

Eastern Cape Department of Health
Strategic Plan Evaluation:
Annual Performance Plan 2009/10-2011/12

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Key Findings and Recommendations

Finding: The MEC's foreword in the 2009/10 – 2011/12 Annual Performance Plan (APP) is identical to the foreword provided in the 2008/09-2010/11 APP. This means that any changes to policy and the Department's strategic direction have not been outlined at the outset by the MEC.

Recommendation: Any policy changes should be clearly outlined to ensure that the plan takes these into account going forward. The failure to include these in the current APP detracts from attempts to ensure implementation of a revised APP by the MEC and the Department.

Finding: While the Department has done well to include a detailed matrix which links the Department's strategic plans with broader planning frameworks such as the Millennium Development Goals (MDG) and Provincial Growth and Development Plan (PGDP), it does not provide a detailed analysis of its progress in achieving the key targets outlined in each of these frameworks.

Recommendation: The Department should include a detailed analysis of progress made in achieving targets outlined in broader frameworks such as the MDG and PGDP in its APP.

Finding: It is impossible to say whether or not the Department's three- and one-year plans are integrated into its five-year plan (2009/10-2013/14) as the five-year plan has not yet been produced.

¹ In producing this report, the PSAM wishes to acknowledge the Centre on Budget and Policy Priorities (CBPP) who have provided support via a grant from the International Budget Partnership (IBP) of the CBPP.

Recommendation: In order to ensure that there is consistency between the Department's long and short term strategic plans, it needs to ensure that all plans are produced timeously. This is important as the five-year plan informs the medium and short term plans.

Finding: While the Department's strategic plans are integrated with its Comprehensive HIV & AIDS and STIs sub-programme Integrated Business Plan in terms of policy priorities, broad goals, objectives and activities, there are many examples where key baseline data and targets do not correlate between the various plans. It is therefore impossible in many instances to determine what the Department's actual targets are, and when or if they will be achieved.

Recommendation: Both the funding and implementation of activities for the Department's HIV & AIDS and STIs sub-programme depend on clearly formulated, comprehensive planning documentation. The Department must as a matter of urgency address target discrepancies between these plans if it is to ensure that HIV & AIDS and STI services are provided efficiently and effectively.

Finding: In the 2009/10-2011/12 APP the Department only provides information on its Human Resources (HR) capacity which specifically relates to health care professionals and nothing on its administrative and support staff capacity. This is problematic as it is now extremely difficult to monitor progress made in the filling of these posts and, in turn, the Department's HR turnaround strategies.

Recommendation: Vacancies in posts for all positions in the Department continue to be its most significant service delivery challenge. It is therefore essential that the Department include in its strategic plans a comprehensive HR turnaround strategy which encompasses the recruitment and retention of staff in all positions.

Finding: In its strategic plans the Department only provides only limited epidemiological data, much of which is already out of date.

Recommendation: It is essential that the Department ensures that adequate support is provided to programmes tasked with the collection and analysis of this data. All planning should be based on a detailed needs assessment which will inform the setting of measurable objectives and targets.

Finding: While the Department does outline its service delivery successes, and where it has managed to achieve or exceed its targets, it does not do the same for many of its failures or where it has not achieved targets.

Recommendation: The Department should provide an accurate appraisal of both its successes and failures in the APP. It should then also clearly show how strategic planning going forward will address short comings and ensure that successes are repeated in future.

Finding: Many of the Department's measurable objectives and associated targets appear not to be based on need or even demand yet increase incrementally year on year.

Recommendation: The Department must make every effort to ensure that all planning is based on need and demand. A failure to do so will result in the inefficient delivery of services and a failure to deliver all necessary and appropriate services.

Finding: Each year the Auditor-General highlights a range of financial management and performance related issues, especially those relating to the Public Finance Management Act (PFMA), which have lead to the Department consistently receiving poor audit opinions. Despite this the Department provides little indication that it has set objectives and targets which deal specifically with issues highlighted during the audit.

Recommendation: The AG's findings provide a good indication of the key issues the Department needs to address, especially in relation to financial management, in order to improve its core functioning. Efforts to address the key audit findings should therefore be prioritised throughout the Department's strategic plans.

Finding: While the template the Department uses to formulate its plan does not require it to provide information which reconciles past expenditure with MTEF projections and service delivery targets, it should consider doing so.

Recommendation: The value of reconciling past expenditure with MTEF projections?

Finding: Within its strategic planning documentation the Department provides virtually no information on its strategic partnerships with other departments and agencies. Even where some information is provided it does not outline what these partnerships involve or the Department's roles and responsibilities within these partnerships.

Recommendation: Partnerships form an essential part of the Department's functioning from its infrastructure to the delivery of ARVs. It is therefore essential that the Department include more information on these partnerships in an effort to ensure improved monitoring of services delivered.

Finding: In the 2009/10-2011/12 APP the Department provides a detailed and up-to-date breakdown of its conditional grant and donor funding. This is an improvement on information provided in previous strategic plans.

Recommendation: This is a welcome addition to the APP and should set the precedent for future plans where the Department should continue to provide more relevant and up-to-date information on both its funding and expenditure.

Introduction

The South African Constitution commits government departments to the progressive realisation of socio-economic rights, including the right to education, healthcare, housing and social welfare, within available resources. The PSAM defines social accountability as the obligation by public officials and private service providers to justify their performance in progressively addressing the above rights via the provision of effective public services.² To effectively realise these rights through the delivery of public services, state departments and private service providers responsible for the management of public resources must implement effective accountability and service delivery systems. These include: planning and resource allocation systems; expenditure management systems; performance monitoring systems; integrity systems; and, oversight systems. The effectiveness of these systems can be established by monitoring their information outputs. To evaluate these systems, the PSAM has developed a set of evidence-based tools for monitoring the information produced annually by each system.

The following report focuses on the reviewed department's strategic planning system. To fulfil its mandate to provide effective and efficient public services that progressively realise people's socio-economic rights, every government department must produce strategic plans for the upcoming financial year and Medium Term Expenditure Framework (MTEF) period. This report evaluates the strategic plans of government service delivery departments by asking a number of questions which identify the necessary requirements for effective and accountable strategic plans.

Strategic planning forms the foundation on which service delivery is built. The responsibility for drawing up clear strategic plans and for setting measurable objectives for provincial government departments rests with the MEC for the relevant department. Amongst other responsibilities, the MEC should identify the people to be served by their department, and their specific service delivery needs. The MEC must also ensure that the implementation of the strategic plan is properly monitored to make certain that services are provided efficiently and in a way that represents value for money. Strategic planning requirements are strictly regulated in terms of the Public Service Regulations, Public Finance Management Act (PFMA), the Division of Revenue Acts (DORA) and by National Treasury regulations which govern the development of strategic plans.

