate and Regulatory Compliance	34 826,0	16,13 per cent	38 844,0	14,47 per cent	-1,66 per cent
Programme 4: Medicine Evaluation and Registration	67 158,0	31,11 per cent	82 537,0	30,75 per cent	-0,36 per cent
Programme 5: Devices and Radiation Control	18 231,0	8,45 per cent	21 733,0	8,10 per cent	-0,35 per cent
TOTAL	215 870,0	100,00 per cent	268 432,0	100,00 per cent	0,00 per cent

Programme 1: Administration

The Administration programme is allocated R65.1 million which is 30.2% of the total budget. The purpose of the programme is to provide the leadership and administrative support that SAHPRA needs to fulfil its function. It comprises of four sub-programmes, including, amongst others, Human Resource Management, and Information Technology and Communication. R38.2 million (58.7%) goes to goods and services, with R26.9 million (41.3%) allocated to compensation of employees.

Programme 2: Authorisation Management

Authorisation Management programme is to provide administrative support and co-ordinate the process of registration and/or licencing or amendment of applications in respect of medicines. It receives 14.2% of the total budget (R30.6 million). It aims to develop a backlog elimination strategy in 2018/19 and achieve a 60% reduction in the pre-2018 backlog.

Programme 3: Inspectorate and Regulatory Compliance

This programme conducts inspections including at API, medicine and medical device manufacturers, wholesalers, laboratories and clinical trial sites. It receives 16.1% of the budget (R34.8 million). Most of the budget for this programme (R27.7 million or 79.6%) is allocated to compensation of employees, with R7.1 million allocated to goods and services.

Programme 4: Medicines Evaluation and Registration

The Medicine Evaluation and Registration Programme receives 31.1% of the total budget (R67.2 million). The aim of this programme is to evaluate the safety and efficacy of medicines and register them. 85% of the budget (R57.1 million) goes to compensation of employees and 15% (R10.1 million) goes to goods and services. Over time, SAHPRA aims to absorb some of the external evaluators as employees. This should speed up the scientific evaluation of medicines and clinical trials by 2020/21.

Programme 5: Medical Devices, Diagnostics and Radiation Control

The main aim of this programme is to develop and maintain regulatory oversight of medical devices, ionizing and non-ionizing radiation emitting devices and radioactive nucleides. This programme receives R18.2 million, of which R10.5 million (57.4%) goes to compensation of employees and R7.8 million (42.7%) goes to goods and services.

4.2. South African Medical Research Council**Situational Analysis**

The SAMRC's strategic plan and annual performance plan (APP) serve as a mechanism of implementing the National Development Plan 2030 (NDP), Sustainable Development Goals (SDGs) and the Medium Term Strategic Framework (MTSF) (2015/16-2019/20). In pursuit of achieving its key performance indicators and improving the health outlook of the country, the

SAMRC works closely with key health partners such as the National Department of Health, the Department of Science and Technology (DST), science councils, medical schools, universities, research institutes and international collaborators.

Revisions to Legislative and Other Mandates

The SAMRC considered no significant changes to the South African Medical Research Council's legislative and other mandates. However, it considers the formation of the National Public Health Institutes of South Africa (NAPHISA) as a primary strategic risk. It also considers transformation challenges and inefficiencies in certain corporate processes as risks; hence, its Board monitors these as strategic risks on a quarterly basis.

Research and performance at SAMRC

There are various research and clinical trials that the SAMRC has conducted and funded over the years including epidemiological research and surveys that provide key data for the government particularly for the NDoH. A sample of the studies conducted include the:

- South African Demographic and Health Surveys;
- Evaluation of health information systems for National Health Insurance;
- The implementation of a national TB prevalence survey in 2017;
- Rural Cancer Registry;
- Support of the National Cancer Registry; and
- Second National Survey of Female and Child Homicide.

Organisational Functioning

The following are some of several new initiatives that SAMRC plans to undertake during the 2018/19 fiscal year:

- The prioritisation and focus of the SAMRC's intramural research programme to create and strengthening ethos of high quality science and health impact;
- Strategic oversight of the SAMRC research by the Scientific Advisory Committee
- Improved funding of intramural units;
- Establish an Intramural Research Fund focussing on emerging and previously disadvantaged individuals;
- Implementation of collaborative projects jointly funded by Forte (Swedish Council for Health, Working Life and Welfare) and the SAMRC focussing on inequalities in health, health systems and health system policies; and
- Expand its African footprint through collaborative projects with scientists in African countries, which compliments existing work in Rwanda, Ghana, Kenya, and Zambia.

Annual Performance Indicators for 2018/19

The SAMRC has nine (9) strategic objectives that are linked with its budget and key instruments such as SDGs, NDP, 2030 and NDoH. Table 10 below gives a synopsis of the strategic objectives, annual performance indicators and estimated performance for the current fiscal year 2018/19:

Table 10: Programme Performance Indicators and Targets for 2018/19

Strategic objectives	Annual performance indicators	Estimated Performance for 2018/19
To ensure good governance, effective administration and compliance with government regulations	Compliance with legislative prescripts, reflected in the final audit report relating to the processes and systems of the SAMRC	Unqualified
To promote the organisation's administrative efficiency to maximise the funds available for research	Percentage (%) of the 2018/19 SAMRC total budget spent on salaries and operations of all corporate administrative functions	20%
To produce and disseminate new scientific findings and knowledge on health	Number of published journal articles, book chapters and books by SAMRC researchers within intramural, extramural research units and collaborating centres at the SAMRC (Malaria, TB, HIV and Cancer), Self-Initiated Research, SHIP and Flagship projects	750
	Number of Journal articles published by SAMRC grant-holders with acknowledgement of SAMRC support during the reporting period	196
To promote scientific excellence and the reputation of South African health research	Number of published indexed impact factor Journal articles with a SAMRC affiliated author	700
To provide leadership in the generation new knowledge in health	Number of journal articles where the first and/or last author is affiliated to the SAMRC during the reporting period	500
To facilitate the translation of SAMRC research findings into health policies and practices	Number of policies and guidelines that reference SAMRC research	6
To provide funding for the conduct of health research	Number of research grants (new and renewals) awarded by the SAMRC (new/referrals)	176
To provide funding for health research innovation and technology development	Number of innovation and technology projects funded by the SAMRC to develop new diagnostics, devices, vaccines and therapeutics	40
	Number of new diagnostics, devices, vaccines and therapeutics progressed to the next stage of development during the reporting period	2
To enhance the long-term sustainability of health research in South Africa by providing funding for the next generation of health researchers	Number (new and renewals) of SAMRC bursaries, scholarships and fellowships funded for postgraduate study at masters doctoral and postdoctoral levels	101
	Number of new masters and doctoral students graduated during the reporting period	60

