REPUBLIC OF SOUTH AFRICA

OPERATION PHAKISA

planning | implementation | growth

Ideal Clinic Realisation and Maintenance

Financial Management

Lab report

November 21, 2014

Summary

- **Problem –** Provinces, districts and **facilities start to experience cash flow problems** long before the end of the year – this leads to absence of key equipment, services and supplies at the clinics, and sub-standard care. Districts frequently **spend over 100% of budget** in the first half of the financial year, and **allocation across districts** seems without base and inequitable.
- **Root causes –** The **current budgeting process is designed to fail**: budgets are based on last year's expenditure without accruals, which means that up to 10% of budget leaves is spent on accruals in the first month of the financial year, without being budgeted for. Similarly, we find that budgets are consistently increased with below inflation percentages, and unauthorized spending is subtracted from next year's budget without being planned for.
- **Aspiration** – To promote **equitable allocation** to a maximum of 10% discrepancy of spending per uninsured capita between districts, enable **realistic budgeting** and **adherence to budget** leading to 80% decrease in unauthorized expenditure, and while doing so achieve **improved accountability** with an 80% score on the National Core Standards in 90% of clinics.
- For an equitable and adequate budget to become reality and to be adhered to, we identify seven initiatives, five of which are detailed in this document:
  - **Include Facility Manager** at key points during the budgeting cycle, both to achieve a realistic budget that meets grassroot needs, and to ensure adherence to and ownership of the budget at clinic level
  - **Ring-fence funds for non-negotiables** to lock in budget where it is most needed
  - **Establish or strengthen sub-districts** to provide high quality financial support to the facilities
  - **Move to an equitable and activity-based budgeting process** to provide facilities with an accurate and equitable budget for their clinical services
  - **Align planning and budgeting cycle to ensure funding of new directives** to avoid major disruptions of the PHC financial management system caused by important but expensive and unfunded new (non-emergency) initiatives
- The impact these initiatives will have is a **more equitable allocation** of funds, **improved payment of suppliers** with subsequent improved **availability of supplies** and services, and a **clean audit**.

The lab included more than 20 people from more than 15 organizations, representing ~4,800[1] hours of work, plus experts engaged in the lab

NOT EXHAUSTIVE

NDOH		DPME	National Treasury	Mpumalanga
Gauteng Province	Eastern Cape Province	Kwa-Zulu Natal Province	Northern Cape Province	Western Province
Northwest Province	Free State Province	City of Johannesburg	SCMS	EOH

1 Average of 20 people for 30 days, working 8 hours a day

SOURCE: Health lab –Financial Management and Supply Chain Management stream

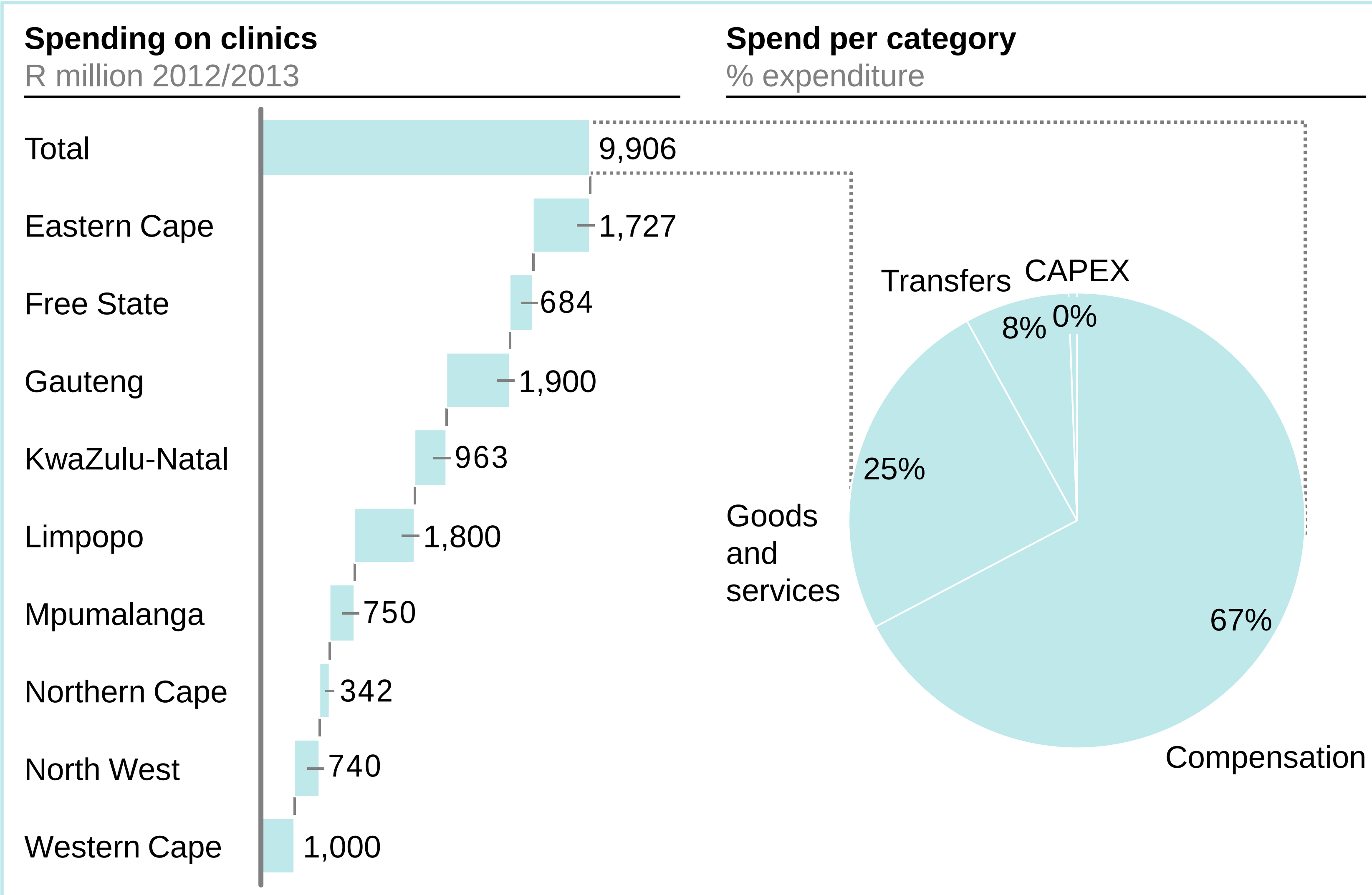
Contents

- **Context and case for change**
- Aspiration
- Issues and root causes
- Initiative recommendations
- Detailed initiative plans
- Monitoring and evaluation

OPERATION PHAKISA

CONTEXT

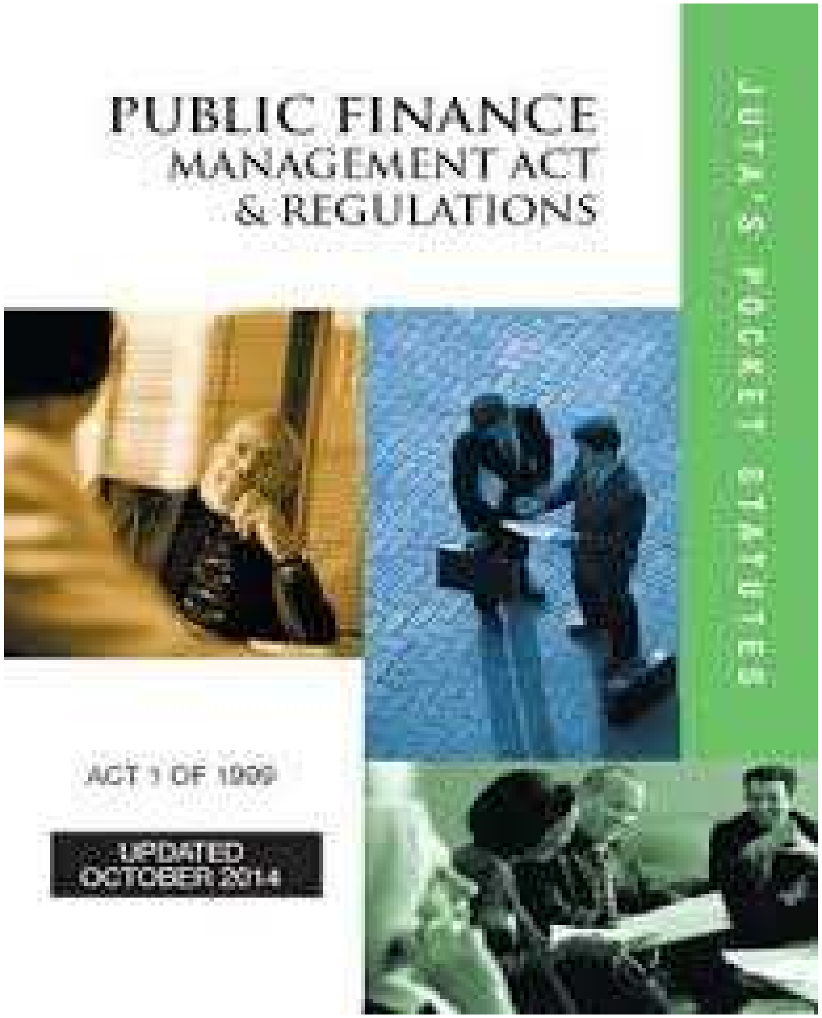
Total spending on clinics is substantial



SOURCE: Vulindlile report 2012/2103

CONTEXT

PHC financial management is governed by the Public Finance Management Act of 1999, designed to modernize financial management



Public Finance Management Act,
1 of 1999

The key objectives of the Act may be summarized as being to:

- Modernise the system of financial management in the public sector;
- Enable public sector managers to manage, but at the same time be held more accountable;
- Ensure the timely provision of quality information; and
- Eliminate the waste and corruption in the use of public assets.

CONTEXT

Government has taken bold steps to move to accrual accounting in the context of Operation Clean Audit

- Operation Clean Audit 2014 is a bold Government initiative to ensure clean audits, transparency and improved service delivery within Government across the country.
- There is a plan to move from Modified Accounting Basis to Accrual Accounting Basis
- <Include more details on timeline and resolutions>

"Non-negotiables" are a list defined by the NDoH as absolute must-haves at clinic level, for which funds must always be available

Non-Negotiable Components

- Infection Control and Cleaning
- Medical Supplies including Dry Dispensary
- Medicines
- Medical Waste
- Laboratory Services: National Health Laboratory Services (NHLS)
- Blood Supply and Services: South African National Blood Services (SANBS) or Western Province Blood Transfusion Services (WPBTS)
- Food Services and Relevant Supplies
- Security Services
- Laundry Services
- Essential Equipment and Maintenance of Equipment
- Infrastructure Maintenance
- Childrens Vaccines
- HIV & AIDS
- TB