No budget can be allocated to government departments in the absence of a strategic plan. This is because without evidence of what the department intends to do with its budget, the respective Treasury is not authorised to apportion funds to the department.

Strategic planning is intimately linked to the budgeting and reporting framework established by the PFMA. It is important to note that while strategic planning informs the budget to be allocated to departments, those undertaking planning should always develop their strategies taking the projected resource allocation for their department into account as indicated within the 3-year Medium Term Expenditure Framework.³

² *Constitution of the Republic of South Africa*, sections 26, 27 and 29.

³ *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, section 2, 2.1.1, p. 21.

Provincial government departments are expected to draw up two strategic plans, a five-year plan and an annual plan.

- Five-year Strategic and Performance Plans -

The Five-year Strategic and Performance Plan, linked to the five-year election cycle, sets out the department's strategic policy priorities and plans for the coming five years. It serves as a "blueprint for what the provincial department plans to do over the next five years".⁴ The document focuses on setting specific strategic goals that will be prioritised, as well as identifying strategic objectives for each main service delivery area of the department.

- Annual Performance Plans –

Each year, provincial departments are required to produce annual performance plans which set out what they intend doing in the upcoming MTEF period to implement their respective Five-year Strategic and Performance Plans. For this reason, annual performance plans focus on the creation of specific measurable objectives and performance targets which ensure that departments meet their longer term goals. The annual performance plan covers the upcoming financial year and the following two years of the MTEF period. It should also inform, and be informed by, the budget and MTEF indicative allocations.

The importance of drawing up accurate and realistic strategic plans cannot be overestimated. In the absence of coherent plans, departments cannot properly quantify the needs of those requiring their services or properly estimate costs; they cannot accurately track, control or report on expenditure. Consequently they cannot properly monitor the delivery of services to ensure the efficient and effective use of scarce public resources to address the human rights of those dependent on public services.

- Operational Plans –

In addition to the annual performance plan, departments are expected to produce a detailed one-year operational plan. Both the annual performance plan and one-year plan (which gives effect to the first year of the three-year annual performance plan) are tabled annually. The operational plan must feed into performance agreements between executive authorities and accounting officers and should provide quarterly performance measures and targets, as well as quarterly budget information. According to Chapter 2 of the *Guidelines for Accounting Officers*, operational plans must specify measurable objectives and include service delivery indicators, total costs, timeframes and targets. Departments must report against the implementation of the one-year operational plan in their annual reports.

⁴ *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 1.4. "Overview of planning, budgeting and reporting documents", 1. Five-year Strategic and Performance Plans, p. 15.

Theme 1: Policy priorities and strategic objectives

Requirements

- Government departments prioritise plans to address the most pressing social needs of those dependent on public services and to respond to political priorities set by the government of the day. These policy priorities should be informed by constitutional commitments to address people's rights and should form guiding principles for planning. Policy priorities should be articulated by the executive authority responsible for the Department as he/she is ultimately accountable for the implementation of policy priorities and, therefore, the Department's planning.⁵
- Each year, the Department's strategic plan should set out any changes to the Department's strategic direction due to policy or programme shifts. This is to ensure that the Department is held accountable for its performance in relation to its new policy priorities/strategic direction. By identifying the most important performance targets, the administrative head of the Department undertakes to achieve these targets and makes him/herself accountable for doing so.⁶
- For the Department to achieve its strategic goals, there must be a direct correlation between these goals and its objectives. In other words, if the Department achieved each objective, it should have achieved its strategic goals. Any disjuncture between goals and objectives will result in the Department's failure to implement its strategic plan and effectively address the rights of those they serve.⁷
- Strategic objectives describe high-level outputs or the results of actions the Department plans to take; they must relate directly to the Department's policy priorities. Because they articulate the rationale for planned activities within each programme and strategically important sub-programme, strategic objectives must be included in the strategic plan to evaluate the Department's plans to progressively realise citizens' rights within available resources.
- Strategic plans must be integrated into macro planning frameworks for departments to give effect to national and sub-national policy priorities, as well as

⁵ The executive authority of the Department should set out clearly at the beginning of the Annual Performance Plan what outputs the Department is required to deliver given its budget for the upcoming financial year in pursuit of its overall goals and objectives as set out in its Five-year Strategic and Performance Plan. Ibid, Section 4, "Foreword", p. 60. See also *Public Service Regulations, 2001*, as amended, regulation B1(a).

⁶ In the Annual Performance Plan, the Department's Accounting Officer should give an executive summary of any significant shifts in policy or programmes that have taken place over the past year that alter the direction of the Five-year Strategic and Performance Plan. The Accounting Officer should also identify the most important performance targets as set out in the Annual Performance Plan. *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part A.1 "Overview", p. 64. See also *Treasury Regulations, 2005*, regulation 5.2.2(c).

⁷ *Public Service Regulations, 2001*, Chapter 1, Part III, Regulation, B.1(b).

the realisation of international undertakings (such as the UN Millennium Development Goals). As the site of service delivery, it is critical for sub-national strategic plans to be aligned with both broader and narrower planning frameworks if such frameworks are to be implemented.⁸

- One-year plans must be integrated into longer-term planning frameworks to give effect to long-term strategic goals. There should therefore be a clear relationship between a Department's one-year plan and the corresponding year in multi-year plans if longer-term goals are to be achieved.

Findings

In the Annual Performance Plan (APP) the MEC for Health is required to provide an account of the policy priorities which guided the Department's planning for the current financial year. This account should highlight the Department's priorities and most important strategic interventions to be made by the Department in the improvement of Health services in the province. It is the MEC's responsibility to articulate this commitment in the APP as s/he is ultimately accountable to the provincial Executive council, the Legislature and the public for the implementation of these priorities through effective oversight, planning and service delivery.

The foreword by the MEC in the 2009/10-2011/12 APP is a duplicate of the foreword provided by the MEC in the 2008/09-2010/11 APP. This means that that the MEC does not reflect on potential policy and priority changes which may have an impact on strategic planning. For example, the MEC makes no mention of the proposed National Health Insurance (NHI) plan and how associated changes to resource allocation and service delivery models would be accommodated in the Department's strategic planning over the next three years.

One possible explanation for the duplication of the foreword by the MEC is that Ms Nomsa Jajula was replaced by Ms Pemmy Madjodina as MEC in August 2008 who was then replaced by Mr Phumulo Masualle after national and provincial elections in April 2009. The development of the APP starts at the beginning of the financial year before it is tabled. This means that it would prove difficult for an MEC who had not been in office until the final stages of its development to provide any meaningful input into the formulation of the plan.

That said, the responsibility to provide an account of changes to the Department's strategic direction due to policy or programme shifts does not lie solely with the MEC.

