

1. The North West Department of Health has been under NDoH administration from April 2018 until the present. Cabinet in 2018 indicated that the intention of placing the department under administration was, among others, to “ensure compliance with the legislative and regulatory framework of government” and to “stabilise the labour environment, restore sustainable service delivery, ensure the security of staff and improve financial management.” In the view of the Minister, what has been achieved in the 26 months that the North West Department of Health has been under administration?

Response

The Intervention began with a work plan based on a diagnostic assessment. The workplan contains 111 activities and, to date, 74% of these activities have been achieved. The Intervention has been successful in bringing about necessary stability to the NWDoH. The problems found in the NWDoH by the Intervention team were many and complex. As pointed out, above, two-thirds of these have been resolved while a third is still in the process of being addressed. The most stubborn of which relate to supply chain management issues.

Specific achievements are:

1. Labour Relations and Consequence Management

The labour environment was stabilized through reaching agreements with staff through their organised labour representatives and by commencing the implementation of agreements and the re-establishment of the Provincial Bargaining Chamber.

To deal with the backlog in grievances and disciplinary cases an improved organogram was submitted for the Labour Relations Unit as part of the overall Departmental organogram redesign that was approved in October 2019. In order to avoid a delay in tackling the backlog a unit head was appointed on contract and retired investigators were appointed on contract while posts are being advertised and filled.

Detected suspicious SCM contracts were reviewed and disciplinary processes commenced where relevant.

The process of consequence management commenced and the former HOD was dismissed on 13 January 2020. Other disciplinary cases continue.

A reporting system was designed and implemented that will also track progress with the reduction of backlogs.

2. Human Resources Management

Vacancy Rate

The Department processed more than 7000 appointments in the 2018/19 financial year and 8986 in the 2019/20 financial year, but because staff also exit the Department through resignations, transfers, deaths and retirements, the overall 20% vacancy rate merely reduced to 18% in April 2020. The slow improvement in the vacancy rate is also due to the fact that NWDoH's own staff have been promoted into higher level vacancies and the fact that additional posts including those required for newly refurbished and enlarged facilities and facilities that extended operating hours to 24 hours per day, 7 days a week, have been added to the newly approved organogram.

The vacancy rate with regard to senior management posts moved from 31% in May 2018 to 26% at the end of April 2020. Again, the slow reduction in this vacancy rate is because a large number of NWDoH staff were promoted into the vacant senior management posts. The process of filling key vacant posts continues.

Performance Management and Development (PMDS)

The PMDS policy were reviewed to ensure good practice in line with DPSA directives.

The backlog assessments starting as far back 2015/16 were completed and relevant incentives were awarded to employees. The performance agreements of all senior managers were reviewed.

Organizational Structure

The organisational structure of the department was reviewed to be in line with the service delivery and required support mandate and the reviewed structure was approved in October 2019. This has facilitated improvements in that it facilitated the recruitment of middle and senior managers for key units in the Department that were previously directionless. This newly approved organizational structure however is limited by the prescript of having to fit into the existing compensation of employment budget. An ideal structure is in the process of being completed and will be costed on completion.

Grade Progression

The PSCBC grade progression for non-occupational specific dispensation (OSD) employees were implemented.

1.3. Finance and Supply Chain Management (SCM)

The successful clearing of accruals happened through the development and implementation of an accrual strategy. An invoice verification team from NDoH assisted in this regard. Accruals for the 2017/18 financial year were paid (96%) and there was no growth in accruals for 2018/19.

The contract management process was reviewed, disciplinary action commenced and criminal cases were opened where required.

The Department is collaborating with National Treasury to implement an automated contract management system.

1.4 Service Delivery

The Administration, while effecting systems improvements in the six focus areas, also ensured that daily operations continue, such that the NWDoH could live up to its core mandate of providing health services to the NW communities. In the 2018/19 financial year the Department enabled 7 448 604 visits to primary health care (PHC) facilities and 1 305 491 visits to hospitals. In the last financial year, the Department has facilitated ... visits to PHC facilities and ... to hospitals.

District Health Services

District Health Services improved with regard to target achievement from 65% in 2017/18 to 68% in 2018/19 to 79% achievement at the end of the third quarter for the 2019/20 financial year. The full report for 19/20 is in the process of being audited and achievement will be available at the end of the audit (August 2020).