Budget Overview

The SAMRC's complete budget comprise of two components namely, the annual baseline grants from the NDoH and donor funding. During the period of 2014/15 to 2017/18, the overall

budget of the SAMRC was expected to grow at an average rate of 9.6% per annum from R750 million to R987 million. This is an increase of 31.6% over the period 2014-2018. Furthermore, the MTEF period of 2018/19-2020/21 indicates that its annual budget is projected to grow at an average rate of 5.3% annually. As a result, the budget depicts a slight increase of R108 million from 2018/19 to 2020/21. Table 11 below shows the detailed allocation for 2018/19 fiscal year for SAMRC.

Table 11: Budget overview across programmes

Programme	Budget				Nomina	Real	Nomina	Real	
	R million	2017/18	2018/19	2019/20	2020/21	I Rand change	Rand change	I % change	% change
						2017/18-2018/19	2017/18-2018/19		
Administration	199 232	183 111	194 684	203 259	- 16 121	- 25 667	-8,09%	- 12,88%	
Core Research	603 247	660 301	601 655	651 306	57 054	22 630	9,46%	3,75%	
Innovation & Technology	190 992	202 596	203 330	205 857	11 604	1 042	6,08%	0,55%	
Capacity Development	58 153	85 565	88 980	89 092	27 412	22 951	47,14%	39,47%	
TOTAL	1 051 624	1 131 573	1 088 649	1 149 508	79 949	20 957	7,60%	1,99%	

- The total budget allocation for the SAMRC in 2018/19 is R1.1 billion, which shows a marginal nominal rand, change of R79.9 million, while nominal percentage change is only 7.60%. The 2018/19 allocation is slight more than the 2017/18 allocation of R 1 billion.

4.3. Office of Health Standard Compliance

Situational Analysis

For the 2018/19 fiscal year, the OHSC considers no significant changes to its legislative and other mandates. However, it anticipates the publication and promulgation of norms and standards regulations.

In the preparation of the current 2018/19 fiscal year, the OHSC identified risks that could impact on its performance, as highlighted in Table 12 below.

Table 12: Identified Risks

TYPE OF RISKS	RISK IDENTIFICATION
Strategic	<ul style="list-style-type: none"> Limited understanding and clarity on independence and mandate of OHSC by key stakeholders;
	<ul style="list-style-type: none"> Inadequate norms and standards for different types of HEs; and
	<ul style="list-style-type: none"> Delays in the resolutions of complaints.
Compliance, Regulatory & Legal	<ul style="list-style-type: none"> Limitation of the regulatory framework that has an impact in OHSC to implement its mandate;
	<ul style="list-style-type: none"> Litigation against the OHSC; and
	<ul style="list-style-type: none"> Non-compliance with applicable regulatory requirements (core business and administrative processes).
Reputational, Governance and People /Human Resources	<ul style="list-style-type: none"> Fraud and corruption;
	<ul style="list-style-type: none"> Ongoing vacancies on the Board;
	<ul style="list-style-type: none"> Insufficient human resource capacity and skills.

Organisational Environment

The OHSC is in the process of completing the norms and standards to be promulgated by the Minister of Health. Below are two changes resulting in the revision and the direction of the strategic plan for 2018/19 fiscal year:

- The exclusion of private health establishments in indicators for compliance inspections and progressive enforcement in exercising regulatory power due to unavailability of promulgated norms and standards regulations; and
- The increase in human resource capacity during 2016/17 financial year, reflected in the current staff compliment.

Annual Performance Indicators for 2018/19

Table 13 below captures some of the annual performance indicators which demonstrate the means to achieve the strategic objectives of the OHSC for the current fiscal year:

Table 13: Programme Performance Indicators and Targets for 2018/19

STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ESTIMATED PERFORMANCE FOR 2018/19
Create public, provider and stakeholder awareness about the roles and powers of the OHSC	# of media and communication events and campaigns conducted annually.	8
Support the mandate and objectives of the OHSC through Memorandum of Understanding (MOUs) with relevant regulators or other organisations	# of MOUs signed annually with regulators/other organisations to protect and promote healthcare quality and safety.	4
Certify HEs that are compliant with prescribed norms and standards	Procedures for certification process developed and implemented.	Certification procedures Developed
	% of compliant HEs certified by the OHSC within 60 days after the final inspection report.	0
	Procedures for timely enforcement action developed and	

Effect enforcement action against persistently non-compliant HEs	implemented. % of persistently non-compliant health establishments for which enforcement action is initiated within 10 days from date of receipt of re-inspection or EWS report.	0
Publish information about compliance status of HE with norms and standards	# of reports on inspections conducted, remedial recommendations issued and compliance status of health establishments (annual inspection report).	1
Communicate and monitor recommendations made by the Ombud	% of Ombud recommendations monitored for implementation by health establishments within six months of tabling to OHSC.	80%
Recommend norms and standards for different types of HEs for submission to the Minister for promulgation	Number of norms and standards recommended to the Minister annually.	1

Budget Overview

Table 14 below shows the budget for 2018/19 fiscal year as well as projection over the MTEF.