⁸ The Department should provide details of any change to its strategic direction as set out in its Five-year Strategic and Performance Plan. This should indicate which factors made any changes necessary, and how these changes will impact on the Department's strategic goals and objectives. *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part A.2 "Strategic Plan Update Analysis", p. 64. According to the South African Constitution, national, provincial and local spheres of government must "provide effective, transparent, accountable and coherent government for the Republic as a whole." In addition, all spheres of government must "cooperate with one another" by, among other things, coordinating their actions. *South African Constitution*, Chapter 3, Section 41(1)(c) and (h)(iv). See also *Treasury Regulations*, 2005, regulation 5.2.2(b).

The Superintendent-General is also responsible for providing an account of re-aligned policy or programme shifts and s/he also maintains lines of accountability.

While the Department only had an acting SG at its helm at the time of writing this report, his predecessor, Mr Lawrence Boya, had left the Department's service at the beginning of the 2009/10 financial year – well after the finalisation of the 2009/10-2011/12 APP. This means that the SG's foreword should contain a more detailed and coherent account of any changes to the Department's policy and strategic direction. In this, it succeeds to a certain degree.

The SG's endorsement, while similar in many respects to the foreword found in the 2008/09-2010/11 APP, does highlight in more detail the Department's strategic direction for the next three years. For many of the Department's key interventions, such as the Audit Improvement Plan and the Human Resources Turnaround Plan, the SG has committed these plans to definite timeframes. This is important as it is an essential part of ensuring that the SG is accountable for service delivery by allowing oversight bodies to measure performance against defined milestones – something which has been lacking in the past.

Not only do plans need to be aligned to the Department's own policy and planning frameworks, they also need to be integrated into broader planning frameworks at the sub-national, national and international levels. These broader policy frameworks include the Social Needs Cluster priorities, the Provincial Growth and Development Programme (PGDP), National Health Systems Priorities (NHSP), High Impact Priority Projects (HIPP) and the Millennium Development Goals.

While mention of these strategic frameworks is made in both the MEC's foreword and the SG's endorsement, the clearest indication that the APP has been aligned with these frameworks appears in a detailed matrix in Part A of the plan.⁹ In this matrix the Department lists the imperatives of each of these frameworks and then provides the corresponding departmental goals, programmes and sub-programmes which should give effect to each of these imperatives. This clear link between the Department's own strategic planning and the broader planning frameworks is important as it provides oversight, civil society and departmental officials with a useful tool in the monitoring and evaluation of the Department's strategic planning and its relationship with these frameworks.

This matrix does not, however, provide an indication of the Department's progress in achieving the objectives and specific targets of each framework. To do this one would need to compare the Department's past performance against these objectives and then determine if measurable objectives and targets for relevant programmes and sub-programmes would contribute to the progressive attainment of these broader objectives. It would be useful for the Department to conduct its own analysis of its progress in achieving each of the objectives outlined in frameworks such as the Millennium Development Goals (MDG) and National Health System Priorities, and provide this analysis as part of a detailed situation analysis. This would allow the Department, oversight and civil society to monitor progress made in achieving key objectives and inform future strategic planning.

⁹ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, pp. 34-36.

In terms of consistency between the Department's own plans, (i.e. the five-, three (APP) and one-year plans) one-year plans must be integrated into longer-term planning frameworks to give effect to long term strategic goals. In this regard there is one issue of particular concern. While the one-year plan, or Operational Plan (OP), is largely consistent with the APP, it is impossible to say whether or not these plans are consistent with the Department's long term strategic plan. Every five years the Department is required to produce a five-year plan which outlines the Department's strategic goals, objectives and long term targets for service delivery. This plan forms the basis of all the plans developed during each five-year cycle. As the last cycle was completed at the end of the 2008/09 financial year, the Department was required to develop a strategic plan for the next cycle i.e. 2009/10-2012/14. At the time of writing, that plan has yet to be finalised. It is therefore impossible to say if the OP and APP are integrated into the Department's long term strategic framework.

In addition to its strategic plans, the Department is also required to produce detailed business plans for priority programmes which receive conditional grants. These plans should outline exactly how allocations provided through conditional grants will be spent. This means that these plans should provide a detailed breakdown of all costed activities and associated targets funded through the grants. These plans then also need to be integrated into the Department's long- (five-year), medium- (APP) and short term (OP) planning frameworks.

A particularly important business plan is the Integrated Business Plan for the Comprehensive HIV & AIDS and STI sub-programme. Not only is this programme responsible for addressing the most pressing health challenges the province and country faces today but it is also responsible for administering R402 million or 25 percent of the Provincial Health Department's conditional grant allocation.¹⁰

A comparison of the Comprehensive HIV & AIDS and STI Business Plan with the available strategic plans reveals that while there is clear integration in terms of programme priorities and activities, there is some disjuncture between baseline figures and targets provided in the Business Plan with those provided in the strategic plans. For example, in the Business Plan the Department shows that 94 facilities are accredited to provide ART in 2008/09 with this number not increasing in 2009/10.¹¹ In the OP, however, the Department suggests that in 2008/09 there were only 77 facilities accredited to provide ART with this number increasing to 105 facilities by the end of 2009/10.¹² Even more troubling is the disjuncture between the number of people registered and targeted to receive ART in the Business Plan as against the figures provided in the OP. In the Business Plan the Department states that 70 000 patients were registered to receive ART in 2008/09 with this figure targeted to increase to only 72 180 by the end of 2009/10.¹³ In the OP, however, these figures are provided as 73 000 and 110 000 patients respectively.¹⁴ Another clear difference can be found when

¹⁰ Eastern Cape Provincial Treasury Budget statement 2009/10, p. 67.

¹¹ Eastern Cape Department of Health Comprehensive HIV & AIDS and STIs sub-programme Integrated Business Plan 2009/10, p. 21.

¹² Eastern Cape Department of Health Operational Plan 2009/10, p. 191.

¹³ Eastern Cape Department of Health Comprehensive HIV & AIDS and STIs sub-programme Integrated Business Plan 2009/10, p. 21.

¹⁴ Eastern Cape Department of Health Comprehensive HIV & AIDS and STIs sub-programme Integrated Business Plan 2009/10, p. 192.

comparing the data for the Department's Prevention of Mother To Child Transmission (PMTCT) programme in the Business Plan with the figures found in the APP. In the Business Plan the Department states that in 2008/09 it tested 134140¹⁵ Antenatal Clients for HIV but in the APP it provides a figure of only 99500.¹⁶

These are only a few examples of where baseline data and targets provided in the Business Plan do not correlate with those provided in the OP or APP. While these discrepancies may simply be input errors, they are extremely troubling because it is not possible to tell which figures are correct and therefore it is not possible to determine what many of the Department's targets for this programme are. Secondly, if the errors appear in the Business Plan, while those in the OP and APP are correct, as appears to be the case with the targets for patients to be registered on ART, then the question is: were these line items costed correctly? The Department as a matter of urgency needs to ensure that information provided in its Business Plans is consistent with the appropriate information in its Strategic Plans. Without consistency between these plans it proves extremely difficult to monitor their implementation and whether or not shared goals, objects and targets have been achieved.