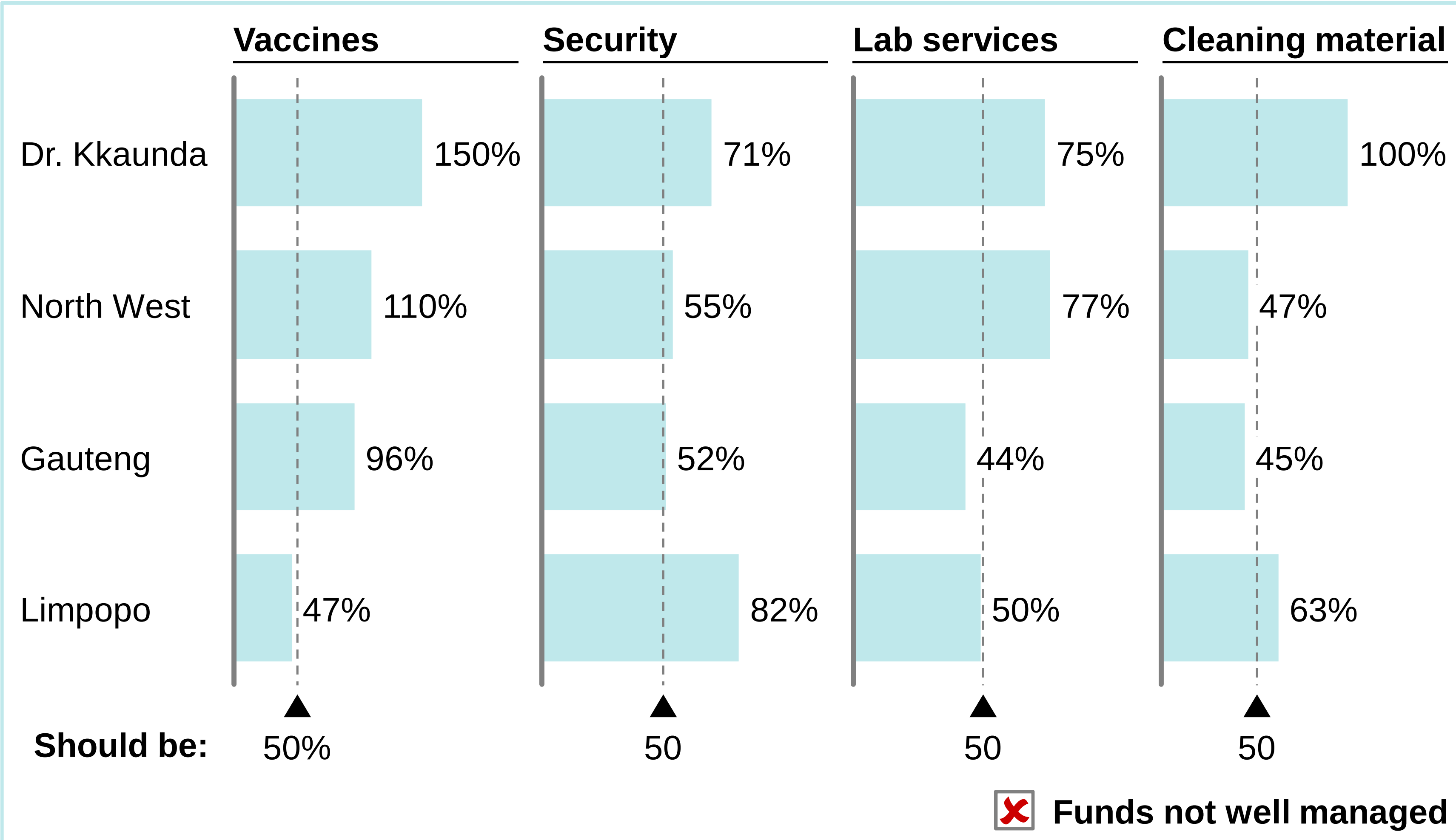
Items that a facility must never run out of – even if the budget is depleted these items should still be funded

What does ideal clinic financial management look like?

- ✓ Well managed funds
- ✓ Proper allocation of funds
- ✓ Accountable spending

However, six months into the financial year, districts are either well above or well below on track to meet budgetary targets for non-negotiables …

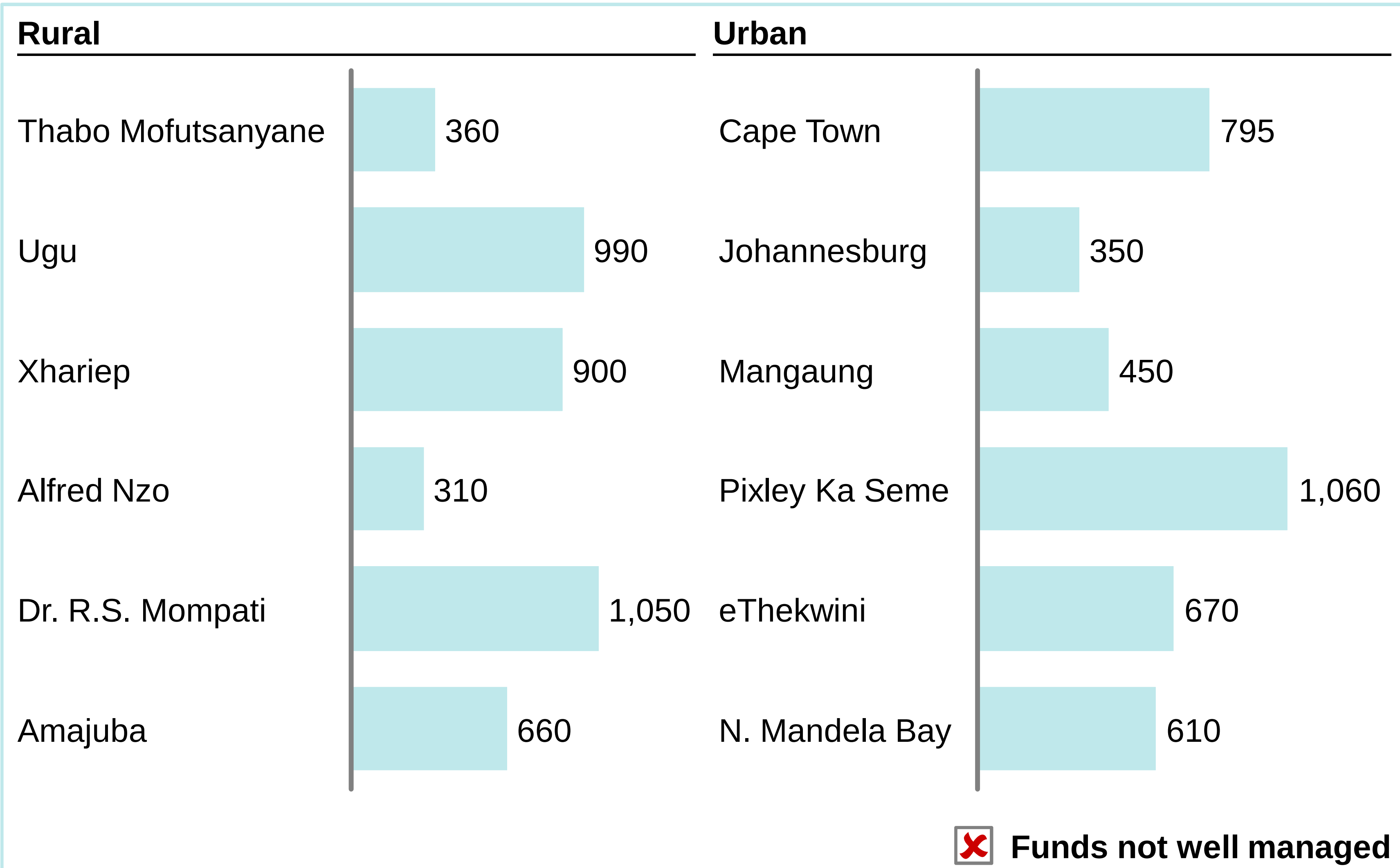
% of budget already spent 6 months into the year



SOURCE: Vulindlile report, Sept 30 2014

… allocation of budget to PHC today is random and inequitable

R primary health spending per uninsured capita



SOURCE: DHER

… and audit outcomes show consistent lack of accountability

Audit outcome

Audit	2010/11 outcome	2011/12 outcome	2012/2013 Outcome	2013/2014 Outcome
Eastern Cape	Qualified	Qualified	Qualified	Qualification
Free State	Qualified	Qualified	Qualified	Qualification
Gauteng	Qualified	Qualified	Qualified	Qualification
KwaZulu- Natal	Qualified	Qualified	Qualified	Qualification
Limpopo	**Disclaimer**	**Disclaimer**	**Disclaimer**	Qualification
Mpumalanga	Qualified	Qualified	Qualified	Qualification
Northern Cape	**Disclaimer**	**Disclaimer**	Qualified	Qualification
North West	**Unqualified**	Qualified	**Unqualified**	**Unqualified**
Western Cape	**Unqualified**	**Unqualified**	**Unqualified**	**Unqualified**
National	Qualified	**Unqualified**	**Unqualified**	**Unqualified**

Spending not accounted for

SOURCE: 2012/13 audit reports department of health

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The aspiration for the Financial Management lab is to create a realistic and equitable budgeting process, while ensuring adherence and accountability

	Aspiration	Target
 **Realistic budgeting**	▪ Budgeting process that produces a realistic financial forecast on the basis of equitable allocation	▪ No more than **10% discrepancy** between spend per uninsured capita between districts ▪ No more than 2% accruals in 95% of districts
 **Adherence to budget**	▪ Spending on district and clinic level that is guided and limited by the budget	▪ No more than 5% discrepancy between budget and actual for 95% of districts ▪ 80% reduction in overall unauthorized expenditure
 **Improved accountability**	▪ Full accountability and rational delegation at all levels of PHC financial management	▪ Unqualified audit for 80% of districts ▪ 90% of clinics achieving 80% score on National Core Standards

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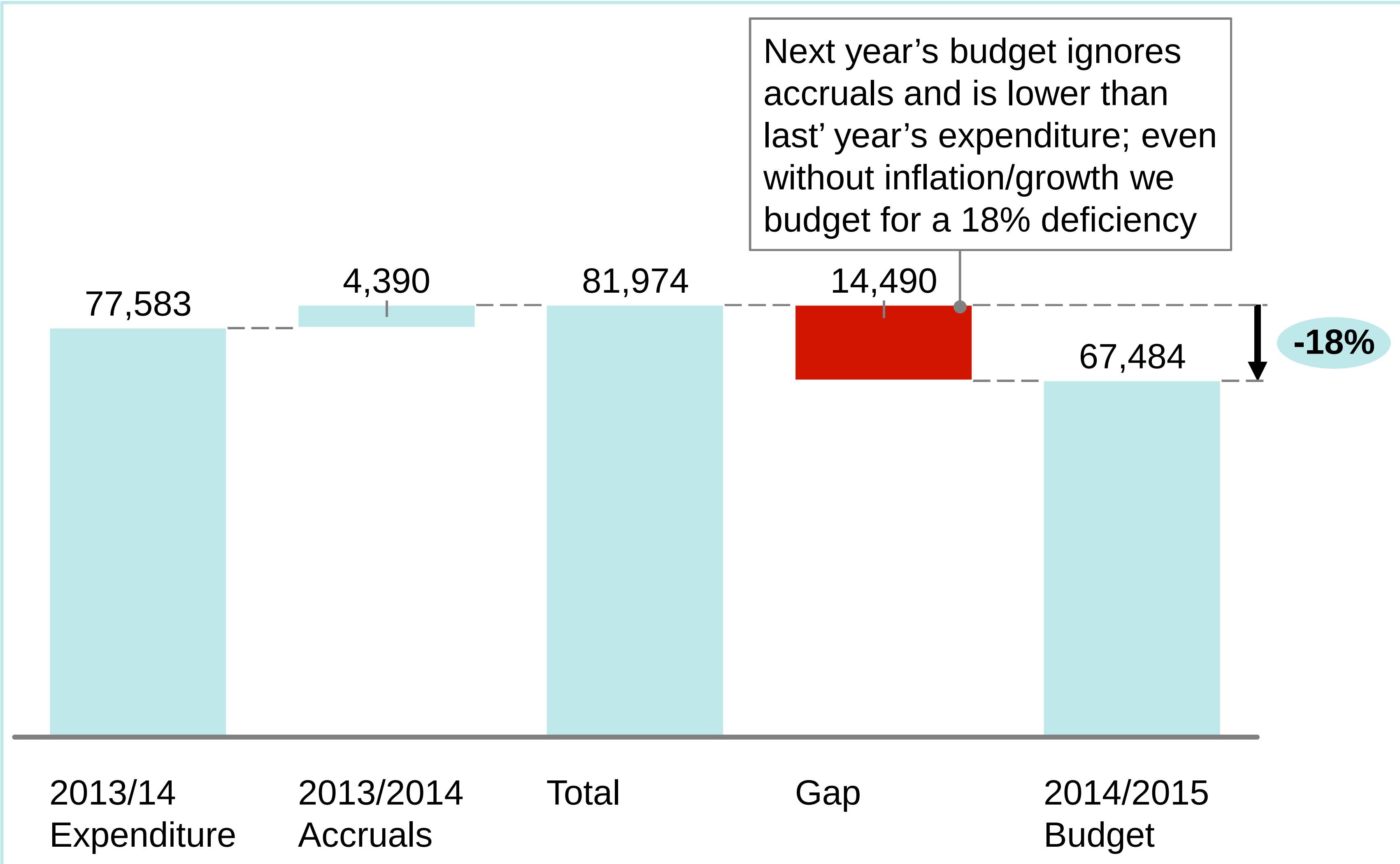
Current budgets do not take into account last year's accruals, and are made knowing that we can never achieve them