Provincial Hospital Services

The Section 100 (1) (b) Intervention established and filled a post for hospital and support services (EMS, Pharmaceuticals) at executive management level. The incumbent started duty on 1 October 2019 and this is starting to have a positive impact on the functioning of and services provided by hospitals.

- *Human Resources:*
 - Dealt with backlog of PMDS cases dating as far back as 2009
 - Key, clinical (general and specialist) as well as support, posts were filled.
 - Regularised all acting positions
 - Management meetings including clinical management meetings, general staff meetings as well as regular meetings with the labour unions were revived in hospitals where this was not happening, thus assisting in

stabilising the labour environment in hospitals. Impromptu protests reduced markedly.

- Backlog payments for Occupational Special Dispensation (OSD) translations, especially for professional nurses commenced and continues to be effected.
- The process of reviewing the performance agreements of all categories of employees was done.

The Minister of Health seconded a member of the Intervention Team to Mahikeng Provincial Hospital (MPH) as an Acting CEO, for six months from April to September 2019 while the process of filling the post of CEO was on its way. This assisted greatly to stabilize the labour situation at MPH. An action plan for service improvement at this hospital was developed and implementation thereof started. The implementation of this plan is beginning to bear fruit in restoring the facility to optimal functionality and thus improving the quality of care. The action plan focused on five areas, namely; human resources including management and labour relations, infrastructure, equipment, transport, and medicine availability.

- *Finance and Supply Chain Management*

- Process for allocation of funds to relevant line items was improved between the hospital and provincial management
- Service contracts that were deemed detrimental to hospitals' functioning were ended
- Investigations into different cases pertaining to allegations of dereliction of duty, maladministration and fraud and corruption were commenced and continue

Infrastructure

An infrastructure improvement needs analysis was completed on the Ideal Clinic Realisation and Maintenance Programme's monitoring and evaluation system for primary health care (PHC) facilities and this was converted into a five year implementation plan. Implementation of the plan has commenced and refurbishment in line with this plan is underway.

A ten-year maintenance and refurbishment plan for hospitals has been completed and implementation has commenced.

- Refurbishment of the casualty units of MPH and Job Shimankana Tabane (JST) hospitals have commenced
- A heating, ventilation and cooling system (HVAC) was installed at JST
- At MPH ceilings in some wards were replaced.
- The renal unit at Klerkdorp-Tshepong was refurbished
- Boilers are being refurbished/replaced at all hospitals. Assessment report is expected at end of June 2020. Purchased 6 boilers for 3 hospitals. Installation in process.
- Maintenance material and equipment were purchased and small scale maintenance (internal) has commenced. Two autoclaves were fixed at MPH and a reverse osmoses plant was installed at theatre.
- Non-functional oxygen points were repaired and additional oxygen points were installed where needed.
- The Department has published a tender to procure the services of experts to improve the medical gas systems at all hospitals. This process is at tender evaluation stage.

Pharmaceuticals

- The Mmabatho Medical Stores were found to be severely mismanaged with regard to both stock and financial management. Two senior and one middle managers are suspended and their disciplinary case is in process. The Administration commenced the process of sustainable pharmaceutical services management with the assistance of experts from two NGOs. Thirteen process pillars which are essential to management of a medical depot were all missing. These are in the process of being instituted. A SOP (with specifically assigned tasks) for payments of pharmaceutical and surgical supply invoices were completed. A detailed report is available in this regard. Medicine availability in hospitals improved from 65% in May 2018 to an average of 82% in 2019 to 77% in March 2020. Medicine availability in PHC facilities improved marginally if compared with April 2018 to February 2020 (76% to 85% on average for 2019 to 78% in March 2020). Availability in this area is being negatively affected by a large number of backlog payments (as far back as 2014) that were only discovered in June 2019. A large number of invoices for these payments are in the process of being reconciled. For sustained improvements in this area, managers need to be appointed to oversee operations so that the experts from the NGOs focus on system improvements. This however, has to await the outcome of the disciplinary process.