Table 14: Budget and Medium-Term Expenditure Framework

Programme	Budget				Nominal Rand Change	Real Rand Change	Nominal % Change	Real % Change
	2017/18	2018/19	2019/20	2020/21				
R million	2017/18	2018/19	2019/20	2020/21	2017/18-2018/19	2017/18-2018/19		
Administration	50 114	50 381	52 588	55 895	266 663	-2 360	0.53%	-4.71%
Compliance Inspection, Certification & Enforcement	49 110	49 300	52 770	54 738	189 487	-2 381	0.39%	-4.85%
Complaints Management & Ombud	14 770	17 811	19 084	20 466	3 041	2 112	20.59%	14.3%
Health Standards Design, Analysis & Support	11 716	12 169	12 497	13 373	470 119	- 165 201	4.01%	-1.41%
TOTAL	125 711	129 678	136 940	144 472	3 967	-2 793	3.16%	-2.22%

For 2018/19 fiscal year, the proposed budget allocation is expected to be R129.7 million with 61% earmarked for core business activities. By 2020/21, it is likely to reach R144.5 million.

Despite the 3.16 % nominal increase from the previous year, the OHSC allocation declines with -2.2 % when taking into account the effects of inflation (real terms). However, the budget is inadequate to stretch the capacity of the OHSC; hence, the total staff complement is projected to remain at 121 over the MTEF period, which is not ideal.

As shown in table 13, the allocation is sub-divided according to the four programme. The Administration (38.9 with % of the overall budget) Compliance Inspection, Certification & Enforcement (38.0 % of the overall budget) programmes dominate expenditure.

Strongest growth is recorded for the Complaints Management & Ombud programme, at 14.3 % in real terms. The rest of the sub-programmes decline in real terms (inflation adjusted):

- Administration (-4.71 %).
- Compliance Inspection, Certification & Enforcement (-4.85 %).
- Health Standards Design, Analysis & Support (-1.41 %)

4.4. Council for Medical Schemes

Situational Analysis

The term of office for the Council that was appointed in October 2014, came to an end in the middle of November 2017, and a new Council has been appointed. The appointment of the Chief Executive Officer and Registrar for the CMS will be done before the end of the 2018/19 financial year. The staff complement of the CMS remains at 120.

The medical scheme industry trends on key indicators have not changed significantly in the past two years:

- The number of schemes have decreased from 83 to 82 in 2016/17;
- Overall scheme membership is stagnant at 8.87 million in 2016/17;
- Member contributions have increased from R151.6 billion to R163.9 billion;
- There is increasing inability by schemes to settle claims in line with contributions, without relying on investment income. A total of R2.4 billion before investment income for 2016/17; and
- There has been an overall decrease in the number of member complaints received during 2016 (4 823) compared to 2015 (5 089).

Annual Performance Indicators for 2018/19

The table below highlights some of the annual performance indicators of the CMS for 2018/19 financial year.

Table 15: Programme Performance Indicators and Targets for 2018/19

PROGRAMME	STRATEGIC OBJECTIVE	PLANNED TARGET 2018/19
ADMINISTRATION	Ensure effective financial management and alignment of budget allocation with strategic priorities	Obtain an unqualified opinion issued by the AG 1 – annual performance information report
	An effective, efficient and transparent system of risk management is maintained in order to mitigate the risks exposure of the CMS	4 – strategic risk register reports
	An established ICT Infrastructure that ensures information is available, accessible and protected	Achieve 99% in network and server uptime
		Ensure 0% of IT security incidents per year
	Provide software applications that serve both internal as well as external stakeholders, that improve business operations and performance	Achieve 99% in uptime of all installed application systems
	Effectively provide information management services and organise and management organisational knowledge with a view to enhance knowledge sharing	Ensure that 90% of physical requests for information are responded to within 30 days
	Build competencies and retain skilled employees	Minimise staff turnover to less than 10% per annum

		Average turnaround time of 120 working days to fill a vacancy
	Maximise performance to improve organisational efficiency and maintain high performance culture	100% of employee performance agreements are signed no later than 31 May each year
		100% of employee performance assessments are concluded bi annually
	Legal advisory service for effective regulation of the industry and operations of the office	200 written and verbal legal opinions provided to internal and external stakeholders, per year
	Support CMS mandate by defending decisions of Council and the Registrar	100% of court and tribunal appearance in legal matters received and handled
STRATEGY OFFICE	Formulate PMB definitions to ensure members are adequately protected	4 – PMB definitions published
		Submit final costed PMB benefit package. Once approved, publish new regulations and code of conduct
	Provide clinical opinions to resolve complaints and enquiries	90% of clinical opinions provided within 30 days of receipt 90% of clinical enquiries received via e-mail or telephone and responded to within 7 days
ACCREDITATION	Accredit brokers based on their compliance with the requirements for accreditation in order to provide broker services	4 980 – brokers and broker organisations accredited
	Accredit Managed Care Organisations (MCOs) based on their compliance with the accreditation requirements in order to provide managed care services as defined	25 – MCOs applications
	Accredit administrators and issue compliance certificates to self-administered schemes	14 – applications by administrators and self-administered schemes accredited
RESEARCH AND MONITORING	Conduct research to inform policy interventions	8 – research projects
	Monitoring trends to improve regulatory policy and practice	1 – non-financial report submitted for inclusion in the annual report
STAKEHOLDER RELATIONS	Create awareness and provide training in order to enhance the visibility and reputation of CMS	Ensure 50% member awareness of CMS 45 – stakeholder training and awareness sessions conducted
	Communication and engagement to inform and empower stakeholders	1 – CMS annual report by 31 August 75% of feedback received on CMS reputation through a media monitoring tool, per year
COMPLIANCE AND INVESTIGATIONS	Regulated entities comply with legislation	100% non-compliance cases against regulated entities are undertaken, per year
	Strengthen and monitor governance systems	85 – governance interventions implemented
BENEFITS MANAGEMENT	Ensure that rules of the schemes are fair and compliant with the Medical Schemes Act	80% interim rule amendments are processed within 14 days of receipt

		90% of annual rule amendments are processed before 31 December each year
FINANCIAL SUPERVISION	Manage and promote financial soundness of medical schemes	Recommendations in respect of Regulation 29 for 100% of business plans received
		Recommendations on action plans for schemes with rapidly reducing solvency for 100% of schemes identified
		100% of auditor applications authorised or rejected
		3 – quarterly financial return reports published
		1 – Financial section prepared for the annual report
COMPLAINTS ADJUDICATION	Resolve complaints with the aim of protecting beneficiaries of medical schemes	83% of complaints adjudicated within 120 working days

Budget Overview

The total budget of the CMS for the current financial year is R161.2 million, up 4.6% in nominal terms from R154.1 million in 2017/18.