DR. KENNETH KAUNDA



SOURCE: AFS disclosure notes

Increases in budget are consistently lower than available data on category inflation

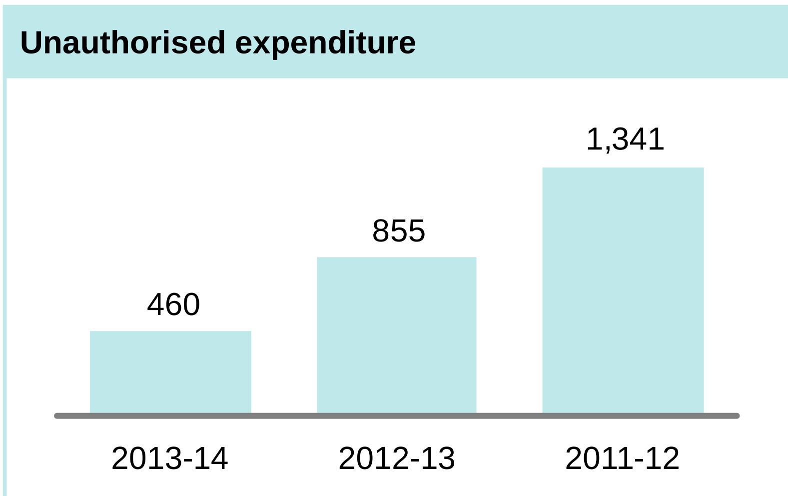
Non-negotiables	2014 inflation	2014 budget increase
Phamaceutical	23%	10%
NHLS	8%	5%
Security	11%	4%

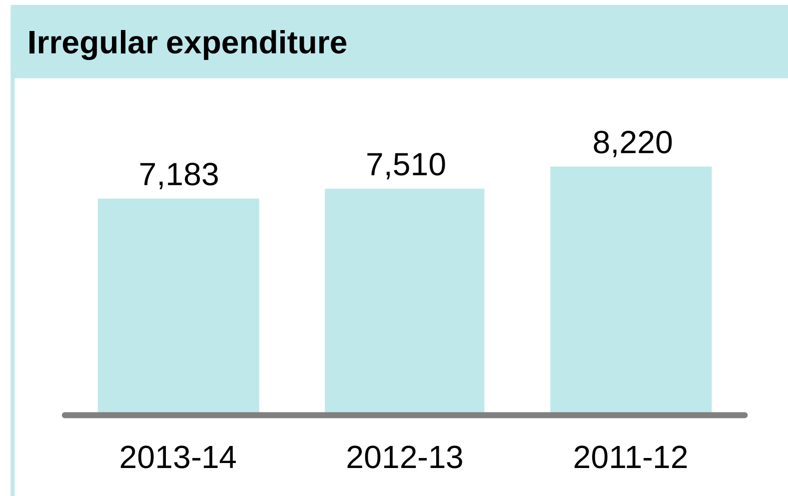
SOURCE: Allocation (black book) + notes for price increase 2014

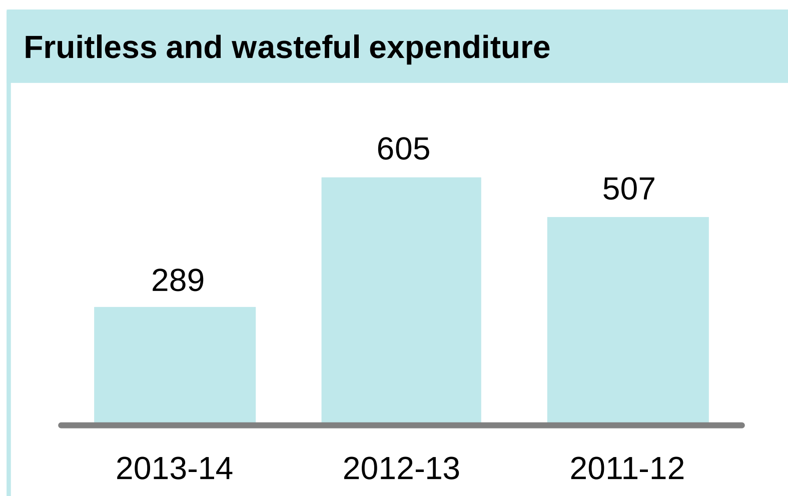
ROOT CAUSES

With budgets not made to be a realistic forecast, districts and clinics opt for unauthorised and irregular expenditure

R million





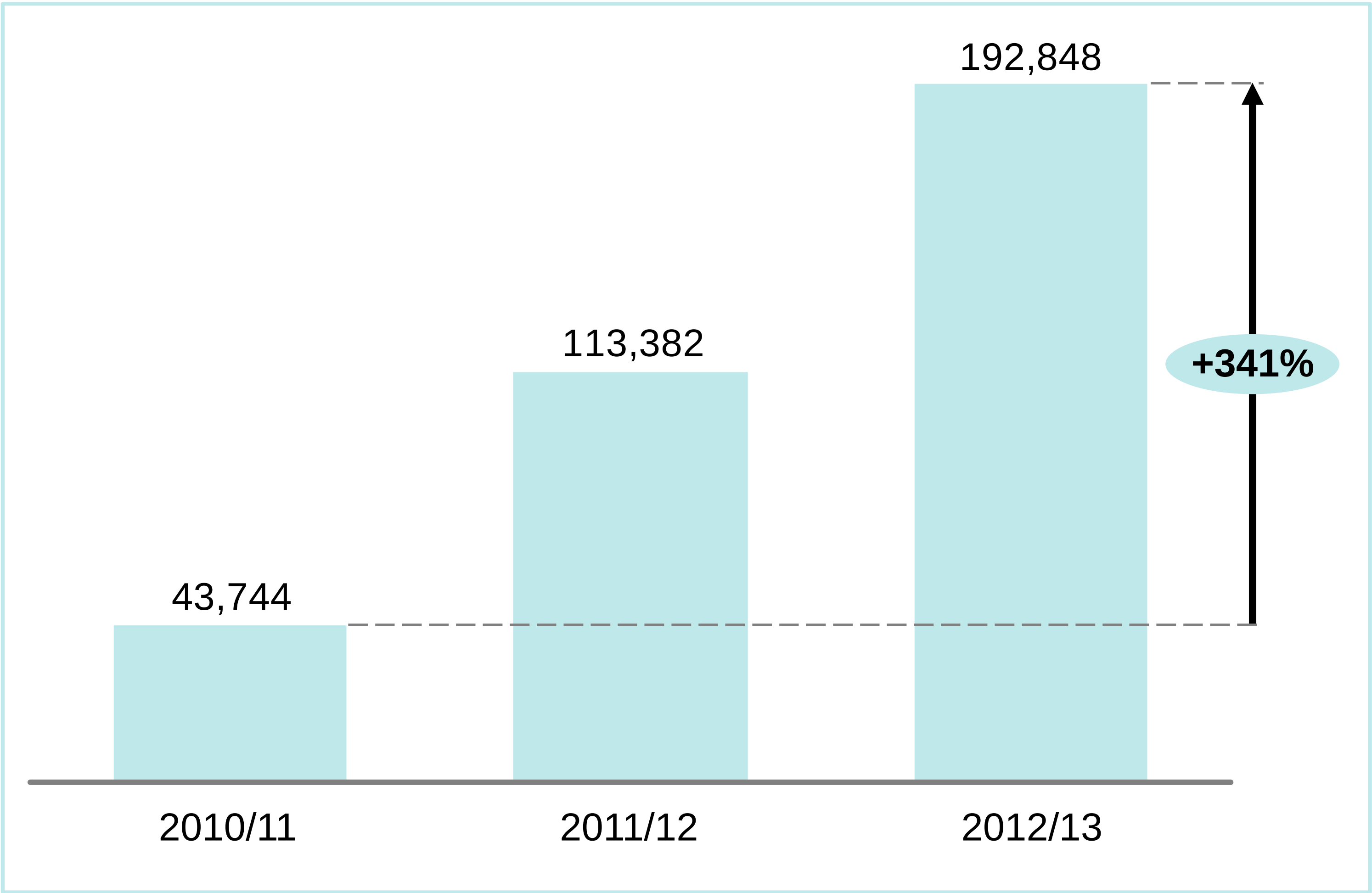


SOURCE: Auditor General – Audit outcomes of the health sector 2013-2014

ROOT CAUSES

Irregular costs such as litigation are an increasingly common phenomenon, without being budgeted for or insured against

FREE STATE EXAMPLE



SOURCE: Annual Report

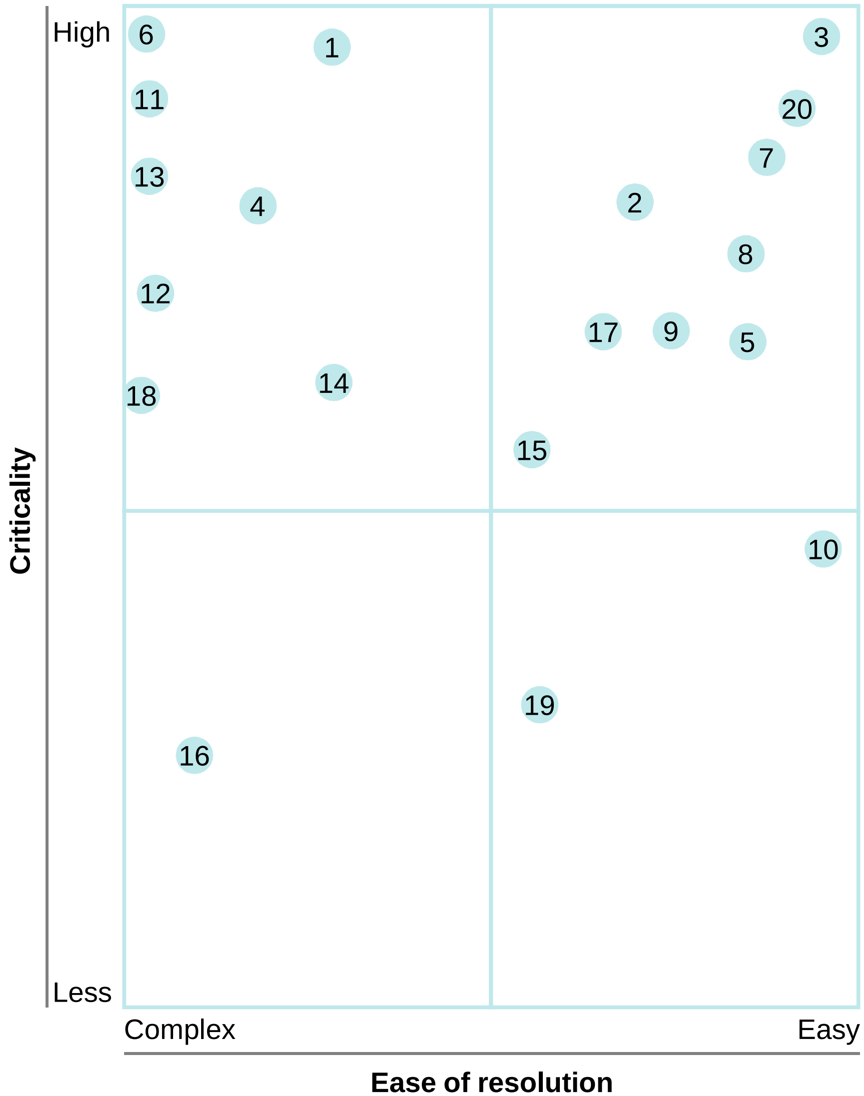
Issue tree of Financial Management in PHC

Provinces, districts and facilities start to experience cash flow problems long before the end of the year – this leads to absence of key equipment and supplies at the clinics, and sub-standard care