Emergency Medical Services (EMS) and Planned Patient Transport (PPT)

- In 2018 the NWDoH deployed into the service environment, 38 new ambulances and in 2019, 48 new ambulances and 20 planned patient transport vehicles.
- Ten forensic services vans and 21 response vehicles were deployed
- The Department appointment of 20 Advance Life Support practitioners.
- Payment of EMS officers' overdue overtime that was causing labour unrest, was effected.

Availability of essential equipment

- Equipped KT and JST with CT scans.
- In process of procuring a CT scan for MPH, Potchefstroom and Joe Morolong (JMM) Hospitals
- Purchased 7 incubators, 2 colposcopes, 4 delivery beds, 5 suction machines, 22 cardiac monitors, 2 blood gas analysers, 1 fluid warming cabinet and 2 diathermy machines for MPH.
- Tractors purchased to keep the grounds of hospitals neat
- Purchased two additional Planned Patient Transport vehicles for MPH to facilitate prompt patient transfers to KT and Chris Hani Baragwanath Hospitals

A senior manager has been appointed to drive this neglected area. She commenced duty on 1 March 2020.

Records Management

- Appointed additional clerks to hospitals to assist with filing and retrieval of patient files
- This is a key weakness in the Department and we are in the process of appointing a service provider to address this.

Security Services

Security services have been stabilised after centralising the payment of security companies at the provincial level. Before this intervention, security guards at hospitals would refuse to come to work due to non-payment of their salaries. The absence of security guards in turn made health professionals reluctant to come on duty posing a risk to patient care. The Intervention developed a three-year insourcing plan which will

be implemented incrementally in collaboration with National and Provincial Treasury as well as with organized labour.

1.5. ICT infrastructure and process automation

While the NWDoH is still in the process of completing its framework for renewing ICT infrastructure and its strategy for process automation, the following have been achieved with this unit's limited budget to ensure the maintenance of key operations:

PAAB

To ensure maintenance of Patient Administration and Billing (PAAB) at the hospitals, uninterrupted power supplies (UPS) were procured and installed for the PAAB servers.

Computer Hardware

The National Department of Health (NDoH) supplied 123 computers with printers to run the Pharmaceutical Dispensing system (Rx Solutions). The supplied computers were also configured to do offsite backup on a daily basis. All sites were upgraded to the new Rx Solution version 1.3 which enables export of orders in an electronic format.

A total of 19 computers were configured and delivered to Sub-district offices for Tier.net to consolidate and export TB and HIV Data to the District Health Information System (DHIS).

1.6. Governance and Leadership

The Administration continues to work along the lines of existing NWDoH and NW Province's governance and leadership forums. However, a number of inefficiencies occur that point, to a need for a clearly documented governance framework which should be used to orientate managers to their duties and responsibilities. A governance framework was expected to have been completed by end May 2020. Unfortunately this timeframe did not materialise. The Department has set a new deadline of end of July

2020. The NWDoH's governance and leadership status will be evaluated against this framework and findings will be implemented by September 2020.

2. The North West continues to experience higher levels of medicines stockouts than other provinces more than two years after having been placed under administration. How does the Minister explain this?

Response

The accruals of the North West Department of Health (NWDoH) represents a real funding gap and will not disappear until the NWDoH has received an addition of at least R1 billion to its current budget. The NWDoH is in deliberations with both the National and Provincial Treasuries about this.

Accruals have been understated in prior years. This understatement occurred mainly in the areas of pharmaceutical services where invoices going as far back as 2014 were never processed and thus not disclosed as accruals. These unprocessed invoices were discovered and disclosed for the 2019/20 financial year because starting at the end of the 2018/19 financial year, and continuing during the 2019/20 financial year, the Section 100(1)(b) Intervention by the National Government in the NWDoH improved the human resource (HR) and management capacity in pharmaceutical services management. The improved HR and management capacity also enabled better use of the NWDoH systems and technology, resulting in transparent accounting processes at the Mmabatho Medical Stores, where medicines are ordered, stored and distributed.

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3. A large number of senior employees of the North West Department of Health have been placed under suspension, some for more than a year. How does the Minister explain the high number of ongoing suspensions in the North West Department of Health given that Administration was intended to improve the functioning of the NWDoH?

Response

Precautionary suspensions protect the rights of both employees and employers and play an important role in the labour relations process.

The breakdown in leadership and governance was one of the issues that was identified in the situational assessment at the start of the intervention. Corruption and flouting of procedures was, and are in some areas, still rampant.