Table 16: CMS Budget

Programme	Adjusted appropriation	Medium-term expenditure allocations		
	2017/18	2018/19	2019/20	2020/21
R thousand				
1.Administration	8 0467.9	85 193.8	90 082.4	95 656.3
2.Strategy Office	9 866.8	10 615.9	11 372.7	12 121.7
3.Accreditation	9 170.0	9 600.8	10 224.9	11 040.8
4.Research and Monitoring	7 005.7	7 339.2	7 711.3	8 205.3
5.Stakeholder Relations	10 564.3	11 181.6	11 888.9	12 629.3
6.Compliance and Investigations	8 621.5	10 214.6	10 794.2	11 489.9
7.Benefit Management	6 332.5	7 110.2	7 726.2	8 225.7
8.Financial Supervision	11 822.4	12 648.9	13 362.5	14 302.2
9.Complaints Adjudication	6 689.5	7 250.3	7 726.2	8 225.7
TOTAL	150 540.6	161 155.3	170 890.0	181 815.6

- Programme 1: Administration receives the biggest allocation of R80.5 million. This programme comprises of five sub-programmes namely:
 - 1.1: Office of the CEO and Registrar R 10.1 million
 - 1.2: Office of the CFO R 32.7 million
 - 1.3: ICT and Knowledge Management R 21.1 million
 - 1.4: Human Resource R 7.9 million
 - 1.5: Legal Services R 13.4 million

- Programme 3 is responsible for accreditation and will receive R9.6 million in 2018/19 which is an increase from R9.1 million in 2017/18 financial year. This programme shows an increase of 4.7%.
- Programme 6 receives a significant increase from R8.6 million in 2017/18 to R10.2 million, representing 18.6% increase.
- Programme 7 receives R7.1 million this financial year. The largest portion of this programme's budget goes to compensation of employees, constituting 94% of the total budget.
- Programme 8 is responsible for financial supervision – for the current financial year, this programme receives R12.6 million a 6.9% nominal increase over the R11.8 million it received in 2017/18. The biggest portion of the budget is allocated to compensation of employees and training.

4.5. National Health Laboratory Service

The NHLS conducted a SWOT analysis to determine its challenges and plan a way forward. Hereunder, are the identified Strengths, Weaknesses, Opportunities and Threats that the entity plans to overcome to realise its mandate:

Strengths for NHLS:

- Africa leader in laboratory medicine;
- Exclusive national integrated data warehouse;
- Strong academic base and sustainable partnerships through relevant research outputs; and
- Sustainable partnerships with (NDoH and other agencies, Universities and Universities of Technologies).

Weaknesses for NHLS:

- Inability to cultivate team work;
- Lack of consequences of poor performance by management;
- Resistance to change;
- Poor communication both internally and externally; and
- Leadership instability.

Opportunities for NHLS:

- Introduction of the National Health Insurance (NHI);
- Increased volumes through universal test and treat (UTT) policy;
- Additional work to be performed within the SADC region to generate additional revenues; and
- Additional work to be performed within the SADC region to generate additional revenues.

Threats for NHLS:

- Increased financial pressures from exchange rates - i.e. equipment purchased from overseas;
- Additional work to be performed within the SADC region to generate additional revenues;
- High debtors level;
- Lack of investment on IT infrastructure; and
- Inadequate training platform in Virology, Human Genetics and Haematology; and
- Opening of new medical schools, the NHLS may not have enough resources to cover the need.

Strategic Outcome Orientated Goals

The preparation of the annual performance plan led to the revision of the Strategic Outcome Oriented Goals (SOOGs). The rationale for the mid-term strategic review is to align its strategic goals to the National Department of Health's five (5) year strategic goals. Another reason is due to organisational changes including change in national programs and priorities. Key to the updated Strategic Plan is the responsiveness to the governance issues raised in the 2016/17 Auditor General's audit opinion. The following are six (6) SOOGs that find expression in the APP for 2018/19:

- Modernised and Accessible Laboratory Service;
- Academic Excellence in Training and Research;
- Sound Governance and Improved Stakeholder Relations;
- Effective, Efficient and Ethical Organisation for improved service delivery and implementation of NHI;
- Efficient Financial Practices; and
- Skilled, competent and motivated workforce.

Annual Performance Indicators 2018/19

Tables 16 to 20 highlights some of the annual performance indicators of the NHLS for 2018/19 financial year.

Programme 1: Administration

The administration programme plays a crucial role in the delivery of the NHLS services through the provision of a range of support services. This programme has four (4) sub-programmes, namely: Financial Management, Governance and Compliance, Information Technology (IT) and Human Resources Management.

Table 17: Programme Performance Indicators

Programme Performance Indicator.	Previous Performance (2017/18)	Planned Performance (2018/19)
Clean audit opinion of the Auditor General (AG).	Qualified	Unqualified
Develop and implement the financial management policy and plan.	New	New
Contract management system implemented.	New	New
Percentage turnaround time for awarding tenders within 90 days after closing date.	New	New
Effective monitoring tool to measure compliance with Board's decisions and resolutions.	New	New
Review and revise the code of conduct and ethics policy.	New	New

Programme 2: Surveillance of Communicable Diseases

The National Institute for Communicable Diseases (NICD) is a national public health institute for South Africa providing reference microbiology, virology, epidemiology, surveillance and public health research to support the government's response to communicable disease threats.