- Lack of proper planning
  - Limited Communication on financial prescripts
    - **1** Inadequate leadership, management and stewardship on financial management by District and Sub-district
    - **2** Inadequate Access to financial Policies / manuals on the intranet
  - Inadequate budgeting skills by facility managers
    - **3** No involvement of facility managers in the determination of the facility budget
  - Lack of proper IT infrastructure
    - **4** System not available at **Sub-District** (SAP,BAS, LOGIS & PERSAL)
    - **5** No expenditure, payroll and stock management data at **facility level**
    - **6** No internet connectivity at **facility level**
  - Lack of delegation (Finance, SCM and HR) at facility
    - **7** No delegation for day to day maintenance, emergencies, HR and NSSI
- Non-adherence to budget
  - Unfunded budgets
    - **8** Non-negotiables not appropriated at facility level
    - **9** Facility managers not capacitated on SCOA
    - **10** Long turnaround time on shifting of funds
  - Inadequate capabilities
    - **11** Budget not activity / need based due to lack of norms and standards for PHC service package
    - **12** No equitable distribution of funding due to lack of costed cost-drivers for facilities.
  - Lack of visibility on budget at clinic level
    - **13** PHC under allocated due to Hospicentric approach
    - **14** Budget structure not uniform and standardized across Provinces
- Lack of Account-ability
  - Inadequate Internal and External audits
    - **15** Audit exceptions dealt with at District / Sub-district level
    - **16** No built-in mechanism to monitor donor funded projects
    - **17** No comprehensive framework for financial audit at facility level
  - Inadequate reporting
    - **18** No dedicated facility manager
    - **19** Non-alignment of financial and non-financial reporting at facility level
  - Non compliance to financial management prescripts by province
    - **20** Cash management not cascaded to District, sub-district and facilities which will lead to non payment of suppliers within 30 days

ROOT CAUSES

We prioritized all the sub-issues in a systematic way



1 Inadequate leadership, management and stewardship on financial management by District and Sub-district

2 Inadequate Access to financial Policies / manuals on the intranet

3 No involvement of facility managers in the determination of the facility budget

4 System not available at **Sub-District** (SAP,BAS, LOGIS & PERSAL)

5 No expenditure, payroll and stock management data at **facility level**

6 No internet connectivity at **facility level**

7 No delegation for day to day maintenance, emergencies, HR and NSSI

8 Non-negotiables not appropriated at facility level

9 Facility managers not capacitated on SCOA

10 Long turnaround time on shifting of funds

11 Budget not activity / need based due to lack of norms and standards for PHC service package

12 No equitable distribution of funding due to lack of costed cost-drivers for facilities.

13 PHC under allocated due to Hospicentric approach

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INITIATIVES

To avoid clinics running out of budget early into the financial year, we have developed seven key initiatives

Realistic budgeting

1. Move to equitable and activity-based budgeting process
2. Include Facility Manager in the budgeting process
3. Strengthen or establish sub-districts

Adherence to budget

4. Align planning and budgeting cycle to ensure funding of new directives
5. Ring-fence funds for non-negotiables
6. Implement clinic level audits
7. Delegate optimal level of budget control to facilities

We have prioritized our initiatives to ensure timely and efficient implementation

Detailed in following pages[1]

Quick win – rapid, visible impact	Major delivery fix – effective execution	Business as usual – routine
2 Include Facility Manager in the budgeting process 5 Ring-fence funds for non-negotiables	1 Move to an equitable and activity-based budgeting process 3 Strengthen or establish sub-districts 4 Align planning and budgeting cycle to ensure funding of new directives	6 Implement clinic level audits 7 Delegate optimal level of budget control to facilities

1 "Business as usual" initiatives, though critical, are already in the NDoH implementation pipeline and are not detailed further in the context of the Lab

Detailed initiative budget – Financial management workstream

Total additional budget, R million

Nr	Initiative	2015/16			2016/17			2017/18 – 2018/19			Total R
		Capex	Opex R	Personnel and training R	Capex R	Opex	Personnel and training R	Capex R	Opex	Personnel and training R	
1	Include facility managers in the budgeting process		2, 023,575	0		0	0		0	0	2, 023,575
2	Strengthen or establish sub-districts		2,473,678	698,195,321		1,545,310	743,560,539		0	795,609,777	2,311,614,386
3	Move to an equitable and activity based budgeting process		14,071,790	4,522,120		463,640,00	0		229,760	0	6,392,939
	Total		**18,569,043**	**702,717,441**		**2,008,950**	**743,560,539**		**229,760**	**795,609,777**	**2,262,695,511**

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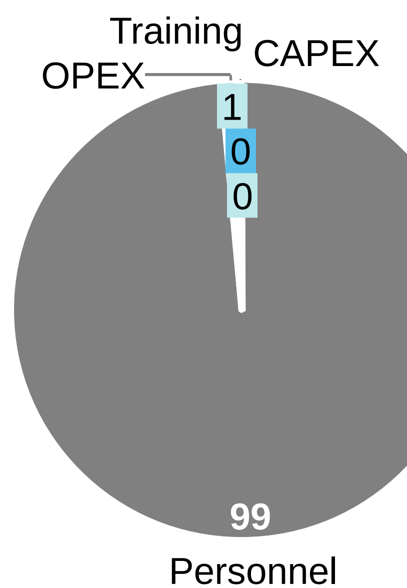
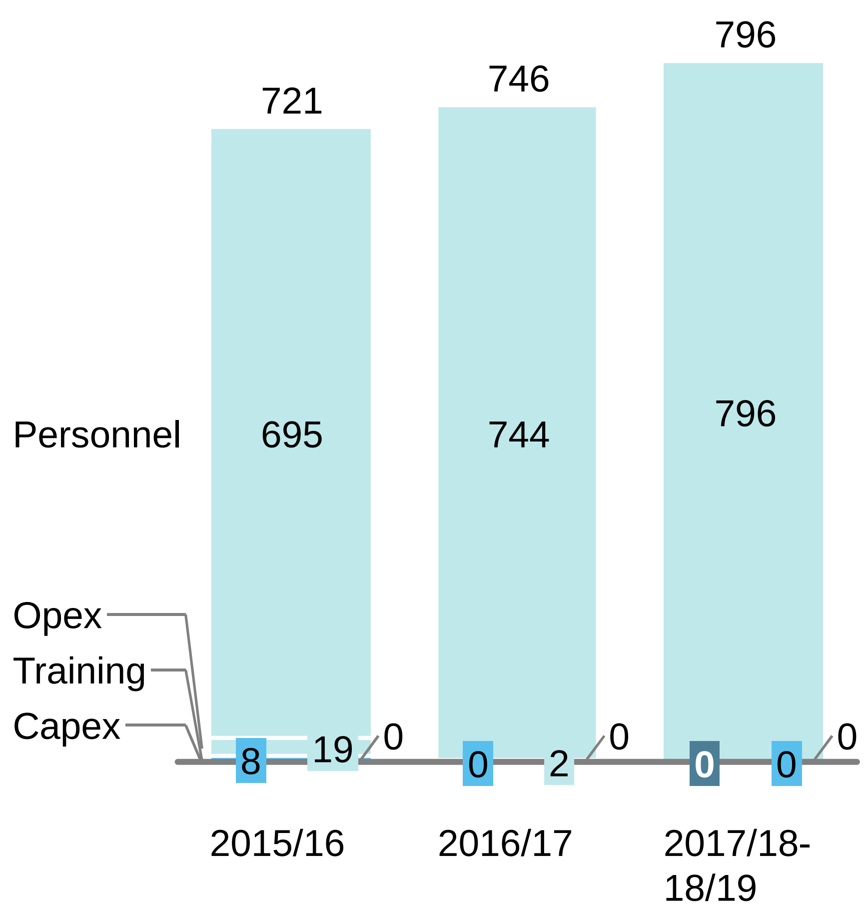
1 Budget overview – Financial Management

Total budget
%



Total budget
R million



INITIATIVES

1 Move activity-based budgeting to ensure cost savings and equitable allocation

Province

Non compensation price guidelines

National

Salary scales

Ensured equitability with pre-set guidelines

Sub-district manager

Setting the budget

- Conversation with facility manager around need list and key drivers
- Checking input against
  - HR compensation guidelines
  - Norms and standards (e.g. nurse ratio)
- Concluding on budget line items – budget filled automatically

Substantial cost-savings with bottom-up budget process

Key involvement of the facility manager in the budgeting process

Facility manager

Budget inputs

- “Need list”
  - Personnel requirements
  - Non-negotiables
  - Infrastructure
  - Etc
- Key drivers
  - Number of patients seen
  - Disease burden
  - Rurality
  - Uninsured catchment population

1 Activity-based budgeting will lead to cost savings, equitability and clinic level adherence

Substantial cost savings – typically savings up to 15% of cost base when introduced in private sector

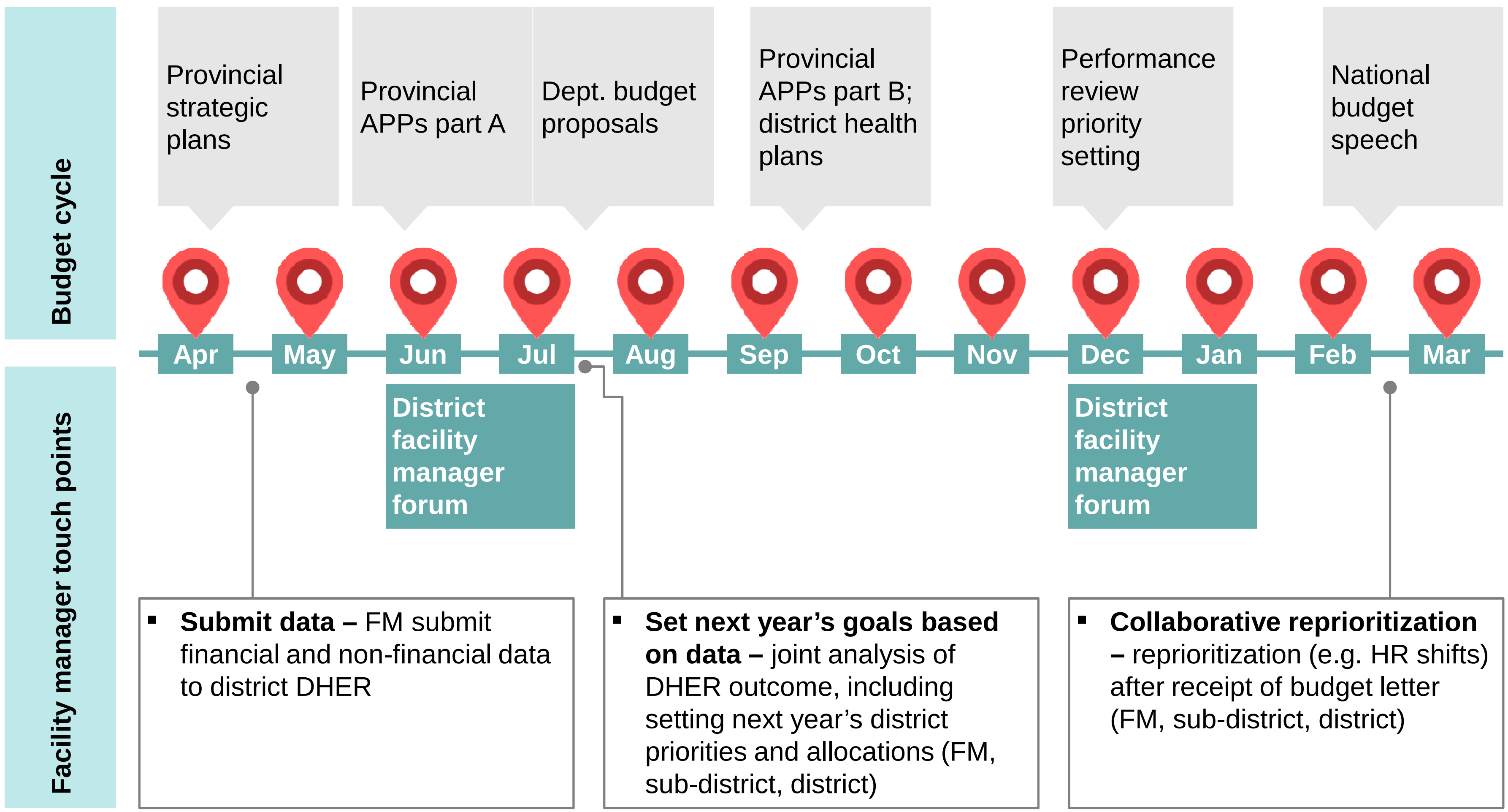
Equitability – using the same cost drivers will ensure a fair and realistic allocation