Not only does there need to be consistency between plans, there also needs to be consistency within plans. This is in part achieved through linking strategic objectives, with strategic goals and appropriate elements of the broader planning frameworks mentioned earlier. In other words, if the Department were to achieve each of its strategic objectives, it should achieve its strategic goals, which in turn would result in the achievement of goals outlined in broader frameworks.

In many respects the Department has done well in this regard and the plans have shown a marked improvement from previous years. As already mentioned, the Department has provided a table in the APP's introduction which links broader planning imperatives with corresponding departmental strategic goals, programmes and sub-programmes. The Department then in most instances links appropriate strategic objectives with appropriate strategic goals for each programme. For example, the Department has linked the broad MDG imperative, 'To combat HIV and Aids', and the PGDP imperative, 'To halt, manage and improve health outcomes for HIV/AIDS by 2014' with the Department's first strategic goal which is, 'A functional and effective Primary Health Care driven Provincial Health System that provides an integrated and seamless package of health services in an equitable, accessible and affordable manner'.¹⁷ This goal and associated imperatives are then linked to the Department's HIV & AIDS and STI sub-programme which forms part of the District Health Services programme (programme 2). Within this sub-programme the Department has linked its measurable objectives, with an appropriate strategic objective which forms part of strategic Goal 1.¹⁸ In this instance the strategic objective is, 'To consolidate the implementation of the Priority Health Programmes in order to meet the MDG targets and improve health outcomes' which correlates with the Department's first strategic goal. It should follow therefore that if the Department realises all of its strategic objectives, its strategic goals should be achieved which would then result in the realisation of the targets outlined in frameworks such as the MDGs and NHSPs.

¹⁵ Ibid, p. 85.

¹⁶ Eastern Cape Department of Health Annual Performance Plan, p. 161.

¹⁷ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, pp. 34-36.

¹⁸ Ibid, p. 161.

While this consistency between measurable objectives, strategic objectives, strategic goals and broader planning frameworks is an important aspect of strategic planning, it does not mean that the Department has the capacity to achieve all targets or even if these targets necessarily correlate with the specific health needs of people living in the province, an issue this report will consider in due course.

Theme 2: The context of planning

Requirements

- The Department's ability to implement its strategic plan is determined, to a large extent, by its human resource capacity. It is therefore critical for the Department to provide an account of its internal organisational environment in its strategic plan, and to indicate how organisational capacity or constraints were factored into its strategic plan.¹⁹
- Strategic plans should be informed by rigorous needs analysis if they are to respond to the most pressing socio-economic needs of those they serve. Departments should demonstrate in their strategic plans how proposed targets give effect to service delivery commitments *in relation to* socio-economic needs. Only then can both performance targets and undertakings be properly evaluated. In addition, departments should clearly articulate service delivery constraints caused by the external service delivery environment and demonstrate how these constraints were factored into the drawing up of strategic objectives and targets.²⁰
- The usefulness of the Department's strategic plan is largely determined by the extent and depth of consultation with staff in its development. Staff who have played a meaningful role in developing a strategic plan are more likely to take ownership of it and thus actively work towards its implementation.²¹

¹⁹ The Department should provide an account of changes in its internal and external service delivery environment, which updates the detailed needs analysis contained in its Five-year Strategic and Performance Plan. This should include an account of how these changes affect the Department's objectives and organisational structure in its Annual Performance Plan. *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 2, 3.2.1. 'Aim and Focus of Part A of the Annual Performance Plan, p. 27. See also *Public Service Regulations*, 2001, Chapter 1, Part III B.2 (a) – (d) and *Treasury Regulations*, 2005, regulation 5.2.2(b).

²⁰ Section 195(1)(e) of the *South African Constitution* states that "People's needs must be responded to". Section 2 of the *Public Finance Management Act Implementation Guideline*, 2000, notes that departmental Accounting Officers "must have regard for the usefulness and appropriateness of planned outputs", (p. 8). It is clear that the Department cannot comply with these legislative and constitutional requirements, nor be accountable for failing to do so, without providing an account of its external service delivery environment. See also *Public Service Regulation*, 2001, regulation C.1(a).

²¹ According to the *South African Constitution*, national, provincial and local spheres of government must "provide effective, transparent, accountable and coherent government for the Republic as a whole". In addition, all spheres of government must "cooperate with one another" by, among other things, coordinating their actions. *South African Constitution*, Chapter 3, Section

Findings

The Department's ability to implement its strategic plan is determined, to a large extent, by its Human Resource (HR) capacity. It is therefore critical for the Department to provide an account of its internal organisational environment in its strategic plan, and to indicate how organisational capacity or constraints were factored into its strategic plan.

In the 2008/09-2010/11 APP the Department included a full breakdown of its HR capacity in a table which outlined, for all personnel categories, the total number of posts, the number of filled posts, vacancies, vacancy rates and turnover rates.²² In the 2009/10-2011/12 APP the Department has only included a table which outlines these details for public health worker posts.²³ No information has been given for the personnel establishment for administrative and support posts. This is troubling as these posts are as important to the Department's functioning as those of health professionals and should also be clearly factored in to its planning. Failure to provide such information is likely to inhibit accurate planning and oversight.

Despite this, the Department has for each programme and sub-programme listed HR as one of the constraints which has an impact on the functioning of that programme or sub-programme. Even though this is an important aspect of the plan, the APP provides only vague and generic descriptions of the kinds of HR problems faced by these programmes and sub-programmes. For example, for the oral health services sub-programme, the Department lists "staff shortages both at head office and district offices"²⁴ as this sub-programme's HR constraint. It then provides "to train more oral health professionals"²⁵ as the measure planned to overcome this constraint. What the Department does not do, however, is link time-bound and costed activities to this intervention. This means that there are no programme-specific interventions in place to deal with these HR related issues.

One of the most troubling aspects of the Department's strategic planning though is the shortage of up-to-date epidemiological data. Limited data is provided in Strategic Overview (part A) of the APP which briefly outlines the demographic profile, socio-economic profile, and some epidemiological data (e.g. causes of admissions, causes of death, mortality rates and HIV prevalence),²⁶ but this data is limited and out-of date. For example, trends in key provincial mortality indicators²⁷ are given for the years between 1998 and 2003, excluding data for the last five years. Other critical data such as the leading causes of admissions to Eastern Cape Hospitals, which should be readily available to the Department, is equally out of date.²⁸ The Department cannot provide efficient and cost effective services if its planning is not based on need or even demand.