Table 18: Programme Performance Indicators

Programme Performance Indicator	Previous Performance (2017/18)	Planned Performance (2018/19)
Percentage of identified prioritised diseases under surveillance.	90%	90%
Annual report of population based cancer surveillance	New	New
Maintain World Health Organization (WHO) reference laboratories status.	New	New
Number of articles published in the peer reviewed journals	128	120
Number of field epidemiologists qualified.	14	5

Programme 3: Occupational Health and Safety

The purpose of the National Institute of Occupational Health (NIOH) is to provide occupational health and safety services across all sectors of the economy to improve and promote workers' health and safety:

Table 19: Programme Performance Indicators

Programme Performance Indicator	Previous Performance (2017/18)	Planned Performance (2018/19)
Number of students, interns, registrars under supervision.	24	25
Number of articles published in the peer reviewed journals.	24	25
Percentage of occupational and environmental health laboratory tests conducted within predefined turn-around time.	93%	85%

Programme 4: Academic Affairs, Research and Quality Assurance

The main purpose of this programme is to strengthen the mandate of the NHLS of maintaining and providing quality assured and accredited laboratory medicine and the academic platform.

Table 20: Programme Performance Indicators

Programme Performance Indicator	Previous Performance (2017/18)	Planned Performance (2018/19)
Percentage of laboratories achieving proficiency testing scheme performance standards of 80%.	87%	82%
Prepare gap analysis and work plan to prepare support service departments and laboratories for certification and accreditation process.	New	New
Number of medical scientists admitted and trained in the NHLS.	New	New
Develop and implement a proposal on research priorities.	New	New

Programme 5: Laboratory Services

This programme represents the core business of the NHLS as mandated the NHLS Act to provide cost-effective and efficient health laboratory services to all public sector health care providers.

Table 21: Programme Performance Indicators

Programme Performance Indicator	Previous	Planned
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	Performance (2017/18)	Performance (2018/19)
Percentage TB Microscopy tests performed within 40 hours.	95.72%	95%
Percentage TB GeneXpert tests performed within 40 hours.	96.68%	95%
Percentage Viral Load tests performed within 96 hours.	87.30%	70%
Develop the laboratory structure per level of care (organogram).	New	New
Implementation of the pilot specimen tracking system.	New	New

Budget Overview

The NHLS receives its income from providing laboratory tests to patients predominantly from public hospitals. Revenue from the provincial hospitals is approximately 95% of the total revenue. Also important is that it receives allocation from the NDoH. Table 22 hereunder depicts the revenue statement and projection of expenditure and revenue for 2018/19 fiscal year.

Table 22: Revenue Statement

Sources of revenue	Budget				Nominal Rand Change	Real Rand change	Nominal % Change	Real % Change
	2017/18	2018/19	2019/20	2020/21	2017/18 – 2018/19		2017/18 – 2018/19	
R million								
Test Revenue	7 131 715	7 613 605	8 120 367	8 652 657	481 890	84 972	6.76 %	1.19%
Grants and Other	235 000	248 395	262 305	276 732	13 359	411	5.70%	0.19%
Interest, Dividends and Rent on Land	65 000	68 000	71 000	75 000	3 000	- 545	4.62%	-0.84%
Transfers received	746 464	789 759	833 986	874 434	43 295	2 123	5.80%	0.28%
TOTAL	8 178 179	8 719 759	9 287 658	9 878 823	541 544	86 961	6.62%	1.06%

The NHLS foresees increasing expenditure on key sectors such as Compensation of Employees from R3.3 billion in 2017/18 to R3.8 billion in 2018/19. The other expenditure is noticed on Materials from R2.6 billion in 2017/18 to R2.8 billion in 2018/19. Goods and Services are also increasing from R1.5 billion to R1.7 billion in 2018/19. The projected expenses for 2018/19 increases from R7.4 billion in 2017/18 to R8.4 billion in 2018/19. Likewise, the projected surplus is to decrease from R709 million in 2017/18 to R236 million in 2018/19.

4.6. Compensation Commissioner for Occupational Diseases

Situational Analysis

Below is information on the CCOD's performance delivery environment:

- The Chamber of Mines and the Gold Mining Companies continues their support for the CCOD. This included, secondment of medical doctors to the Certification Committees of the MBOD; technical support for the preparation of the annual reports; personnel for the Carletonville One Stop Service Centre; funding for the electronic database of claimants; development of a logistics and coordinating centre; and tracking and tracing of claimants and beneficiaries.
- Approximately R72 million in funding support was made available by social partners through the provision of technical and human resources to the CCOD.
- There was a decrease in Benefit Medical Examinations in 2017/18 due to reduced number of service providers conducting assessments and consolidation of such services at One Stop Service Centres and at mining companies.
- Benefit Medical Examinations could not be provided at the MBOD due to X-ray equipment downtime.
- There has been a decline in the Tuberculosis prevention interventions, due to the reduced number of submissions from workers with Tuberculosis and the reduced number of workers within the mining sector due to mine closures.
- The annual reports for 2010/11 and 2011/12 were tabled in Parliament.
- A total of 7 197 claimants were paid R202 million, with 48% going to claimants in neighbouring countries, over the 9-month period ending in December 2017.
- A total of 9 769 (15 388 ending December 2016) certifications, with 6 156 compensable, 2 779 non-compensable and 834 deferred claims as the end of December 2017. Reasons for deferrals were due to missing information in the complaint files.
- The Compensation Fund continued to pay monthly pensions to 79 pensioners. The monthly pensions are provided from voted funds.
- A web-based scanning process of the movement of claimant files is in place and is assisting with the location of files within the CCOD/MBOD. The call centre to support outreach and awareness activities of the CCOD fielded 56 258 calls, made 1 301 calls to workers and beneficiaries and sent 194 834 SMS's as at the end of December 2017.
- A total of 1 342 and 1 457 current and ex-workers were seen at the Mthatha and Carletonville One Stop Service Centres respectively, as at the end of December 2017. Of these, 524 and 752 Benefit Medical Examination forms were submitted to the MBOD respectively.
- The One Stop Service Centres planned for Burgersfort in Limpopo and Kuruman in Northern Cape opened on 27 October 2017 and 5 December 2017 respectively. Seven similar facilities were opened in neighbouring countries through the Global Fund TB in Mining Sector Grant.
- At the end of the December 2017, there were 231 controlled mines and works in the register, with 21 closed mines or works. About 28% of controlled mines and works are not paying levies as they have requested a review of their status as a controlled entity or change in the levy based on the commodity (i.e. gold, platinum, diamond, etc.).
- Revenue generated from levies was R335 million in the 2016/17 financial year. The Deputy Commissioner with the support of inspectors has re-doubled their efforts in the collection of levies from non-paying controlled mines and works. In addition, a project was implemented to compile the register of controlled mines and works with reference to historical gazette notices.
- Health inspectors (nine) funded by the Global Fund have assessed the TB programmes and health risks at 180 controlled mines and works as at the end of December 2017. The assessment shows that 97% of the controlled mines and works have TB screening programmes and that gold mines still account for the highest incidence of TB at 1 465/100 000 workers relative to other commodities.