Facility manager involvement – including the clinic in the budgeting process will lead to clinic level ownership and adherence to the budget

1 Budgets are built from zero, at the most granular level of detail possible in order to facilitate meaningful dialogue on cost

Budgeting from zero is…	Budgeting from zero is not…
Budgeting from zero, with a target	Starting with last year's budget as the base
Building the budget bottoms-up	Adding an incremental amount for inflation or keeping cost flat
Budgeting at the most granular level of detail possible	Budgeting in large buckets of expenses without detail
Justifying every line item	Justifying variances from last year's budget
Separating all costs into price and quantity (like a bill of materials)	Budgeting in total costs without visibility to price and quantity
Fixing price wherever possible, based on procurement or policy	Using historical prices
Aligning every dollar to a specific organizational KPI	Budgeting based on previous needs

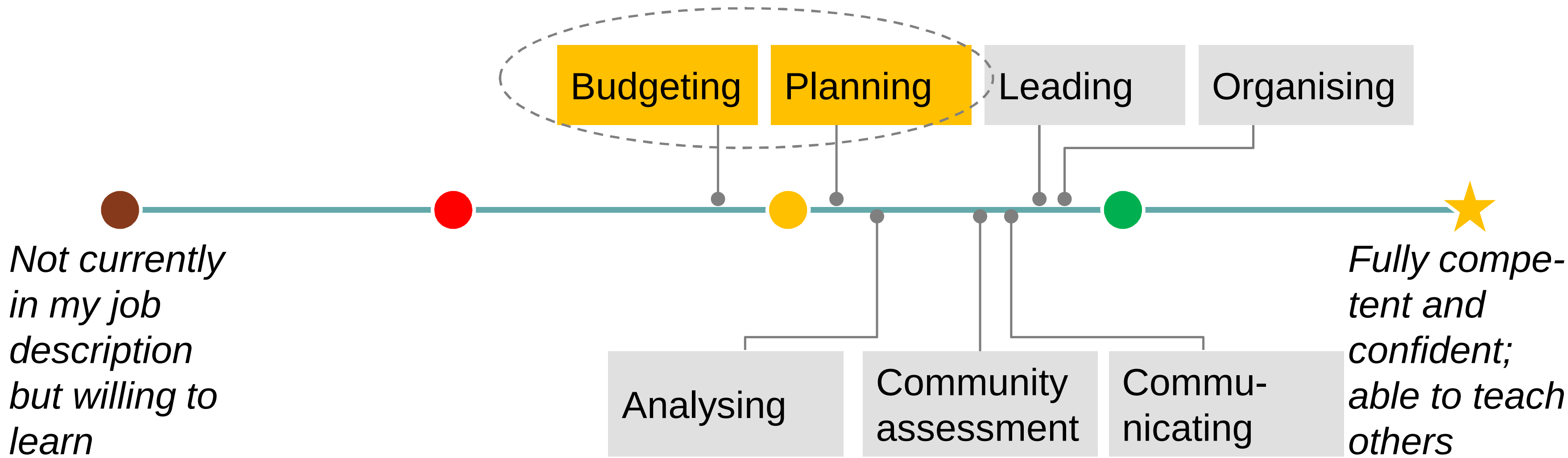
2 Facility managers will be involved at key points during the budgeting cycle to ensure rational allocation and budget adherence



INITIATIVES PICKED UP BY OTHER WORK STREAMS

2 Training of facility managers on budgeting and planning skills is key to strengthen their involvement in the process

Average self-score of financial managers



"Facility managers have not received adequate training on financial management"

Facility managers do not know the budgets for their facilities since the budget are centralised at district or sub-districts

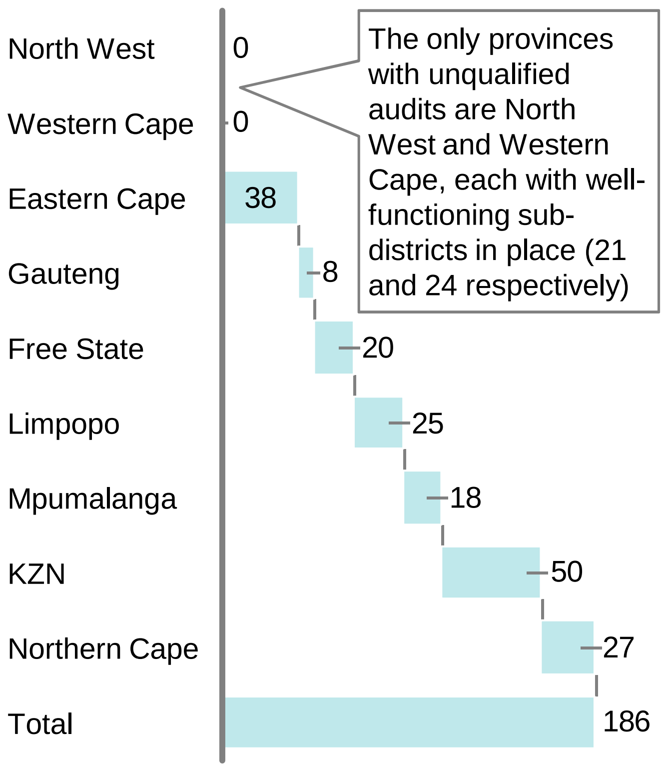
Facility managers play a very minimal role in financial planning and budgeting, and are not involved in the choice of equipment at their clinic

SOURCE: HST facility manager competency assessment, 2014; QUEST sub-scale

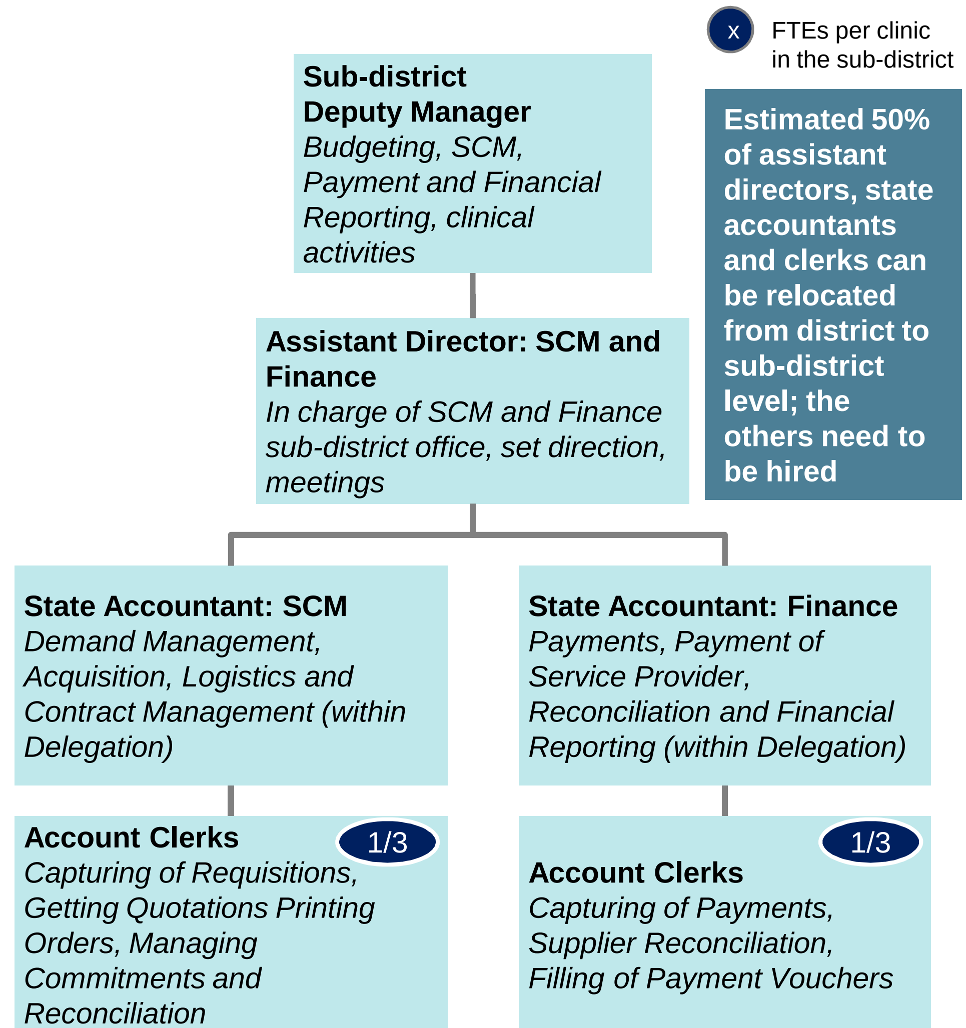
INITIATIVES

3 186 sub-districts still need to be established across the country, each with a targeted SCM and Finance service package for the clinics

Number of sub-districts to be established
Based on number of local municipalities



To establish the sub-districts, we need to:
- Establish standard sub-district service package
- Gazette the new sub-districts
- Recruit/train/relocate from district level all personnel



SOURCE: Demarcation board website; lab analysis

4 Large nationwide programmes are being implemented without being funded, creating large disruptions across PHC financial management

The policy change was announced by the Minister of Health in parliament that as from the 1st January 2015 the patients are going to be enrolled on ART if the CD4 count is <500. The guidelines have been developed for the clinicians and NDoH is conducting training of master trainers today and on the 6th. We are anticipating that more patients will access our facilities.

I Hope you will find this in order.

Regards,
Nobantu Mpela
Acting Director: HAS
HAS Directorate
Gauteng Department of Health
Tel no: 011 355 3340

GAUTENG PROVINCE
HEALTH
REPUBLIC OF SOUTH AFRICA

Training of HAST managers has started at district level 5 November 2014

But where is the money?

Districts have no choice but to take costs of ARVs for the programme from the equitable share

INITIATIVES

4 To avoid unfunded directives, we propose a combination of leadership pledges and treasury control mechanisms

Minister, Provincial Premiers internal "Strong Leadership" pledge

"I commit to present to national treasury in May of every year a consolidated integrated plan and budget on the ideal clinic and non-emergency directives going forward"

Treasury instruction note

New policy / instruction note (within PFMA 76-4g framework) describing how new directives should be costed and funded

Explicit exception for emergency directives (e.g. ebola response) has to be included and communicated in both pledge and instruction note

INITIATIVES

5 Non-negotiable components are currently not ring-fenced, with substantial shifting to other categories

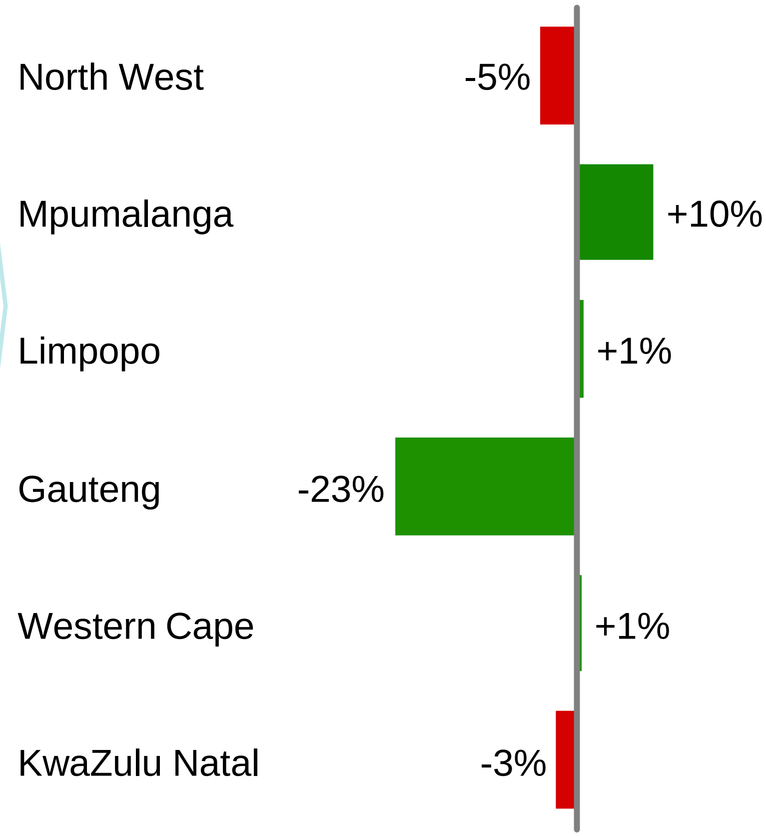
Non-Negotiables are a carefully composed list of supplies and services critical to PHC package …

- Infection Control and Cleaning
- Medical Supplies including Dry Dispensary
- Medicines
- Medical Waste
- Laboratory Services: National Health Laboratory Services (NHLS)
- Blood Supply and Services: South African National Blood Services (SANBS) or Western Province Blood Transfusion Services (WPBTS)
- Food Services and Relevant Supplies
- Security Services
- Laundry Services
- Essential Equipment and Maintenance of Equipment
- Infrastructure Maintenance
- Childrens Vaccines
- HIV & AIDS
- TB

… But today we see substantial shifting to other categories during the year

Budget shift away from non-negotiables

% of start of year budget



SOURCE: Estimates of Provincial Revenue and Expenditure 2013 / 14 financial year

5 Ring-fencing non-negotiables will avoid suspension of critical services to the patients

Suspension of laboratory services

Clinic Manager
Gauteng

19th March 2014

Dear: Clinic Manager

Suspension of NHLS Service

I hereby inform you, that acting on a Board decision, the National Health Laboratory Service (NHLS) will suspend services in the Gauteng province as of Thursday, 20th March 2014. The NHLS has acted in accordance with the requirements of its general rules which are authorised by Section 27 of the Act. The NHLS has made several attempts to explore all options available to ensure significant payment of debt is received from the Gauteng province, without success.