The processes of ensuring compliance with the legislative and regulatory framework of government is ongoing. In this regard, it is important to note that the Administration uncovered further issues that were not apparent during the initial rapid assessment and these include:

- SCM irregularities were worse and greater in number than expected through the initial assessment (numerous expired contracts linked to key services, flouting of regulations, incapacity as indicated by a skills assessment report from Treasury)
- Indications that the inefficiencies in the SCM were being deliberately perpetuated
- Corruption was found to be pervasive throughout the Department, at all levels.

The Administration found a severely under-capacitated labour relations unit with limited consequence management. There was also a huge backlog of unresolved disciplinary and staff grievance cases. The Section 100 (1) (b) Intervention also found a report on a forensic investigation pointing to serious transgressions and the recommendations of this report was not implemented, without reason. The appropriate management of grievances and commencement/completion of disciplinary cases could only start on a desired scale once the labour relations unit was capacitated. The Administration has since strengthened the labour relations unit that is spearheading the restoration of the labour relations function in the Department and cases are being resolved.

As the Administration continues to uncover irregularities, investigations are instituted and where recommended, officials are suspended as may be necessary. This is part of the process of improving the functioning of the NWDoH. It must be noted that the NWDoH has 21000 employees. The Administration has found unresolved disciplinary

cases (fraud, corruption, misconduct) going as far back as 2012. The Administration has now cleared these up to 2017 and now has 58 pending cases. Of these 26 individuals are suspended.

4. Given that there are well-recognised governance problems in the North West Department of Health, what steps has the Minister or NDoH taken to ensure that people, like whistle-blowers, are not unfairly suspended or removed from their posts in the North West Department of Health? (We have evidence of multiple whistle-blowers having been suspended on spurious grounds.)

Response:

Many of the pending disciplinary cases (58) commenced as a result of whistle blowing. An example that comes to mind immediately is that of a pharmacist who blew the whistle on the purchase of a pill counter machine that the NWDoH did not need and which is thus not used. Whistle blowers are afforded the required protection. The Administration in the NWDoH is supported by experienced and competent labour relations officials from the NDoH. In this regard, the rights, confidentiality and security of employees are respected throughout all investigations and where applicable disciplinary processes. Accurate and detailed records of investigations are kept in all cases.

5. What role does the NDoH administrator deployed to the North West play in decisions to suspend employees of the North West Department of Health?

Response

The suspension of employees follows the Country's Labour Relations and Public Service Guidelines and are executed by senior officials in line with their delegation. Managers in the NWDoH have been issued their delegations in line with Department of Public Service directives and guidelines.

The Administrator as accounting officer, assisted by the labour relations expert in the Administration team, leads the matter of disciplinary investigations and thus suspensions where necessary.

6. How much of her time is the NDoH administrator deployed to the North West DoH obliged to spend in the North West?

Response

The Administrator spends 100% of her time on issues pertaining to the Administration of the NWDoH.

7. Since Minister Mkhize replaced Minister Motsoaledi, has there been any performance reviews of the NDoH administrator's work with the North West Department of Health or any other reviews of how well the NDoH is fulfilling its role as administrator of the North West DoH?

Response

The Minister received the first progress report in person from the Administrator in the beginning of June 2019.

The Minister requested for and approved a road map for exit of Administration from NWDoH in July 2019.

The Minister as part of the Inter-Ministerial Task Team on NW conducts quarterly reviews.

8. Much of the reporting on the North West prior to administration focused on alleged corruption in the NWDoH's contracts with the Gupta-linked Mediosa and with the ambulance company Buthelezi EMS (BEMS). Has any of the funds paid by the North West Department of Health to the companies Mediosa or Buthelezi EMS been recovered, and exactly how much?

Response

The disciplinary case of the official implicated (previous HoD) in the Mediosa matter resulted in a dismissal. The Special Investigation Unit (SIU) instituted criminal charges as well as the process of funds recovery. The Administration is cooperating with the SIU in this regard.

Buthelezi EMS (BEMS) claimed R 285 184 059 for services rendered to the NWDoH. A service-to-invoice reconciliation and verification process could only confirm R 222 182 473 and only this amount will be paid to BEMS after this company's issues with SARS has been resolved.