In terms of the organisational environment, the CCOD highlighted the following:

- The Certification Committee have been fully functional for the 9 months to 31 December 2017.
- The skills base of the medical doctors in assessing BMEs have been upgraded, effective work flow procedure dealing with TB claims.
- The electronic database of workers requiring biographic and demographic information will be piloted with five (5) mining companies and extended to all controlled mines and works.

- Challenges: service delivery was adversely impacted through staff reductions at the CCOD/MBOD and equipment downtime.

The key focus areas for 2018/19 financial year are:

- Submission of amendment on the Occupational Diseases in Mines and Works Act, 1973;
- Utilize decentralised facilities in provinces and neighbouring countries to increase access to workers, ex-workers and their beneficiaries to services of the CCOD/MBOD;
- Update the liability and assets of the Compensation Fund through use of the actuaries; and
- Submission of overdue annual reports of the Compensation Fund for 2014/15 and 2015/16 financial years.

Annual Performance Indicators for 2018/19

The CCOD has nine strategic objectives. These link with the outputs of the Health Sector's outcome 2 "A long and healthy life for all South Africans". Table 23 below outlines the strategic objectives and respective performance indicators and targets set for 2018/19.

Table 23: CCOD's Strategic Objectives and Targets for 2018/19

Strategic objectives	Performance indicators	2018/19 Targets
Policy and legislative framework for occupational health and compensation	Development of the policy and legislative framework for occupational health and compensation covering amendments to ODMWA	Submission of amendments to ODMWA
Enhance the governance and management of the CCOD	Number of meetings of the Audit and Risk Committee and the Advisory Committee	6 meetings of Audit and Risk Committee 4 meetings of Advisory Committee
Provide occupational health and compensation services through the establishment of One Stop Service Centres in provinces and neighbouring countries	Development of the database of current and ex-workers in controlled mines and works	Extension of database to five mining companies
	% of unpaid compensable claims prior to 31 March 2015 paid by the CCOD	5% of unpaid compensable claims prior to 21 March 2015 paid by the CCOD
	% of new compensable disease claims, as from 1 April 2018 paid by the CCOD within 3 months of receipt of compensated document in the claimant file	20% of new compensable disease claims paid by the CCOD within 3 months of receipt of completed documents in the claimant file
Ensure the effective and efficient management of the Compensation Fund	% of controlled mines and works paying levies to the Compensation Fund	75% of controlled mines and works paying levies to the Compensation Fund
	Report of the Actuarial Valuation of the Compensation Fund	1 Actuarial Valuation Report of the Compensation Fund
	Number of annual reports including financial statements to the Auditor General of South Africa (AGSA)	Submission of the 2014/15 and 2015/16 annual reports to the AGSA
	Number of current and ex-workers in controlled mines and works accessing benefit medical examinations per year	10 000
	Number of claims processed by the Certification Committees per year	12 000
	Number of claims paid by the	

	Compensation Commissioner (other than pensioners) per year	7 000
	Number of controlled mines and works inspected per year to verify levies payable based to risk shifts worked	70
	Number of outreach and awareness activities per year	10
	Number of workers in controlled mines and works pair for loss of earnings while undergoing TB treatment per year	950

- On policy and legislative framework for occupational health and compensation – the proposed amendments to ODMWA include policy and legislative changes to cover current and former workers in controlled mines and works only and new workers joining the mines and works sector will be covered under COIDA as of a date to be determined in legislation.
- The CCOD will not increase the number of outreach activities due to budget constraints.
- Consideration is being given to sourcing administrative support for the CCOD by service providers who could administer the medical assessment and claims process and improve the turn-around times for payments and feedback to claimants.
- The CCOD will gradually increase inspections of mines and works from 60 in 2017/18 to 77 by 2020/21 financial year.

Budget Overview

There has been no substantial increase to the CCOD budget and the business reform processes at the CCOD have been supported by the Chamber of mines, the Gold Mining companies and other social partners. Substantial resources estimated at R200 million per annum are required to expand and scale up the services of the CCOD.