41(1)(c) and (h)(iv). Section 195(1)(e) of the *Constitution* states that "People's needs must be responded to, and the public must be encouraged to participate in policy-making". In addition, 195(1)(g) states that "transparency must be fostered by providing the public with timely, accessible and accurate information". See also *Public Service Regulations*, 2001, Chapter 1, Part III, Regulation C.1(b).

²² Eastern Cape Department of Health, Annual Performance Plan 2008/09-2010/11, pp. 23-25.

²³ Eastern Cape Department of Health, Annual Performance Plan 2009/10-2011/12, pp. 116-117.

²⁴ Eastern Cape Department of Health, Annual Performance Plan 2009/10-2011/12, pp. 215.

²⁵ Ibid.

²⁶ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, pp. 16-24.

²⁷ Ibid, p. 23.

²⁸ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, p. 20.

That said, the Department has committed to improving its disease surveillance and research capacity. In 2008/09 the Department established an epidemiological research and surveillance management sub-programme which has been tasked with improving the collection of data essential to informed and effective planning.²⁹ This sub-programme does, however, face the same constraints as many of the Department's programmes with regard to financing and HR. It therefore remains to be seen if this sub-programme will make a substantive difference to the quality of data used in the setting of priorities and targets.

Priorities, meaningful objectives and targets are not only determined through the collection of hard data; the input of staff working within each programme and sub-programme, those working at facility level, as well as a range of external stakeholders, also play an important role in the development of meaningful strategic plans. In this regard it appears the Department has made a concerted effort to engage with role players beyond its planning structures. In the foreword of the APP the Department has outlined a range of consultative processes it embarked on in the development of its strategic plans.³⁰ The processes included joint planning with senior managers, the establishment of a Provincial Health Planning Forum, consultation with employees and an independent assessment of the 2nd draft of the APP by our organisation. This kind of engagement is an important step in ensuring that plans are comprehensive and should be expanded to include consultation with academic institutions, NGOs and community leaders.

Theme 3: Performance and monitoring

Requirements

- By indicating both progress and what still needs to be done to meet the objectives for each programme, oversight bodies and citizens are able to evaluate the Department's planned programme objectives for the upcoming financial year in light of (a) the Department's past performance and (b) what the Department still needs to do to accomplish its strategic objectives for each programme.³¹
- Departments should ensure that the socio-economic rights of those they serve are progressively realised. It is important that the Department identify in its strategic plans specific measures it will take to improve the quality of service delivery, including improved access to services, improved standards and improved service delivery systems. This is particularly important for departments that did not meet their strategic objectives in previous financial years, or did not meet satisfactory service standards.³²

²⁹ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, p. 67.

³⁰ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, pp. 33-34

³¹ *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 3, p. 65. See also *Treasury Regulations*, 2005, regulation, 5.2.2(d).

³² *Public Service Regulations*, 2001, Chapter 1, Part III, Regulation C.1 (a) – (f).

- Performance targets for each strategic objective and activity must be included in the Department's strategic plan. These targets must be measurable and observable for the Department and oversight bodies to monitor the Department's performance. In addition, the indicators must provide an accurate, unbiased and complete measure of the strategic objective or activity and produce meaningful information from a management and oversight perspective.³³
- For the Department to achieve its strategic objectives there must be a direct correlation between these objectives and its planned activities. In other words, if the Department achieved each activity, it should have achieved its strategic objectives. Any disjuncture between activities and objectives will result in the Department's failure to implement its strategic plan and effectively address the rights of those they serve.³⁴
- To monitor the implementation of its strategic plan, the Department must ensure that planned activities are specific enough to know when they have been completed. Activities must also have in-year timeframes; this enables the Department to monitor progress in implementing activities and to introduce in-year corrective measures where problems occur. In addition, activities must be individually costed to ensure accurate expenditure tracking. Specific, time-bound and costed activities are necessary for expenditure tracking and performance monitoring, as well as risk management and accurate reporting.

Findings

In its APP the Department is required to provide an account of its progress in achieving its strategic objectives for each sub-programme. In this progress analysis the Department should outline both what it has done and what it still needs to do to achieve these objectives. In addition to this the Department is also required to provide an account of its main service delivery constraints as well as the measures it intends to implement to overcome them. These are important aspects of the plan as they allow both officials within the Department and oversight bodies to evaluate current programme objectives in terms of past performance, the constraints which may have hindered delivery and how the Department intends to overcome these constraints.

In terms of the guidelines the Department uses to develop its strategic plans, the Department is required to provide an account of its progress in the form of a situational analysis for all its programmes and sub-programmes.³⁵ According to the guidelines, this situational analysis should include:

1. epidemiological information as appropriate, and
2. appraisal of existing services and performance.

³³ Treasury Regulations, 2005, 5.2.3(d).

³⁴ Public Service Regulations of 2001, Chapter 1, Part III B(1)(b).

³⁵ *Format for Annual Performance Plans of Provincial Health Department's for Financial Years 2008/09 to 2010/11*, National Department of Health, p. 9.

For programmes and sub-programmes where epidemiological information would be appropriate (all programmes except programme 1) this information is often either inadequate or non-existent. For example, for the Disease Prevention and Control sub-programme,³⁶ which aims to reduce morbidity and mortality of non-communicable diseases, there is no indication of the prevalence and incidence of diseases such as diabetes and heart disease. The only information provided which relates to the profile of non-communicable diseases in the province are a few graphs which show case loads of chronic diseases, mental health and cataract operations.

For a majority of sub-programmes, information is only provided for the number of cases which reach health facilities and does not reflect actual need in the Province. This is problematic as it is impossible to determine if targets or even interventions are appropriate to meet the need for services in the Province. It is therefore difficult to assess progress without a baseline to work from.

One area where the Department has improved is in its inclusion of a more detailed appraisal of existing services and performance. The information which is included outlines progress made toward achieving key targets in both the strengthening of organisational systems and service delivery. Here the Department will, for example, outline its achievements in filling vacant posts, building clinics, and rolling out antiretrovirals (ARVs).³⁷ This is important as it provides a basis from which to assess the Department's performance. One issue of concern in this regard, however, is that the Department often only outlines its achievements, neglecting to provide an appraisal of where it has failed to achieve targets and deliver services. A good example of this is that no mention is made of the Department's inability to manage and effectively deal with incidents of diarrhoea which led to a spate of infant deaths in the Ukhahlamba district early in 2008. An investigation into deaths revealed that, had the Department been adequately prepared, supplied local health facilities with adequate resources and responded in good time when the first deaths occurred, many lives could have been saved.³⁸ In its strategic plans the Department does not provide a detailed and honest appraisal of the issues which led up to this tragedy or the many other instances of poor service delivery.