The temporary suspension and closure of a network of NHLS laboratories that provide diagnostic pathology services to the Department of Health, means no tests will be performed by the laboratories. This action is being taken due to the effects of the cash flow constraints experienced by the NHLS.

Suspension of stationery deliveries

SUSPENSION OF ACCOUNT DUE TO NON-PAYMENT: HB001100

It has been noted with great concern that an amount of **R 1,580 779.14** with regard to goods or services purchased from Government Printing Works, is still outstanding.
Despite numerous attempts have been made, requesting urgent payment of the account, no response has been received by GPW.
This department has no alternative but to suspend the account, effective immediately, until such time as the full outstanding amount has been settled.
If payment(s) have been made already, kindly send proof of payment to Remittances@gpw.gov.za

A copy of your latest statement is attached for easy reference.

SOURCE: NHLS 2014, GPW 2014

5 Ring-fencing of non-negotiables will be enforced through directives at province and sub-district level

Province	▪ CFO enforces that budget office is not allowed to shift away from non-negotiables during the financial year
Sub-district	▪ Sub-district manager approves facility shifts only within non-negotiables or to non-negotiables
Facility	▪ Facility manager given full visibility on budget, and is allowed to shift funds but not from non-negotiable to other categories

Ring-fencing implies that funds can be shifted to non-negotiables, but never away from non-negotiables

SOURCE: Estimates of Provincial Revenue and Expenditure 2013 / 14 financial year

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1 Move to an equitable and activity-based budgeting process

Objective: To produce a budget that accurately forecasts the next financial year budget

Action/milestone	Deadline
1 Create "need list" template for facility managers	Mar 2015
2 Complete non-compensation price guidelines for all provinces	Mar 2017
3 Train facility managers to use the "need list" and complete cost-driver data	Dec 2015
4 Develop an activity based budgetary system/model for sub-district managers	May 2017
5 Complete cost-driver data capture templates for facility managers	April 2016
6 Train sub-district managers to use the activity based budgeting model	Mar 2018
7 Pilot activity based budgeting against current historical budgeting	Mar 2017
8 Designate clinics as cost centers	Nov 2015

Owner:

- National Chief Financial Officer

Key stakeholders identified:

- National and Provincial Treasury
- Policy Planning and Information Management

Required resources

Investment (ZAR): **R 18,593,910**

People:

Other resources:

Level of implementation

- National Health

Implementation timeframe

- Start date: 2015
- End Date: 2017

SOURCE: Lab analysis

1 Move to an equitable and activity-based budgeting process (1/8)

	Detailed Activities	Planned start date	Length of activity Wks	Responsibility
1	**Compile non-compensation price guidelines for all provinces**			**A1/A2/A3**
1.1	Establish a task team for non-compensation price guidelines	1-Apr-15	0.3	DG Health
1.2	Develop terms of reference for the task team	6-Apr-15	0.6	National CFO
1.3	Conduct an audit on non-compensation of price guidelines	13-Apr-15	3.6	National CFO
1.4	Present audit report to NHC	15-May-15	0.0	Task team
1.5	Develop norms and standard for price guidelines	18-May-15	3.6	Task team
1.6	Pilot norms and standard	1-Jul-15	52.1	Task team
1.7	Write report on outcome of the pilot	1-Jul-16	4.0	Task team
1.8	Identify norms and standards to be regulated	15-Aug-16	0.6	Task team
1.9	issue a circular on Implementation of norms and standard	22-Aug-16	0.6	DG Health
1.10	Implement the non-compensation of price guidelines	5-Sep-16	29.6	Task team
1.11	Monitor compliance	30-Sep-16	26.0	National CFO

1 Move to an equitable and activity-based budgeting process (2/8)

Detailed Activities	Planned start date	Length of activity Wks	Responsibility
Option 2: Sourcing a Service Provider			
1.12 Conduct market research	13-Jan-15	1.0	National CFO
1.13 Estimate cost	13-Jan-15	1.0	National CFO
1.14 Appoint specification committee	13-Jan-15	1.0	National CFO
1.15 Develop TOR	21-Jan-15	0.4	National CFO
1.16 Develop specifications	27-Jan-15	0.4	National CFO
1.17 Advertise	3-Feb-15	3.0	National CFO
1.18 Tabling at evaluation committee	25-Feb-15	1.9	National evaluation committee
1.19 Presentation for due diligence - Reporting	25-Feb-15	1.9	National CFO
1.20 Tabling at adjudication committee	12-Mar-15	2.0	National adjudication committee
1.21 Awarding of contract	28-Mar-15	0.9	National CFO
1.22 Inform service provider in writing	7-Apr-15	0.0	National CFO
1.23 Publishing of awarded tender on website	8-Apr-15	1.0	National CFO

1 Move to an equitable and activity-based budgeting process (3/8)

Detailed Activities		Planned start date	Length of activity Wks	Responsibility
2	**Create “need list” and complete cost driver template for facility managers**			**A1/A2/A3**
2.1	Create a preliminary need list and complete cost driver template	16-Jan-15	4.7	District Fin Man & FM
2.2	Identify cost drivers and include them in the need list	16-Jan-15	4.7	District Fin Man & FM
2.2	Present to the District and CFO forum	23-Feb-15	0.6	District Fin Man
2.3	Consolidate inputs from the District and CFO forum	2-Mar-15	0.6	District Fin Man
2.4	Compile and present the final template to CFO forum	16-Mar-15	0.6	District Fin Man
2.5	Approval of the template	20-Mar-15	0.0	CFO forum
2.6	Issue a circular on the implementation of the template	23-Mar-15	0.6	DG Health
3	**Train facility managers to use the “need list” and complete cost-driver data**			**A2**
3.1	Establish a task team with TOR	1-Apr-15	0.3	National CFO
3.2	Conduct Literature review	6-Apr-15	1.6	Task Team
3.3	Produce a draft need list	20-Apr-15	0.6	Task Team

1 Move to an equitable and activity-based budgeting process (4/8)

Detailed Activities		Planned start date	Length of activity Wks	Responsibility
3	**Train facility managers to use the "need list" and complete cost-driver data** *(contd.)*			**A2**
3.4	Request inputs	28-Apr-15	4.3	Task Team
3.5	Consolidate inputs	1-Jun-15	1.0	Task Team
3.6	Review by communications	11-Jun-15	1.0	National Communications Unit
3.7	Design and layout (document branding)	22-Jun-15	1.1	National Communi-cations Unit
3.8	Approval of the final template	1-Jul-15	1.9	National CFO
4	**…**			**…**
4.1	Develop a training manual	21-Jul-15	4.4	Task Team
4.2	Printing and distribution	1-Sep-15	5.4	National Communi-cations Unit
4.3	Identify facilitators and moderators	12-Oct-15	1.6	National CFO
4.4	Identify attendees of the training	2-Nov-15	1.6	District Managers
4.5	Arrangements of venue, transport and accomodation	16-Nov-15	4.1	National CFO

1 Move to an equitable and activity-based budgeting process (5/8)

	Detailed Activities	Planned start date	Length of activity Wks	Responsibility
5	**Develop an activity based budgetary system/model for sub-district managers**			**A2/A3**
5.1	Identify and appoint the task team with representatives from all provinces	2-Feb-15	0.6	National CFO
5.2	Develop terms of reference for the task team	9-Feb-15	0.6	National CFO
5.3	Identify learning opportunity sites for activity based costing	2-Feb-15	0.6	CFO forum
5.4	Write a letter of intention to benchmark	9-Feb-15	0.6	DG Health
5.5	Convene meetings with identified contact people from learning opportunity sites	16-Feb-15	0.6	National CFO
5.6	Compile a report on the visit	23-Feb-15	1.6	National CFO
5.7	Pilot in all NHI pilot site	1-Apr-15	52.1	DDG: NHI
5.8	Compile a report from NHI pilot sites	1-Apr-16	4.0	DDG: NHI
5.9	Roll out the model to all provinces	1-Jun-16	51.9	National CFO
5.10	Monitor implementation	1-Apr-15	113.0	National CFO

1 Move to an equitable and activity-based budgeting process (6/8)

	Detailed Activities	Planned start date	Length of activity Wks	Responsibility
6	**Designate clinics as cost centres**			**A2**
6.1	List clinics and their location	1-Apr-15	4.1	District Managers
6.2	Conduct IT infrstructure assessment	1-Apr-15	4.1	Provincial Infrastructure
6.3	Second human resources that will be responsible for cost centres	4-May-15	21.3	District Managers
6.4	Training and retraining the seconded personnel	5-Oct-15	1.6	District Managers
6.5	Develop a plan on readiness and management of cost centres	19-Oct-15	1.6	Provincial CFO
6.6	Submit a request to Provincial Treasury	2-Nov-15	0.6	Provincial CFO
7	**Train sub-district managers to use the activity based budgeting model**			**A2**
7.1	Establish a task team with TOR	1-Apr-15	0.7	National CFO
7.2	Conduct Literature review	7-Apr-15	2.0	Task Team
7.3	Identify benchmark visit sites	7-Apr-15	2.0	Task Team
7.4	Produce a draft need list	21-Apr-15	1.0	Task Team
7.5	Request inputs from end users	4-May-15	3.6	Task Team

INITIATIVES

1 Move to an equitable and activity-based budgeting process (7/8)

Detailed Activities		Planned start date	Length of activity Wks	Responsibility
7	**Train sub-district managers to use the activity based budgeting model** *(contd.)*			**A2**
7.6	Consolidate inputs	4-May-15	3.6	Task Team
7.7	Design and layout (document branding)	1-Jun-15	1.6	National Communi-cations Unit
7.8	Approval of the final template	15-Jun-15	0.6	National CFO
7.9	Develop a training manual for activity based costing	22-Jun-15	4.1	Task Team
7.10	Printing and distribution	28-Jul-15	2.0	National Communi-cations Unit
7.11	Identify facilitators and moderators	28-Jul-15	2.0	National CFO
7.12	Identify attendees of the training	28-Jul-15	2.0	National CFO
7.13	Arrangements of venue, transport and accomodation	28-Jul-15	2.0	National CFO
7.14	Issue invitations	28-Jul-15	2.0	National CFO
7.15	Conduct training on activity based costing	21-Aug-15	14.4	Task Team
7.16	Completion of evaluation form by attendees	21-Aug-15	14.4	Attendees
7.17	Analysis of evaluation forms	1-Dec-15	0.4	Task Team