Table 24: CCOD Budget for 2018/19

Programme	R thousand	Medium-term expenditure allocations			Average growth rate (%)
	2017/18	2018/19	2019/20	2020/21	
Administration	8 393	8 500	8 781	8910	2.0%
Compensation of Pensioners	3 718	3 836	4 050	4 272	4.7%
Compensation of Ex-miners	148 003	151 300	159 773	175 750	5.9%
Compensation of Tuberculosis	34 445	36 650	38 702	42 572	7.3%
Eastern Cape project	11	8	8	8	-10.0%
TOTAL	194 570	200 294	211 314	231 512	6.0%

The budget increases by 2.9 percent from R194.6 million in 2017/18 to R200.3 million in 2018/19. In terms of economic classification, the Compensation of Ex-miners programme is the largest area of expenditure, accounting for 75.5 percent or R151.3 million of the budget. The second largest programme is the Compensation of Tuberculosis which receives 18.3 percent of the total budget (R36.7 million).

Expenditure trends

- Over the medium-term the CCOD's focus will be on stabilising the number of claims paid out by forming strategic partnerships;
- Interests earned from investments is expected to decrease from R270.3 million in 2016/17 to R235 million over the MTEF period;
- The initiatives of fast-tracing the claims payment processes over the MTEF periods will result in the expenditure increasing by R37 million by 2020/21. This makes up 95.9% of the CCOD's expenditure over the MTEF;
- Transfers to households in the compensation of ex-miners programme at an average annual rate of 5.9% and the compensation of Tuberculosis programme at an average annual rate of 7.3% over the medium term, with the overall amount for compensable diseases increasing from R166 million in the 2016/17 to R222 million the 2020/21 owing to benefit increases of 33.8%; and
- The Minister of Health has approved an increase in pension amounts. This will be funded by the annual transfer from the Department of Health and is expected to grow at an average annual rate of 4.7% over the medium terms from R3.5 million in 2016/17 to R4.3 million in 2020/21.

5. AUDITOR GENERAL SOUTH AFRICA ON THE 2018/19 ANNUAL PERFORMANCE PLANS OF HEALTH

According to the Auditor General, there has been a reduction in the number of indicators in the 2018/19 APP of the Department aimed at streamlining its activities in preparation for the NHI, as follows:

- Programme 2: National Health Insurance, Health Planning and Systems enablement, reduced by 13 indicators and targets.
- Programme 3: HIV and AIDS, TB, and Maternal Child Health, reduced 14 indicators and targets.
- Programme 5: Hospital, tertiary health services and human resource development, reduced 10 indicators and targets.

The Auditor General noted with concern the vacancies in key positions at the Council for Medical Schemes and National Health Laboratory Service. The AG conducted a status of records review of seven provincial departments (excluding Western Cape and North West) and found that the majority of provincial departments had numerous areas of concern that require urgent intervention to prevent audit failure. These areas relate to financial management, performance management, procurement and contract management, compliance management, IT management, Human Resources and Expenditure management.

6. FINANCIAL AND FISCAL COMMISSION ASSESSMENT OF THE HEALTH SECTOR APP AND BUDGET

According to the FFC, there are issues that needs to change in the health sector in ensuring a functioning health system. These include:

- Financing of the sector;
- Infrastructure maintenance (buildings and equipment);
- Procurement; and
- Investment in human capital management and resourcing.

The FFC highlighted the need for the health sector to improve fiscal and operational efficiency through the reduction of accruals; establishing a consensus over the use of transversal contracts; establishing resource claims administration units to ensure early and effective processing of Medico Legal claims; fast track implementation of electronic access to lab tests and the electronic filing system; improve infrastructure spending efficiency through standardises designs, normative unit costs and reduced variation orders; improve infrastructure planning; and resolve ongoing poor audit performance by provinces. Furthermore, the FFC noted with concern, the continuous increase in fruitless and wasteful expenditure incurred by provincial departments.

7. COMMITTEE OBSERVATIONS AND FINDINGS

Having considered the APP and the budget of the Department and its entities, and analyses of relevant institutions this section summarizes the Committee's findings and observations:

7.1. Findings and observations on the Department

- The Committee noted with concern the poor performance of provincial departments. The Committee was of the view that the APP of the Department is not addressing plans to assist provincial departments in improving financial management and the provision of quality health care.
- The Committee noted with concern the poor performance of provincial departments as reported by the AG, particularly around information management, financial management, performance management, procurement and contract management, compliance management, IT management, Human Resources and Expenditure management.
- On mental health services, the Committee was concerned about the shortage of fully equipped mental health facilities in the country. Furthermore, concern was raised around the lack of a plan to monitor the implementation of the Mental Health Policy Framework and Strategic Plan (2013-2020).
- The Committee reflected on whether provincial departments are budgeting adequately for primary health care services.
- The Committee expressed concern around the visibility of ward-based primary health care teams in provinces.
- In view of the Listeriosis outbreak, the Committee raised concern around the Department's response to the outbreak and whether it had capacity in the form of environmental health officers to timeously detect outbreaks.
- The Committee raised a concern that provincial departments continue to incur accruals. Provinces are expected to settle accruals at the beginning of a financial year instead of delivering services to the people.
- The Committee was concerned that irregular, wasteful and fruitless expenditure by provincial departments continue to increase amounting to billions.
- Challenges around the provision of EMS in provinces is a concern to the Committee.
- The Committee observed that the health sector is faced with rising Medico Legal claims against provincial departments and noted that this is not reflected on the APP of the Department.

- The Committee was concerned that the Department has removed 37 performance indicators from Programme 2 (13 indicators), Programme 3 (14 indicators) and Programme 5 (10 indicators).
- The Committee noted with concern that the evaluation report of the first phase of NHI evaluation report is outstanding.
- The Committee observed that the APP and budget does not reflect on second phase of NHI implementation.
- The Committee also noted the lack of timeframes for the tabling of the NHI Bill in Parliament in line with the pronouncement made by the President during the 2018 SONA.
- On Programme 3, the Committee noted with concern that a large portion of the total budget is on Programme 3, however, there are only three strategic objectives linked to this programme. There is no indication on how the Department will address priorities such as child, women and maternal health and non-communicable diseases.
- The Committee expressed concern that Limpopo Provincial Department of Health has terminated contracts of NPOs employing home based carers and community health workers (CHWs).
- The Committee noted that during the 2018 SONA the President indicated that the Department will be launching a massive cancer campaign. However, the APP does not reflect on this pronouncement.
- The Committee noted with concern that infrastructure management at provincial departments remains a challenge, particularly maintenance of buildings and equipment.
- The Committee was of the view that there seem to be a lack of progress in relation to the introduction of the new Basic Nursing Qualification programme.
- The provision of oncology services in KwaZulu-Natal remains a concern to the Committee.

