

Assessing the Performance of Provinces in the Delivery of Health Services

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Reflections on the Medium Term Budget Policy Statement – How Do We Know If There is Enough Money to Provide For Delivery of Health Services?

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Presentation outline

- Brief intro about PSAM
- PSAM's Social Accountability Cycle
- 'Singling out' performance management process
- Performance Management in ECDoH looking at AG 2012/13 findings – a space for challenges and opportunities

Brief Intro into PSAM

- Established in 1999 with an initial interest to monitor corruption within the Eastern Cape government (1999 – 2005)
- Overtime realised these corruption investigations revealed systemic problems (weak strategic plans, budgeting, financial controls and risk management, performance management, and ACCOUNTABILITY) Therefore in 2006, shifted focus to analysing and monitoring underlying systemic issues and weaknesses of Depts

Brief Intro PSAM Cont'd

- This was the shift needed by Depts in order to begin to create quality public services/value for money public services
- ALSO, although frustrated by poor service delivery, citizens still lacked tools to “take effective change that will address these problems in the longer term”

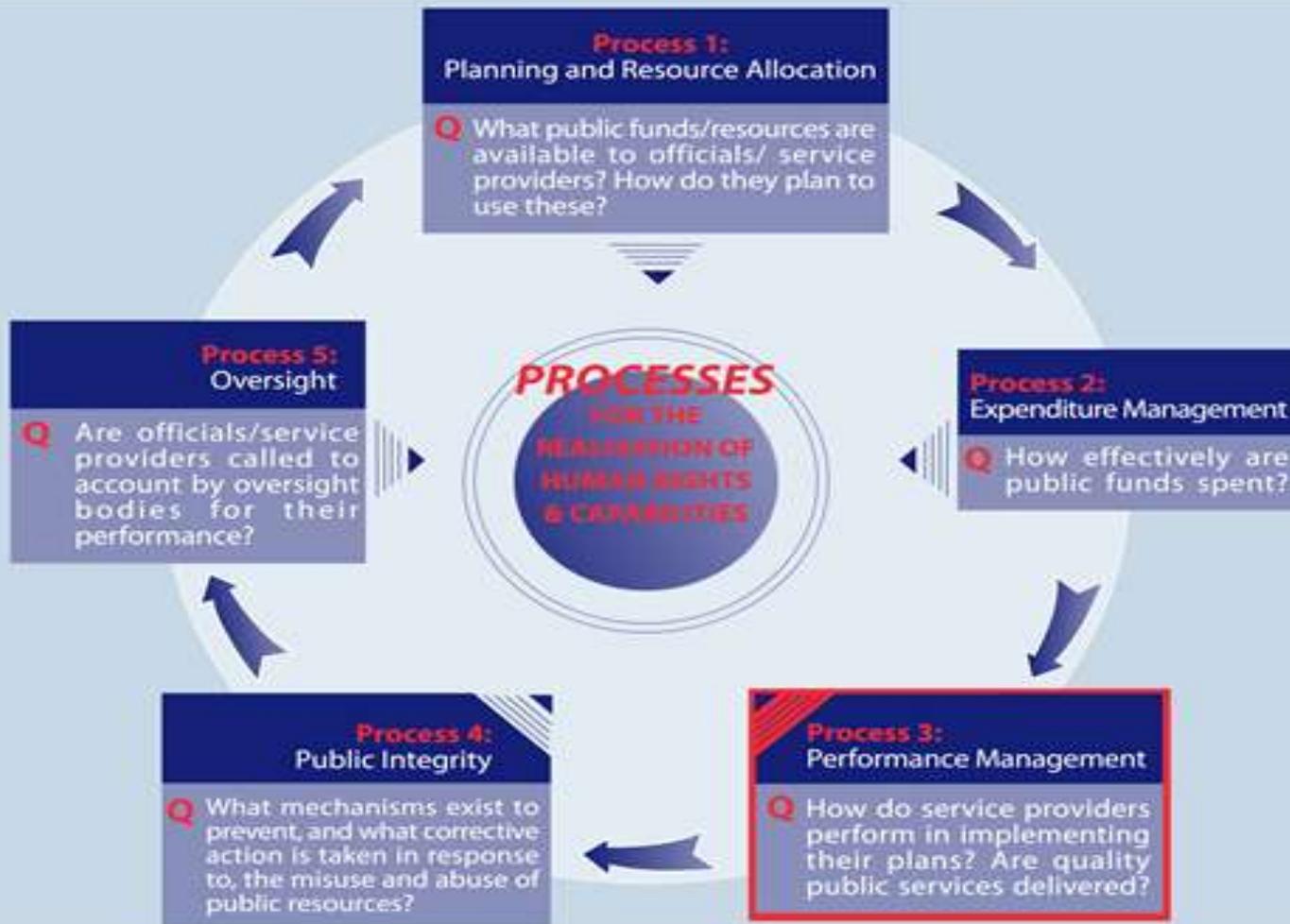
Intro Cont'd

- So it was then that in 2007 PSAM developed tools for understanding the public resource management cycle taught through a course called Fundamentals of Social Accountability, explained through five processes:
 - Planning and resource allocation
 - Expenditure Management
 - Performance Management
 - Public Integrity
 - Oversight

This is what it calls the social accountability cycle

PSAM's Social Accountability Cycle

The Social Accountability System



The Performance Management (PM) Process:

- Questions to be asked:
 - how do service providers perform in implementing their plans;
and
 - are quality public services delivered

- It is within the public resource management framework, these five processes need work effectively

The PM Process Cont'd

- In order for us as society to hold duty bearers to account for the way they have performed in using public resources to deliver services to progressively realize people's rights, it is essential to monitor both how govt/Dept of health has spent against budget allocations, as well as the implementation of strategic plans (SPs).
- SPs are implemented through the performance management process
- Effective implementation of SPs require that the internal control environment of Depts function effectively (both of the concerned Dept and private service providers contracted by the Dept)

The PM Process Cont'd

- The performance of govt depts also requires monitoring “in realizing the objectives their SPs and the quality of services delivered on an ongoing basis” (Fundamentals of Social Accountability, 2013. PSAM)
- This becomes possible through the monitoring of performance to realize objectives of SPs by govt Depts to ensure continuous delivery of quality services
- It is the view of PSAM that PM documents should include “in-year financial and performance reports (produced on a monthly and quarterly basis respectively), year-end financial and performance reports, Internal Audit reports and Audit Committee reports (and minutes). Performance management reports produced external to an MDA/LGA include reports by oversight bodies, such as Supreme Audit Institution reports (both financial and performance audits) and Portfolio Committee reports and minutes (together with MDA/LGA responses to their findings and recommendations).

****Financial reports are included here because expenditure is a form of performance. Financial reports should also contain some information relating to performance** (Fundamentals of Social Accountability, 2013. PSAM)

The PM Process Cont'd

- Why is there a need to monitor the PM process OR performance of a govt Dept?
- In a nutshell, to hold duty-bearers to ACCOUNT

“In order to hold duty-bearers to account for the use of public resources and their performance in realising people’s rights and capabilities, it is necessary to question what resources were available (Resource Allocation) and what MDA/LGAs planned to do with them (Strategic Planning). It is also necessary for civic actors to evaluate expenditure against budget allocations (Expenditure Management). However, since expenditure in itself does not necessarily result in effective service delivery, civic actors also need to monitor the implementation of planned activities (Performance Management). By monitoring performance management processes, civic actors are able to hold service providers to account for the quality of their service delivery and, in particular, for their performance in progressively realising the socio-economic rights of those dependent on their services.” (Fundamentals of Social Accountability, 2013. PSAM)

The PM Process Cont'd

- Components of PM that are key in order to effectively deliver on services required:

1. Human Resources Management

- “Part of an effective human resource performance management system is the signing of performance agreements by public officials and the regular evaluation of performance against these through performance appraisals. All senior managers who play a vital role in ensuring the successful implementation of strategic plans must sign performance agreements. Performance agreements are normally signed on an annual, basis and should be explicitly linked to the MDA/LGA’s strategic plan. Salary increases and bonuses should be determined by the outcomes of performance appraisals.”

2. Internal controls

- performs a kind of checks and balance function within the Dept

The PM Process Cont'd

- “The internal control environment within an MDA/LGA significantly influences its performance: weak internal controls create numerous opportunities for the misuse and abuse of public resources which prevent effective and efficient service delivery. A weak internal control environment also prevents effective internal performance monitoring (as well as expenditure management), which is dependent on the production of reliable and useful financial and performance reports. The oversight process, also largely reliant on performance reports, is similarly undermined by weak internal controls.”

3. Internal Audit Function

4. Audit Committee

5. Performance Reporting

The PM Process Cont'd

- 6. Monitoring of Service Delivery
 - “monitoring of service delivery in a MDA/LGA in many respects, is one of the core aspects of performance management and is the basis upon which other performance management mechanisms rest”.

Performance Management in EC Dept of Health – challenges and opportunities (AG 2012/13 findings)

- Audit finding made: Qualified Opinion
- Some material findings made by AG concern the following (as required by the National Treasury Framework for managing performance information - FMPPI):
 1. Reliability of information (para 25 – 28 AR)
 - explanations and variances between planned and reported (actual) targets were not provided in all instances, and were also not supported by adequate and reliable corroborating evidence (AR/AG p.359)
 - reported performance information of DHS (p2), PHS (p.4), and PTHS (p5) all found to be “materially misstated” and unreliable for purposes of drawing upon them for information and explanations (AR/AG p.360)

AG 2012/13 findings

2. Annual financial statements, performance and annual report

- “the financial statements submitted for auditing were not supported by full and proper records as required by section 40 (1)(a) of the PFMA. Material misstatements of expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided, BUT the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion” (AR/AG p.361)

3. Service delivery

- Section 38 (1) (a) (i) of PFMA places responsibility on Accounting Officer/HoD of Dept to ensure that Dept attains and keeps “effective, efficient, and transparent systems of financial and risk management and internal controls” – this was NOT the case for the ECDoH wrt its PM (AR/AG p.361)

AG 2012/13 findings

- HR Management - HoD “did not ensure that all leave taken by employees was recorded accurately and in full as required by Public Service Regulation 1/VF (b)” (AR/AG p.361)
 - Other findings made relate to (READ OUT)
 4. Expenditure Management (AR/AG p.362)
 5. Procurement and contract management (AR/AG p.362)
 6. Internal Control (AR/AG p.363)
 7. Leadership (AR/AG p.363)
 8. Financial and performance management
 9. Governance

What this means for the ECDoH going forward

Challenges and opportunities - lets have a discussion...

Thank you - Enkosi

Open up Discussion