1 Move to an equitable and activity-based budgeting process (8/8)

	Detailed Activities	Planned start date	Length of activity Wks	Responsibility
7	**Train sub-district managers to use the activity based budgeting model** *(contd.)*			**A2**
7.18	Submit feedback report to National CFO	7-Dec-15	1.1	Task Team
7.19	Update training manual based on analysis	11-Jan-16	2.6	Task Team
7.20	Issue a certificate of competency	1-Feb-16	0.6	SAQA/Health & Welfare SETA
8	**Pilot activity based budgeting against current historical budgeting**			**A1/A2**
8.1	Identification and approval of control sites	1-Feb-16	0.6	Provincial CFO
8.2	Conduct IT infrastructure assessment	1-Apr-15	4.1	Provincial Infrastructure
8.3	Second human resources that will be responsible for cost centres	8-Feb-16	26.6	District Managers
8.4	Training and retraining the seconded personnel	15-Feb-16	0.3	District Managers
8.5	Issue letter for control sites designating them as control sites	21-Mar-16	0.4	Provincial CFO
8.6	Develop a reporting template	4-Apr-16	0.6	Provincial CFO
8.7	Monitor the performance	11-Apr-16	50.6	P/NCFO

INITIATIVES

1 Implementation timeline: Move to an equitable and activity-based budgeting process

1000-feet plan

	2015-2016	2016-2017	2017-2018
Main activities	▪ Complete non-compensation price guidelines for all provinces ▪ Create "wish list" template for facility managers ▪ Complete cost-driver data capture templates for facility managers ▪ Develop an activity based budgetary system/model for sub-district managers	▪ Train sub-district managers to use the activity based budgeting model ▪ Pilot activity based budgeting against current historical budgeting ▪ Complete cost-driver data capture templates for facility managers	▪ Designate clinics as cost centers
Targets/ milestones	▪ No of PT allocating 28% ▪ Availability of Costing and Funding and budgetary model ▪ 75% of cost centres created for clinics	▪ 80% performance ▪ Budget aligned to DHER outcomes ▪ Norms & Stds for NN implemented. ▪ Costing/Funding and budgetary model implemented	▪ 100% of cost centres created for clinics

SOURCE: Lab analysis

2 Include Facility Manager in the budgeting process

Objective: To formalise participation of the FM in the budget process by 2015

Action/milestone	Deadline
1 Designing frameworks for facility managers performance agreements, collaborative prioritization meetings, and joint analysis of DHER	Mar 2017
2 Organize first facility managers forum, collect feedback and optimize SOP	May 2015
3 Ensure that expenditure report is a standing item in clinic committee meetings	Mar 2015
4 Write playbook for provincial facility managers forum, appoint forum organizers by district	Dec 2015

Owner:

- Provincial Health Departments

Key stakeholders identified:

- National Health Department
- Provincial health department
- Governance Structures

Required resources

Investment (ZAR):
R2,023,575.25

Level of implementation

- Province and District

Implementation timeframe

- Start date: 2015
- End Date: March 2017

SOURCE: Lab analysis

2 Include Facility Manager in the budgeting process (1/4)

	Detailed Activities	Planned start date	Length of activity Wks	Responsibility
1	**Designing frameworks for facility managers performance agreements, collaborative prioritization meetings, and joint analysis of DHER**			**A1/A2/A3**
1.1	Establish a task team to develop a framework for performance agreements of FM	12-Jan-15	0.6	National DHS
1.2	Literature review and comparative analysis of performance agreements and workplans of FM	19-Jan-15	10.0	National Task Team
1.3	Produce a draft frameworrk of FM performance agreements	1-Apr-15	4.1	National Task Team
1.4	Conduct focus group discussions with FM and supervisors	4-May-15	6.0	National Task Team
1.5	Consolidate inputs	17-Jun-15	4.9	National Task Team
1.6	Develop a draft framework of KPIs	21-Jul-15	53.3	National Chief Financial Officer
1.7	Conduct a consultative meeting with facility managers and supervisors	30-Jul-15	4.6	National CFO
1.8	Conduct a focus group discussions with facility managers	30-Jul-15	4.6	Provincial CFO and DHS
1.9	Incorporate inputs from focus group discussion (FGD) into framework of KPIs	1-Sep-15	2.0	National DHS
1.10	KPIs included in performance agreements and signed off	18-Sep-15	27.9	HOD

INITIATIVES

2 Include Facility Manager in the budgeting process (2/4)

	Detailed Activities	Planned start date	Length of activity Wks	Responsibility
1	**Designing frameworks for facility managers performance agreements, collaborative prioritization meetings, and joint analysis of DHER** *(contd.)*			**A1/A2/A3**
1.11	Conduct joint analysis of DHER	1-Apr-16	12.9	District Manager
1.12	Quarterly performance assessments	1-Jul-16	39.0	Sub-district manager
2	**Write Standard Operating Procedures for provincial facility managers forum, appoint forum organizers by district**			**A1/A2/A3**
2.1	Establish a task team with TOR	16-Jan-15	2.0	National DHS
2.2	Literature review	2-Feb-15	3.6	National Task Team
2.3	Produce a draft SOP	2-Mar-15	1.6	National Task Team
2.4	Request inputs	16-Mar-15	2.0	National Task Team
2.5	Consolidate inputs	1-Apr-15	1.3	National Task Team
2.6	Review by communications	13-Apr-15	1.3	National Task Team
2.7	Approval	25-Apr-15	0.6	National Task Team
2.8	Printing and distribution	4-May-15	3.6	National Task Team
2.9	Develop terms of reference for the PFM forum	16-Jan-15	2.0	National CFO

INITIATIVES

2 Include Facility Manager in the budgeting process (3/4)

Detailed Activities		Planned start date	Length of activity Wks	Responsibility
2	**Write Standard Operating Procedures for provincial facility managers forum, appoint forum organizers by district** *(contd.)*			**A1/A2/A3**
2.10	Appoint a team to develop SOP for PFM forum	12-Jan-15	0.6	National CFO
2.11	Commision the development of SOP	12-Jan-15	0.6	National CFO
2.12	Develop Standard operating procedures for provincial facility managers forum	19-Jan-15	4.6	National Chief Financial Officer
2.13	Hand-over of the SOP	23-Feb-15	0.0	National CFO
2.14	Identify stakeholders for the forum	23-Feb-15	1.0	Provinces and District
2.15	Conduct consultative meetings with facility managers	16-Mar-15	4.3	National Chief Financial Officer
2.16	Appoint project team members/orgranisers per district in writing	1-Mar-15	2.1	District Manager
2.17	Appoint project team chairperson/team leader	9-Mar-15	0.0	HOD
2.18	Identify/propose standing agenda items	9-Mar-15	0.6	Team memebers
2.19	Convene district facility managers forums quarterly	1-Jun-15	30.3	Team leader

2 Include Facility Manager in the budgeting process (4/4)

	Detailed Activities	Planned start date	Length of activity Wks	Responsibility
3	**Organize first facility managers forum, collect feedback and optimize SOP**			**A1**
3.1	Draft agenda for the forum	1-Apr-15	30.3	Project team
3.2	Designate a logistic team	1-Apr-15	0.3	Provincial DHS
3.3	Issue invitation to sub-district manager and organisers	6-Apr-15	1.6	Logistics team
3.4	Determine the number of attendees	17-Apr-15	0.6	Logistics team
3.5	Arrangements of venue, transport and accomodation	21-Apr-15	4.4	Logistics team
4	**Ensure that expenditure report is a standing item in clinic committee meetings**			**A2**
4.1	Identify financial management standing items on clinic committee agenda	2-Feb-15	1.6	District Financial Manager/FM
4.2	Consult with clinic committees on inclusion of financial management on the agenda	2-Feb-15	1.6	FM
4.3	Inclusion of financial management as standing items	2-Mar-15	4.1	District Financial Manager/FM

2 Implementation timeline: Include Facility Manager in the budgeting process

1000-feet plan

	2015-2016	2016-2017	2017-2018
Main activities	▪ Designing frameworks for facility manager interactions ▪ Write SOP for provincial facility managers forum, appoint forum organizers by district ▪ Organize first facility managers forum, collect feedback and optimize playbook ▪ Ensure that expenditure report is a standing item in clinic committee meetings		
Targets/ milestones	▪ Monthly Reports and minutes ▪ Quarterly Report & minutes ▪ Clinic Committee Minutes ▪ Compliance Budget Guidelines developed ▪ Clinic level audit outcomes		

3 Strengthen or establish sub-districts

Objective: To ensure high quality financial oversight and support of clinics

Action/milestone	Deadline
1 Identify all sub-districts with weak or non-existent financial management	Feb 2015
2 Create standard package of sub-district support requirements	Apr 2015
3 Establish sub-districts where absent	Dec 2016
4 Train all sub-districts to be able to provide the standard package of sub-district support to facilities	Feb 2017

Owner:

- Provincial Treasury

Key stakeholders identified:

- National and Provincial Treasury
- Policy Planning and Information Management

Required resources

Investment (ZAR):

People:

Other resources:

Level of implementation

- National Health

Implementation timeframe

- Start date: 2015
- End Date: 2017

INITIATIVES

3 Strengthen or establish sub-districts (1/5)

	Detailed Activities	Planned start date	Length of activity Wks	Responsibility
1	**Identify all sub-districts with weak or non-existent financial management**			**A1/A2/A3**
1.1	Develop a sub-district structure inclusive of financial management	12-Jan-15	0.6	NDHS
1.2	Purpose of the structure	19-Jan-15	36.3	NDHS
1.3	Calculate workload norms	19-Jan-15	36.3	NDoH - HR (OD)
1.4	Consult with Organisational Development	19-Jan-15	36.3	NDoH - HR (OD)
1.5	Develop Job Functions	19-Jan-15	36.3	NDHS
1.6	Develop Job Descriptions	1-Oct-15	10.7	NDHS
1.7	Cost the structure	1-Oct-15	10.7	NDoH - HR (OD)
1.8	Departmental Management Committee approval	1-Oct-15	10.7	DG: Health
1.9	Signing off by theExecuting Authority	1-Oct-15	10.7	Executing Authority
1.10	Conduct an audit on gaps based on developed structure	11-Jan-16	4.4	NDHS
1.11	Cost the gaps	11-Jan-16	4.4	NDHS/NCFO
1.12	Submit budget bid to national treasury	12-Feb-16	1.0	DG/HOD
1.13	Include establishment/strengthening of subdistricts in APP and DHP	22-Feb-16	0.6	DG

3 Strengthen or establish sub-districts (2/5)

Detailed Activities		Planned start date	Length of activity Wks	Responsibility
1	**Identify all sub-districts with weak or non-existent financial management** *(contd.)*			**A1/A2/A3**
1.14	Prioritise critical posts based on allocation	29-Mar-16	3.6	DG: Health
1.15	Develop job specifications	7-Mar-16	1.6	NDHS/NDoH - HR
1.16	Advertise posts	21-Mar-16	2.6	NDHS/NDoH - HR
1.17	Profiling of candidates	11-Apr-16	0.6	Provincial Health Departments
1.18	Appoint short listing and interview panel	18-Apr-16	0.6	Provincial Health Departments
1.19	Invite shortlisted candidates for interview	25-Apr-16	0.0	Provincial Health Departments
1.20	Conduct interviews	2-May-16	0.6	Provincial Health Departments
1.21	Conduct competency assessments	9-May-16	0.6	Provincial Health Departments
1.22	Submit report and list of recommended candidates	16-May-16	0.6	Provincial Health Departments
1.23	Issue appointment letters to successful candidates	23-May-16	0.0	Provincial Health Departments

3 Strengthen or establish sub-districts (3/5)

	Detailed Activities	Planned start date	Length of activity Wks	Responsibility
2	**Create standard package of sub-district support requirements**			**A1/A2/A3**
2.1	Conduct a situational analysis on existing structures	12-Jan-15	2.6	NDHS/NCFO
2.2	Define boundaries of the area to be included in the analysis	2-Feb-15	0.6	NDHS/NCFO
2.3	Research and describe the state and condition of people	9-Feb-15	11.4	NDHS/NCFO
2.4	Identify trends, pressures, driving forces and responses	4-May-15	3.6	NDHS/NCFO
2.5	Discuss the analysis	1-Jun-15	2.0	NDHS/NCFO
2.6	Identify major issues requiring attention	16-Jun-15	0.4	NDHS/NCFO
2.7	Choose the most appropriate issues	22-Jun-15	0.6	NDHS/NCFO
2.8	Identify stakeholders	29-Jun-15	0.6	NDHS/NCFO
2.9	Conduct a stakeholder analysis	6-Jul-15	0.6	NDHS/NCFO
2.10	Design stakeholder participation strategy	13-Jul-15	11.3	NDHS/NCFO
2.11	Conduct focus group discussions on the requirements to support IC	13-Jul-15	11.3	NDHS/NCFO
2.12	Identify needs requirements to support the Ideal Clinic	1-Oct-15	2.0	NDHS/DM
2.13	Develop a standardised package of sub district support	19-Oct-15	1.6	NDHS/NCFO
2.14	Give feedback to stakeholders	2-Nov-15	10.6	NDHS/NCFO
2.15	Support the implementation of the package	18-Jan-16	4.0	NDHS
2.16	Monitor the implementation	1-Mar-16	56.3	NDHS/NCFO
2.17	Document and publish best practices	1-Mar-16	56.3	NDHS