7.2. Findings and observations on Entities

7.2.1. SAHPRA

- The Committee observed that SAHPRA is yet to appoint a chief financial officer.
- The Committee observed that SAHPRA is still dealing with a huge backlog of applications for registration of medicines and medical devices.
- The Committee was concerned around the effect of fee increases (to generate revenue) on the cost of medicine and how it would impact on the vulnerable and poor.

7.2.2. SAMRC

- The Committee noted with concern the shortage of black female scientists.
- The Committee noted with concern the lack of equipment and personnel to diagnose TB particularly in certain mining areas.
- The Committee reflected on whether mHealth (new health App) was accessible to the wider community.

7.2.3. OHSC

- The Committee raised concern that OHSC reports do not reflect on remedial actions that health facilities must implement and thus perceived to be punitive.
- The Committee was concerned about the extended periods of time it takes to resolve complaints.
- The Committee noted with concern that there were vacancies within the Board.
- The Committee expressed concern in relation to the Health Ombud's Office and its funding, as it is funded through the OHSC budget when the Ombud is accountable to the Minister of Health.

7.2.4. CMS

- The Committee was concerned that the Registrar position was still vacant and there was no indication of when the position will be filled.
- The Committee expressed concern that members of medical schemes do not seem to understand the nature and extent of their benefits, public education and awareness seem to be inadequate.
- The Committee reflected on concerns around affordability of medical schemes and the role of CMS in regulating the industry.

7.2.5. NHLS

- The Committee was concerned about the vacancies in key positions over extended periods of time, in particular the CEO and CFO positions which had been vacant for 12 months and positions of Head: Information Technology and Head: Internal Audit and Risk Management vacant for four months.
- The Committee was concerned about the long standing cases of former NHLS staff that remains unresolved.

7.2.6. CCOD

- The Committee raised concern around the lack of decentralised services in certain provinces.
- The Committee reflected on whether the mines play any role in the tracking and tracing of ex-mine workers from which they were employed.
- The Committee noted with concern that there was a gap in the legislation as it did not cover disease due to environmental exposure, such as exposure to asbestos.

8. RECOMMENDATIONS

The Committee recommends as follows:

8.1. Department

- The Department should assist provincial departments to align their APPs to budgets, taking into consideration the huge amounts of accruals incurred by provincial departments.
- Ensure that the removal of the 37 performance indicators from Programme 2, 3 and 5 does not impact on the implementation of key programmes such as the National Health Insurance and the prevention and control of Non-Communicable Diseases.
- Review provincial budget allocations to primary health care services in ensuring that this line function is adequately funded.
- Continue to support provincial departments in implementing the primary health care re-engineering programme.
- Assist provinces with the implementation of the Mental Health Policy Framework and Strategic Plan (2013-2020) to ensure effective provision of mental health care services.

- Develop a mental health monitoring policy to monitor and evaluate implementation of the Mental Health Policy.
- Engage provincial Treasuries to assist provincial departments in eliminating their current accruals amounting to more than R16 billion.
- Assist provincial departments to develop mechanisms to monitor and maintain acceptable levels of accruals.
- Assist provincial departments to strengthen financial management planning in order to deal with the continuous audit findings related to accruals, irregular, wasteful and fruitless expenditure.
- Assist provincial departments to address SCM challenges to reduce wastage, improve procurement turnaround time and improve contract management.
- Develop a strategy to address challenges relating to the provision of EMS and submit such a plan to the Committee.
- Engage the Department of Justice and Correctional Services to develop and implement a national strategy in dealing with the rise in Medico Legal claims as they pose serious risk to provincial departments' budgets.
- Expedite the implementation of the National Community Health Care Workers Policy to provide clarity on the management of CHWs.
- Provide the Committee with a progress report on the cancer campaign.
- Assist provinces in ensuring that planning and budgeting processes for infrastructure and equipment takes into account their maintenance.
- Provide the Committee with a progress report on the new Basic Nursing Qualification programme.
- Provide the Committee with a progress report on the provision of oncology services in KwaZulu-Natal.

8.2. SAHPRA

- Accelerate the appointment of a chief financial officer.
- Appoint additional technical staff to address the backlog and regulatory workload.
- Ensure that the vulnerable and poor are not burdened with increasing costs of medicine due to fee increases aimed at revenue generation.

8.3. SAMRC

- The SAMRC should encourage black females to get into science.
- The SAMRC is encouraged to continue with research, particularly on TB treatment and skills capacity building on TB diagnosis.
- Ensure wider access to the mHealth App.

8.4. OHSC

- Ensure that its reports address remedial actions in order to encourage quality improvement.
- The OHSC should improve the turnaround time for complaints resolutions.
- Engage the Department on the funding of the Health Ombud's Office.

8.5. CMS

- Accelerate the appointment of a Registrar.
- Enhance public education and awareness on medical schemes benefits.
- Develop a strategy to address concerns around affordability of medical schemes. Provide a report to the Committee.

8.6. NHLS

- NHLS should ensure that vacancies in key positions are filled as matter of urgency.

- NHLS should resolve the long standing cases of former NHLS staff and provide the Committee with a progress report.

8.7. CCOD

- The CCOD should furnish the Committee with a progress report on the compensation legislation.
- The CCOD should accelerate the backlog of annual reports and financial statements is cleared.
- Ensure that decentralized services reach different provinces.

Unless otherwise indicated, the Department should respond to the recommendations in three months from the day the report is adopted by the House.

Report to be considered.