While the Department could do better to outline where it is struggling to achieve targets and where service delivery is inadequate, it does provide a brief analysis of some of its organisational constraints and the measures it plans to take to overcome them. This is done consistently throughout the APP and generally covers issues relating to financial management, human resources and support systems. In some instances, though, the measures planned to overcome the constraints are vague and often unattainable. Examples of vague and unattainable measures are those which relate to human resource (HR) issues. With an overall vacancy rate of 34 percent and a vacancy rate of more than 50 percent for some health care professionals posts,³⁹ HR is a significant constraint for every programme and sub-programme, and is provided as such within

³⁶ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, pp. 181-189.

³⁷ See for example Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, pp. 102, 135, 155, 168, 218, 247, 257, and 335.

³⁸ National Department of Health, *Report on UKhahlamba Baby deaths*, 2008. Available at <http://www.health-e.co.za/documents/7f3d48106e60e6e5d164698624c5efb3.pdf>.

³⁹ Eastern Cape Department of Health Annual Report 2007/08, pp. 328-332.

these programmes. The problem here is that some programmes provide measures such as “fill all vacant posts”⁴⁰ and “plans are in place to appoint staff”⁴¹, which are not specific, implementable or measurable. This, however, is not, as was the case in the past, characteristic of all programmes and sub-programmes within the APP. There are numerous examples where specific and implementable measures are provided⁴² and these should act as examples for those which are not.

Once the Department has provided an account of its progress and measures which it will implement to overcome organisational constraints, it is then required to provide tables which specify:

1. measurable objectives;
2. indicators or performance measures for those objectives;
3. final outputs or deliverables for each objective for the MTEF period;
4. baseline data from the previous two financial years; and
5. targets for each financial year.⁴³

This information provides the very basis of the Department’s strategic planning and outlines specific activities, targets and timeframes for delivery. This information, taken together for each measurable objective, should then also be SMART. That is:

- Specific, clear and well defined;
- Measurable, so it is easy to know when they have been achieved;
- Achievable within available resources and time;
- Relevant to fulfilling the Department’s mandate; and
- Time-bound.

Although this is an area where the Department has shown a great deal of improvement over the last few financial years, there are still instances where measurable objectives do not meet the requirements of these principals.

Primarily, the issue with the Department’s measurable objectives is that without adequate baseline and epidemiological data, it is impossible to tell whether or not many of these objectives and associated targets are relevant and/or comprehensive. Another issue in this regard is that because many targets are not based on need they often increase incrementally. A few examples of this can be found in the objectives and performance indicators for the HIV & AIDS and STI sub-programme where several of the key targets for this programme increase incrementally for each year of the MTEF:

- The targets for the number of people who are targeted to receive ARVs for the MTEF period will increase by exactly 40 000 each year from 70 000 in 2008/09 to 190 000 in 2011/12.

⁴⁰ See for example Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, pp. 76, 103 and 144.

⁴¹ Ibid, see for example p. 71.

⁴² See for example Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, pp. 129, 228, 248, 272.

⁴³ *Format for Annual Performance Plans of Provincial Health Department’s for Financial Years 2008/09 to 2010/11*, National Department of Health, p. 10.

- The number of patients accessing home based care is targeted to increase by exactly 50 000 patients from 200 000 in 2008/09 to 350 000 in 2011/12.
- The number of new HIV positive patients screened for TB is targeted to increase by exactly 1 000 each year from 18 000 in 2008/09 to 21 000 in 2011/12. These figures are then exactly the same for the number of TB patients screened and tested for HIV.
- The number of victims of sexual assault targeted to receive Post Exposure Prophylaxis is targeted to increase by exactly 400 patients per year from 2800 in 2008/09 to 4000 in 2011/12.⁴⁴

The problem with planning in this way is that it does not take into account the demand for services which could result in the Department setting targets which are higher or lower than the demand for services. A good example of this is where the Department has exceeded its target for the number of patients receiving ARVs. For 2007/08 the Department had a target of 40 000 patients to receive ARVs⁴⁵ but by the end of the year 49 889 patients were receiving treatment. For 2008/09 the Department upped this target to 60 000 patients but by the end of that year 70 035 patients were receiving treatment.⁴⁶ While the Department has increased its target by 40 000 patients to a target of 110 000 patients receiving treatment in 2009/10⁴⁷ – ostensibly in an effort to offset higher than expected demand – it is still not clear precisely what the demand is and how many people actually need ARVs.

It is also not clear whether or not this doubling of increments to targets from 20 000 per year to 40 000 new patients receiving ARVs per year between 2009/10 and 2011/12 is actually achievable within current resource constraints. This issue has already been raised in the East Cape Legislature where a member of parliament (MP) argued that the R269 million set aside for the provision of medicines will not even be enough to sustain the number of patients already receiving treatment. The MP suggested that at an average cost of R5 500 per patient per year the ECDoH would need to have a budget exceeding R600 million to supply ARVs to the 110 000 patients targeted for this financial year (2009/10).⁴⁸

This example highlights the issues with incremental targeting found in the Department's strategic plans: first, it is impossible to tell whether or not the targets are appropriate in terms of the need for services; second, the Department now increases the risk of under or over achieving on these targets; finally, it becomes impossible to cost these targets as under or over achievement of targets will inevitably result in under or over expenditure or even non-achievement.

An area where the Department has shown a great deal of improvement, however, is ensuring that the majority of its measurable objectives are in fact measurable and specific. This is something which has improved in both the APP and OP where in the

⁴⁴ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, pp. 162-163.

⁴⁵ Eastern Cape Department of Health Annual Performance Plan 2008/09-2010/2011, p. 192.

⁴⁶ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, p. 162.

⁴⁷ Ibid.

⁴⁸ *Bhisho budget can't provide enough ARVs*, The Herald 26 August 2009.

past where it was often difficult to determine what was being measured and when targets would be achieved.⁴⁹

Even if measurable objectives are SMART, if they are not appropriately costed they are rendered meaningless. In this regard the Department must ensure that all activities are costed in the OP. While this has been done for most activities, there are still activities provided in the OP which have not been costed at all.⁵⁰

Theme 4: Financial Management

Requirements

- To address weaknesses identified by the Auditor-General, the Department must include a detailed strategy to address queries raised in previous financial years. The human and financial resources necessary to give effect to this strategy should also be included in the strategic plan.⁵¹
- The Department must reflect on previous and likely spending pressures and take these into account to ensure that strategic objectives are met. To this end, it must show expenditure by programme and sub-programme, and compare spending in previous years to MTEF projections and corresponding service delivery targets.⁵²
- Infrastructure plays an important role in the effective and efficient delivery of public services. The Department's plans should include current and upcoming building projects, up-grading of existing facilities and plans to deal with maintenance backlogs. Capital expenditure and maintenance projects should be listed in detail and should include timeframes and costs in order to ensure effective expenditure tracking, performance monitoring, reporting and risk management.⁵³
- The Department must reflect on its previous financial performance when approaching the upcoming MTEF period. The strategic plan should include an overview of its medium term revenues and expenditure from the previous three financial years, as well as its budget allocation for the upcoming financial year

⁴⁹ Public Service Accountability Monitor, Strategic Plan Evaluation 2008/09-2010/11, p.17.