3 Strengthen or establish sub-districts (4/5)

Detailed Activities		Planned start date	Length of activity Wks	Responsibility
3	**Establish sub-districts where absent**			**A1**
3.1	Consult with Demarcation board	2-Feb-15	0.6	DG Health
3.2	Consult with local government on establishing of sub-district	9-Feb-15	1.6	DG Health & HCFO
3.3	Appoint a joint working team to finalize number of sub-district to be established	9-Feb-15	1.6	DGs Health and COGTA
3.5	Resource mobilization for implementation	2-Feb-15	2.6	DG Health
3.4	Obtain endorsment from National District Health Systems Committee (NDHSC), National Heath Council Technical Advisory Committee (NHCTAC), National Health Council (NHC), Inter-ministerial Coordinating Committee (IMCC) AND Premier Cordinating Council (PCC)	23-Feb-15	1.6	DG Health
3.6	Community information session or feedback	9-Mar-15	4.4	MEC & District Manager
3.7	Gazetting of Sub-District	13-Apr-15	11.1	MEC Health
3.8	Pronounce on number of local government Municipalities - Demarcation	1-Jul-15	1.0	MEC COGTA
4	**Train all sub-districts to be able to provide the standard package of sub-district support to facilities**			**A2**
4.1	Develop a training package (Manual for facilitators and Participants, Tool kit, Evaluation Forms,	2-Feb-15	2.6	NDoH & Develop-ment partners
4.2	Train the trainers	3-Mar-15	1.4	NDoH & Develop-ment partners

3 Strengthen or establish sub-districts (5/5)

Detailed Activities		Planned start date	Length of activity Wks	Responsibility
4	**Train all sub-districts to be able to provide the standard package of sub-district support to facilities** *(contd.)*			**A2**
4.3	Develop a mentoring programme	16-Mar-15	0.6	NDoH
4.4	Develop terms of reference for mentorship programme	16-Mar-15	0.6	NDoH
4.5	Appoint a service provider for mentorship	23-Mar-15	4.6	NDoH
4.6	Sign Memorandum of agreement	27-Apr-15	0.0	NDoH
4.7	Monitor the implementation of the package	1-Jul-15	39.1	NDoH
4.8	Conduct impact assessment of the implementation of the package	1-Apr-16	12.7	NDoH
4.9	Compile impact assessment report	2-Jul-16	3.9	NDoH
4.10	Make sure the recommendations are being implemented	8-Aug-16	18.4	Provinces & Districts

INITIATIVES

3 Implementation timeline: strengthen or establish sub-districts

1000-feet plan

	2015-2016	2016-2017	2017-2018
Main activities	▪ Identify all sub-districts with weak or non-existent financial management ▪ Create standard package of sub-district support requirements	▪ Establish sub-districts where absent	▪ Train all sub-districts to be able to provide the standard package of sub-district support to facilities
Targets/ milestones	▪ Number of sub-districts with adequate financial support to facilities	▪ Number of sub-districts with adequate financial support to facilities	▪ Number of sub-districts trained to provide package of sub-district support to facilities

4 Align planning and budgeting cycle to ensure funding of new directives

Objective: To avoid over expenditure due to under allocation of budget and unfunded mandates

Action/milestone	Deadline
1 "Strong Leadership Pledge" committed to by Minister and provincial premiers and MECs	Mar 2015
2 Treasury instruction note on new directives	Mar 2015

Owner:
- Treasury

Key stakeholders identified:
- Chief Financial Officer
- Provincial Office Budget Management and Planning

Required resources

Investment (ZAR):

People: Provincial and District Finance Section

Other resources: None

Level of implementation
- National, Provincial, District and Sub-District

Implementation timeframe
- Start date: 2015
- End Date: 2017

SOURCE: Lab analysis

INITIATIVES

4 Align planning and budgeting cycle to ensure funding of new directives (1/2)

	Detailed Activities	Planned start date	Length of activity Wks	Responsibility
1	**"Strong Leadership Pledge" committed to by Minister and provincial premiers and MECs**			**A1/A2/A3**
1.1	Compilation of the pledge	12-Jan-15	0.6	DG: Health
1.2	Circulation of the pledge for inputs to interministerial committees	19-Jan-15	0.6	DG: Health
1.3	Consolidation of inputs	26-Jan-15	0.6	DG: Health
1.4	Implementation of the pledge	2-Feb-15	3.6	Minister
1.5	Monitoring of the implementation	1-Apr-15	52.1	DPME
1.6	Develop a costed, comprehensive and integrated budget bid for new directives	12-Jan-15	4.6	National CFO/COO
1.7	Present the budget bid to National Treasury	16-Feb-15	0.6	National CFO
1.8	Reprioritise new directives after allocation	23-Feb-15	1.6	National CFO
1.9	Communicate with provinces to include in APP and DHP	9-Mar-15	0.6	DG: Health
2	**Treasury instruction note on new directives**			**A1/A2/A3**
2.1	Compile a submission and a letter for approval of the DG:Health	2-Feb-15	0.6	National CFO
2.2	Submit a letter to National Treasury	9-Feb-15	0.6	National CFO
2.3	Communicate the Instruction note to the provinces	2-Mar-15	1.6	DG: Health

4 Align planning and budgeting cycle to ensure funding of new directives (2/2)

Detailed Activities		Planned start date	Length of activity Wks	Responsibility
3	**Treasury instruction note on new directives**			**A1**
3.1	Compile a draft directive on process for costing of new directives	2-Feb-15	1.6	National CFO
3.2	Submit the draft directive and letter to National Treasury	2-Feb-15	1.6	National CFO
3.3	Communicate the Instruction note to the provinces	2-Mar-15	1.6	DG: Health

4 Implementation timeline: Align planning and budgeting cycle to ensure funding of new directives

1000-feet plan

	2015-2016	2016-2017	2017-2018
Main activities	▪ "Strong Leadership Pledge" committed to by Minister and provincial premiers ▪ Treasury instruction note on new directives ▪ Decentralization of Conditional Grant budget to PHC level		▪ Decentralization of Conditional Grant budget to PHC level
Targets/ milestones	▪ Number of pledges committed to ▪ Availability of developed Policy on costing and funding of new directives		▪ Availability of increase equitable share in budget book

SOURCE: Lab analysis

5 Ring-fence funds for non-negotiables

Objective: To limit fund shifting away from non-negotiables to zero by 2017/18

Action/milestone	Deadline
1 New guidelines instructing CFOs to enforce that budget office is not allowed to shift away from non-negotiables during the financial year	March 2015
2 Directive for Sub-district manager to approve facility shifts only within non-negotiables or to non-negotiables	February 2015
3 Shifting of funding to be incorporated into financial delegations of SD managers	March 2016

Owner:
- Budget Management and Planning

Key stakeholders identified:
- Provincial Treasury
- Provincial CFO

Required resources

Investment (ZAR): R0.00

People:

Other resources:

Level of implementation
- Provincial Treasury and Department

Implementation timeframe
- Start date: 2015
- End Date: 2016

SOURCE: Lab analysis

INITIATIVES

5 Ring-fence funds for non-negotiables

	Detailed Activities	Planned start date	Length of activity Wks	Responsibility
1	**New guidelines instructing CFOs to enforce that budget office is not allowed to shift away from non-negotiables during the financial year**			**A1/A2/A3**
1.1	To submit a request National Treasury to issue an instruction note to the CFOs	26-Jan-15	0.6	National CFO
1.2	Circulation of instruction note on shifting of non negotiables to provinces	2-Mar-15	0.6	National DG
2	**Directive for Sub-district manager to approve facility shifts only within non-negotiables or to non-negotiables**			**A1/A2/A3**
2.1	Develop a policy directive on shifting of Non Negotiables	2-Feb-15	0.6	PCFO
2.2	Issue a policy directive on shifting of Non Negotiables to all DMs and FMs	9-Feb-15	0.6	PCFO
3	**Shifting of funding to be incorporated into financial delegations**			**A1**
3.1	Review delegation framework	2-Feb-15	0.6	PCFO
3.2	Issue instruction to system controller	9-Feb-15	0.6	PCFO
3.3	Include delegation thresholds in KPIs	9-Feb-15	0.6	HOD/DG
3.4	Monitor implementation of delegations on shifting of funds monthly	1-Apr-15	52.1	PCFO/D Fin Man

INITIATIVES

5 Implementation timeline: Ring-fence funds for non-negotiables

1000-feet plan

	2015-2016	2016-2017	2017-2018
Main activities	▪ New guidelines instructing CFOs to enforce that budget office is not allowed to shift away from non-negotiables during the financial year ▪ Directive for Sub-district manager to approve facility shifts only within non-negotiables or to non-negotiables ▪ Shifting of funding to be incorporated into financial delegations		▪ Limit access of facility manager to their Cost Center
Targets/ milestones	▪ Percentage of District Health Expenditure on PHC ▪ PHC expenditure per capita per uninsured population ▪ Number of shift requests ▪ Turnaround time for shift requests.		▪ Number of shift requests

SOURCE: Lab analysis

Contents

- Context and case for change
- Aspiration
- Issues and root causes
- Initiative recommendations
- Detailed initiative plans
- **Monitoring and evaluation**

Key Performance Indicators to track progress of the initiatives (1/2)

				Target					
	#	KPI description	Base-line	2014/15	2015/16	2016/17	2017/18	2018/19	KPI Owner
	Initiative specific Key Performance Indicator								
Include facility managers in budgeting	1.1	Monthly Expenditure Reports with actionable plans	xx/3507						Facility Manager/Sub-district manager
	1.2	Verified data to DHER by FM submission rate	0/3507						Facility Managers
	1.3	% of Clinic Commitees with expenditure report as standing item on their agenda.	0/3507						Facility Managers
	1.4	Percentage of FM submitting costed budget inputs	TBD			100% of FM submit-ting costed budget inputs			Facility/Sub-district Manager
	1.5	PHC internal control checklist compliance rate	0/3507						Facility Managers
Ring-fence funds for non-negotiables	2.1	Percentage of District Health service Expenditure on PHC	57.10%						…
	2.2	PHC expenditure per capita	R 814						…
	2.3	% Fund Shift requests per facility	TBD						Facility Manager and Sub-district Finance Manager
	2.4	Turnaround time for shift requests.	TBD						Facility Manager and Sub-district Finance Manager

Key Performance Indicators to track progress of the initiatives (2/2)

				Target					
	#	**KPI description**	**Base-line**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**KPI Owner**
	Initiative specific Key Performance Indicator								
Strengthen or establish sub-districts	3.1	% of disricts with established sub-district support structures	10/52 districts						HOD/DGs
	3.2	No of sub-districts with adequate financial support to facilities	24/283 sub-disricts						District Managers
Move to activity based costing	4.1	No of Provincial Treasuries allocating 28% of equitable share for Health services.	6/9 provi-nces						Provincial CFOs
	4.2	% deviation in budget allocation on funding model	TBD						Provincial CFOs
	4.3	% of clinics designated as cost centres	421/ 3507						Provincial CFOs
	4.4	% of facilities attaining 80% performance on National Core Standards	TBD						District Manager
	4.5	Number of PHC facilities in deprived dis-tricts with additional 2% budget allocation	0						District Manager/ Provincial CFO
	4.6	% reduction in overspending by PHC facilities	0						District Financial Manager
	4.7	Reduce underspending by more than 2.5% in PHC facilities	0						District Financial Manager
Align planning and budgeting cycle	5.1	% of pledges committed and implemented in relation to unfunded mandates	0						Minister
	5.2	NDoH and provinces Instruction Note compliance rate	0						HOD/DGs