⁵⁰ See for example Eastern Cape Department of Health Operational Plan, 2009/10. Pp. 68, 70, 75, 82, 87, 93, 115, 120, 129, 130, 143, 168, 184, 203, 252, 261, 264, 277, 285, 286, 298, 299,

⁵¹ *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 8.1 and 8.2, p. 72.

⁵² "Part B must also reconcile the department's performance targets to the budget – analysing what pressures the department expects to emerge and what it intends doing to ensure that it, nevertheless, achieves its service delivery objectives." *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004 Section 4, Part B, 3.7 and 4.7, pp. 67-8.

⁵³ The Department must illustrate what it is doing to implement its capital investment, maintenance and asset management plans as set out in its Five-year Strategic and Performance Plan. This information should be provided for the coming year, and the two outer years of the MTEF period. Ibid, Section 4, Part B, subsection 5, pp. 68 - 69. See also *Treasury Regulation*, 2005, regulation 5.2.3(e).

and the proposed budget for the two outer years of the MTEF. The Department should distinguish between its main budget allocation and other sources of revenue.⁵⁴

- Departments should provide a summary of the revenue which they are responsible for collecting. Departments must describe in detail plans to ensure that all revenue for which they are responsible will be collected in the upcoming financial year. Departments must be accountable for the revenue they collect in order to ensure that it is (a) actually collected and accounted for and (b) transferred to the relevant fund for redistribution.⁵⁵

Findings

The poor management of the Department's financial resources continues to be one of the major factors hindering service delivery in the province. Over the last ten years the Auditor General (AG) has issued the Department with seven audit disclaimers and three adverse opinions. In providing the Department with an adverse opinion for the 2008/09 financial year the AG highlighted several key issues relating to the management and expenditure of its budget, including an inability on the part of the Department to maintain effective and efficient systems of financial management and internal control.⁵⁶ In issuing this opinion the AG has highlighted a number of long standing issues relating to financial management which have contributed directly to the mismanagement of resources, fruitless and wasteful expenditure and the misappropriation of financial resources. It is therefore critical that the Department's strategic planning include comprehensive interventions which will deal with weaknesses highlighted by the AG.

The Department does cite poor financial management as one of its most pressing concerns and it has highlighted the improvement of its financial management capacity as a priority for this financial year as well as the entire MTEF period. In his endorsement of the plan the HoD provides the following commitment:

"Financial management remains a major concern in the Department as lack [sic] of competent capacity has contributed to poor financial management. The negative audit outcomes have necessitated that we aggressively address the skills and capacity challenge. To that effect, a plan to address capacity building for financial management will be implemented and the audit improvement plan will be cascaded to the districts and will be resourced."⁵⁷

The Department also has an Internal Audit and Risk Assurance Management Services sub-programme which is specifically tasked with improving the Department's financial management capacity, monitoring expenditure and managing risks in the financial

⁵⁴ *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 6.1, p. 69.

⁵⁵ *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 6.2, p. 70.

⁵⁶ Eastern Cape Department of Health Annual Report 2008/09, pp. 232-242.

⁵⁷ Eastern Cape Department of Health Annual Performance Plan 2008/09-2010/2011, pp. 14-15.

management system.⁵⁸ This sub-programme is fairly new, so it remains to be seen whether or not this sub-programme will improve the Department's financial and risk management.

The rest of the APP provides little insight into what is being done to address the issues raised by the AG in previous reports. While each programme and sub-programme does highlight financial management as a concern, few provide any time-bound and costed activities to overcome these issues. In fact, there is no mention of the AG's reports or issues raised within them anywhere else in the Department's strategic plans.

One issue often raised by the AG is the Department's failure to comply with the Public Finance Management Act (PFMA). It is therefore essential that the Department's strategic plans include items which deal specifically with PFMA compliance.

This is only done within the Health Administration programme (programme1) where some sub-programmes commit to complying with the PFMA.⁵⁹ But even in these instances planned measures are vague and most often do not provide detailed and implementable strategies to ensure compliance. For example, the Integrated Financial Management Cluster provides, "The implementation of the Shared Services Centres Strategy will enhance compliance with the PFMA"⁶⁰, as its key strategy to improve compliance. What this programme does not do, however, is outline what this strategy will involve or assign measurable objectives and targets to its implementation. Measurable objectives such as "reducing the prevalence of unauthorised expenditure and fruitless and wasteful expenditure by X and Y" for instance do not appear within the planning documents. In this way the PFMA as a regulatory framework is all but absent from the Department's strategic planning. Without specific activities outlined in the plans, it is impossible to ascertain whether or not there is true commitment to ensuring compliance with the Act.

A key aspect of financial management is to ensure that budgetary allocations going forward are reconciled with past performance and corresponding service delivery targets for each programme. In the APP there is some indication that this does happen. According to the plan the Department has established a Budget Advisory Committee, comprising members of the executive management committee and programme heads, which is tasked with determining budget allocations to programmes.⁶¹ According to the Department these allocations are then based on the following process:

"Provincial Treasury determines revenue target [sic] for the Department. The Department in turn allocates revenue targets per institution based on previous collection trends and changes in health care services rendered at institutions. Collection trends by institutions are then monitored against targets."⁶²

⁵⁸ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, pp. 75-78

⁵⁹ See for example Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012. P. 73 and 97

⁶⁰ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, p. 87

⁶¹ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, p. 91

⁶² Ibid

The Department also provides a broad outline of past expenditure trends which is then reconciled with MTEF projections.⁶³ In this outline the Department also provides a summary of its revenue including the revenue it is responsible for collecting. The Department also includes a reconciliation of past expenditure with MTEF projections for the Hospital Management Services programme⁶⁴ (programme 4) and a particularly detailed outline for the Health Facilities Management programme⁶⁵ (programme 8).

While the template the Department uses to formulate its plan⁶⁶ does not require it to provide information which reconciles past expenditure with MTEF projections and service delivery targets it should consider doing so. By reconciling the budget with each sub-programme the Department will be better placed to plan within available resources and then monitor performance going forward. This would also give oversight and civil society an opportunity to do the same.

A good example of this can be found in the Health Facilities Management programme where the Department reconciles this programme's budget with capital expenditure by type as well as projected demand for new infrastructure. This detail allows the Department to closely monitor not only its current expenditure but also its predicted future expenditure.⁶⁷

But even this information could be more detailed. The Department would do well to provide detail on every infrastructure project it is responsible for, including timeframes, expenditure and projected costs. This is important as it allows a greater degree of performance monitoring and risk management for a programme which deals with many large scale and expensive projects.

Theme 5: Conditional grants

Requirements

- It is critical that departments set plans for the use of funds received additional to the equitable share (whether through additional allocations or from donors) in order to ensure they are not wasted. This is especially true of supplementary funds given to departments to address specific, high-priority needs. To be accountable for the use of these funds, departments should include separate planned and costed activities for conditional grant and/or donor funds in their strategic plans.⁶⁸

Findings

⁶³ Ibid, p.26.

⁶⁴ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, p. 265.

⁶⁵ Ibid, pp. 336-339.

⁶⁶ *Format for Annual Performance Plans of Provincial Health Department's for Financial Years 2008/09 to 2010/11*, National Department of Health.

⁶⁷ Ibid.

⁶⁸ *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 6.3 and 6.4, p. 70.

In the 2009/10-2011/12 APP the Department provides a detailed breakdown of its conditional grant funding which outlines how the grants will be spent over the MTEF period⁶⁹. For the comprehensive HIV and Aids conditional grant, for example, the Department shows how the funding will be divided not only between sub-programmes (VCT, PMTCT, PEP etc.) but also between various activities within these sub-programmes. It is therefore possible to determine how much money has been budgeted for items such as test kits and ARVs versus how much has been budgeted for training and education.⁷⁰

In addition to more detailed information on its conditional grant funding, the Department has also included a detailed breakdown of its donor funding which lists the projects that receive donor funding, the donors and intended project outcomes.⁷¹

This is the first time that the Department has provided this level of detail on its conditional grant and donor funding in a publically available strategic plan. This is welcomed as it provides departmental officials, oversight and civil society with the information essential to performance and expenditure monitoring.

Theme 6: Partnerships

Requirements

- Departments should detail areas in which they are jointly responsible for service delivery with other departments. They should state exactly what their responsibilities are and what mechanisms have been put in place to ensure effective co-ordination with other departments in order to avoid any duplication of function between departments. This enables the Department to monitor, report and be held accountable for its part of any agreement.⁷²
- While the Department may need to work with local authorities to operate clinics, build houses, etc., the Department retains responsibility for the management of funds transferred to local authorities. It is therefore critical that the Department includes in its strategic plans the amount of money to be transferred as well as the purpose of the transfer and the conditions attached to it.⁷³

⁶⁹ Eastern Cape Department of Health Annual Performance Plan 2009/10-2011/2012, pp. 366-368.

⁷⁰ Ibid, pp. 366-367.

⁷¹ Ibid, pp. 370-372.

⁷² *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 7.1, p. 71.

⁷³ *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 7.2, p. 71. See also *Public Service Regulations*, 2001, regulation, B.1(c).

- In order to account for all funds transferred to public entities, the Department should provide the name and main purpose of the public entity and the amount to be transferred from the Department's budget to the entity.⁷⁴
- Where departmental functions are outsourced to private service providers or non-governmental organisations, the Department must ensure that service level agreements are signed between these private parties and the Department. While the Department delegates the delivery of services to the private parties, it retains full responsibility for the quality of service delivery and must monitor both how these funds are spent and ensure that services delivered are done so efficiently. The Department should include in its strategic plan the details and cost of any outsourcing arrangements it has undertaken for the upcoming financial year(s) if it is to effectively track expenditure and monitor service delivery.⁷⁵

Findings

Despite the fact that the Department is involved in a number of important partnerships with other Departments and agencies, such as the social needs cluster departments (e.g. Social Development, Education)⁷⁶ and the Public Works Department (PWD)⁷⁷, it provides very little direct information on these partnerships. The only clear indication of departmental linkages with other government bodies can be found on a single page at the back of the APP⁷⁸ and a few cursory mentions of shared projects within relevant programme and sub-programme plans.⁷⁹ This information does not outline what these partnerships involve or the Department's roles and responsibilities within these partnerships.

The Department is also involved in partnerships with municipalities who are responsible for running many of the clinics found in the province and is also responsible for transferring funds to these municipalities for clinics as well as providing strategic support. It is therefore important that the Department outlines the nature of these partnerships as well as payments made to the municipalities as it is ultimately accountable for the use of these funds.

While the Department does outline fund transfers made to each municipality, as well as planned future transfers for the MTEF period,⁸⁰ it does not provide any information on the conditions of these transfers, past expenditure or performance targets for the upcoming MTEF period. There is therefore no way of monitoring the use of Departmental funds at municipal facilities. This is an issue as the Department is

⁷⁴ *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 7.3, p. 71.

⁷⁵ *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 7.4, p. 72.

⁷⁶ Eastern Cape Department of Health Annual Performance Plan 2008/09-2010/2011, p. 373.

⁷⁷ Eastern Cape Department of Health Annual Performance Plan 2008/09-2010/2011, p. 335-345.

⁷⁸ Ibid

⁷⁹ See for example Eastern Cape Department of Health Annual Performance Plan 2008/09-2010/2011, p. 207.

⁸⁰ Eastern Cape Department of Health Annual Performance Plan 2008/09-2010/2011, p. 153-154.

ultimately responsible for the use of these funds and should ensure that appropriate funding and service level agreements are in place, reported on and adhered to.

Where Departmental functions are outsourced to private service providers or non-governmental organisations, the Department must ensure that service level agreements are signed between these private parties and the Department. That said, even where the Department has delegated responsibilities to external service providers it still retains a degree of responsibility for these services and ensuring that funds are spent efficiently and effectively.

In both the APP and the OP the Department, in some instances, does provide some detailed information on its partnerships with NGOs and the private sector. As part of its Community Based Services sub-programme, for example, the Department outlines costed and time-bound activities involving Not for Profit Organisations (NPO) and NGOs.⁸¹ This information includes some information on the conditions which apply to these relationships as well as intended service delivery outcomes.

For its Public Private Partnerships (PPP), however, the Department has provided considerably less detailed information.⁸² While the Department has listed these projects and their long term aims, there is no indication of their progress or short to medium term targets. This makes it difficult for oversight and civil society to monitor these projects and to hold the Department accountable for their delivery.

⁸¹ Eastern Cape Department of Health Annual Performance Plan 2008/09-2010/2011, p. 207-211

⁸² Eastern Cape Department of Health Annual Performance Plan 2008/09-2010/2011, p. 363-364