



# Annual Performance Plan 2017/2018



# OHSC

Office of Health Standards Compliance  
Ensuring quality and safety in health care



Office of Health Standards Compliance  
Ensuring quality and safety in health care

# Office of Health Standards Compliance

Improving the quality of healthcare in South Africa

## Annual Performance Plan

For the Fiscal Year 2017 / 2018



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## FOREWORD



The development of the Office of Health Standards Compliance (OHSC) Annual Performance Plan (APP) for 2017/18 was informed largely by the experiences with the implementation of the first Strategic Plan and APP for the entity in the first year of its independent operations from the National Department of Health (NDoH). The priorities which guided the development of this APP included revised strategic plan which included the review of the programme performance information for alignment to the mandate of the entity as per objectives in the National Health Act, 2003 as amended. These included focus on increasing compliance inspection coverage of health establishments (both public and private), capacity of the Ombud's office to be able to handle the increasing number of complaints as visibility of the Office improves and improved investment on the communication programme in the second year of the existence of the entity. This is another step in ensuring the full execution of the entity's mandate as per the National Health Act, 2003 as amended and in support of government national policy priorities.

This APP introduces increased coverage in the compliance inspections for the public sector health establishments and some new indicators for the coverage of private sector health establishments which flows from the anticipated promulgation of the regulations in the 2016/17 financial year. The communications programme will also remain the priority area to ensure increased awareness by users of health care services regarding the functions of the Office.

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**Dr P.A Motsoaledi, MP**  
**Executive Authority, Minister of Health**

## OFFICIAL SIGN-OFF

It is hereby certified that this OHSC APP:

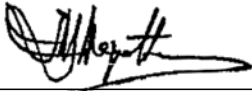
- Was developed by the management of the OHSC under the guidance of the OHSC Board;
- Takes into account all the relevant policies, legislation and other mandates relevant to the Office; and
- Reflects the strategic outcome-oriented goals and revised objectives which the OHSC will endeavour to achieve over the period 2015 to 2019.



**Adv. M Makgopa-Madisa**

**Acting Director: Governance, Strategy and Board Secretariat**


Date: 31/01/2017



**Mr. J. Mapatha**

**Chief Financial Officer**

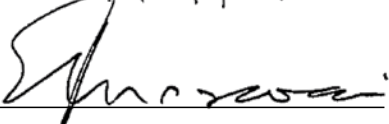
Date: 31/01/2017



**Mr. B. Msibi**

**Acting Chief Executive Officer**

Date: 31/01/17



**Prof Lizo Mazwai**

**OHSC Chairperson (Accounting Authority)**

Date: 31 Jan 2017

**Approved by:**



**Dr P.A. Motsoaledi, MP**

**Executive Authority, Minister of Health**

Date: 6/3/2017



# INTRODUCTION

The OHSC has been established in terms of the National Health Amendment Act, 2013 (Act No. 12 of 2013) as a juristic person under the oversight control and leadership of a Board appointed by the Minister of Health under the Act. The entity is further governed through the Public Finance Management Act, 1999 (PFMA) and has been listed by the Minister of Finance under Schedule 3A of the PFMA as a public entity.

## 1. OUR MANDATE

The main objects of the OHSC as outlined in the Act are to protect and promote the health and safety of users of health services by;

- a) Monitoring and enforcing compliance by health establishments with norms and standards prescribed by the Minister in relation to the national health system; and
- b) Ensuring consideration, investigation and disposal of complaints relating to non-compliance with prescribed norms and standards in a procedurally fair, economical and expeditious manner.

The mandate contributes to two distinct but interdependent regulatory outcomes, which are:

- Reduction in avoidable mortality, morbidity and harm within health establishments through reliable and safe health services; and
- Improvements in the availability, responsiveness and acceptability of health services for users.

## 2. OUR VISION

Our vision is *“Safe and Quality Healthcare for all South Africans”*

## 3. OUR MISSION

Our Mission is to *“Act independently, impartially, fairly and fearlessly on behalf of the people of South Africa in guiding, monitoring, and enforcing healthcare safety and quality standards in health establishments”*

## 4. OUR VALUES AND PRINCIPLES

Our Values are informed by the South African Constitution and Batho Pele Principles, i.e *“Human Dignity; Freedom; Achievement of Equality; and that people must come first”*.

Our Mandate implies that we shall:

- a) Act as the champion of the public and of healthcare users so as to restore credibility and trust;
- b) Respect healthcare users and their families as well as healthcare personnel;
- c) Push for effectiveness in achieving health system change and social impact;
- d) Strive for excellence, innovation and efficiency in our operations;
- e) Be truthful, fair and committed to intellectual honesty;
- f) Practice transparency, but respect confidentiality;
- g) Achieve the highest standards of ethical behaviour, teamwork and collaboration; and
- h) Promote professionalism, compassion, diversity and social responsibility.

## 5. OUR STRATEGIC OUTCOME ORIENTED GOALS

The broad strategies adopted by the Board during the first year of the entity's operation were designed to achieve the legislative mandate and the Strategic Goals the Board has set for the entity. These are summarised as follows:

- Prioritize those establishments that are the weakest and serve the most disadvantaged users in order to shift the system towards safer care, while still recognizing excellence wherever it is found;
- Use a progressive and developmental approach to enforcement in order to enhance change at different levels of the system;
- Use the power of information and communication, ranging from awareness and guidance through monitoring, analysis, reporting and publication, as a strategic tool to influence decisions and behaviour;
- Create and effectively use platforms for interaction with key user, providers and leadership groups to foster collaborative efforts towards improved outcomes; and
- Develop the capacity of staff and those who work directly with the Office as agents of change through training, rigorous control of the quality of outputs and ongoing learning.

These broad strategies were further broken down into the following four (4) strategic outcome oriented goals of the entity:

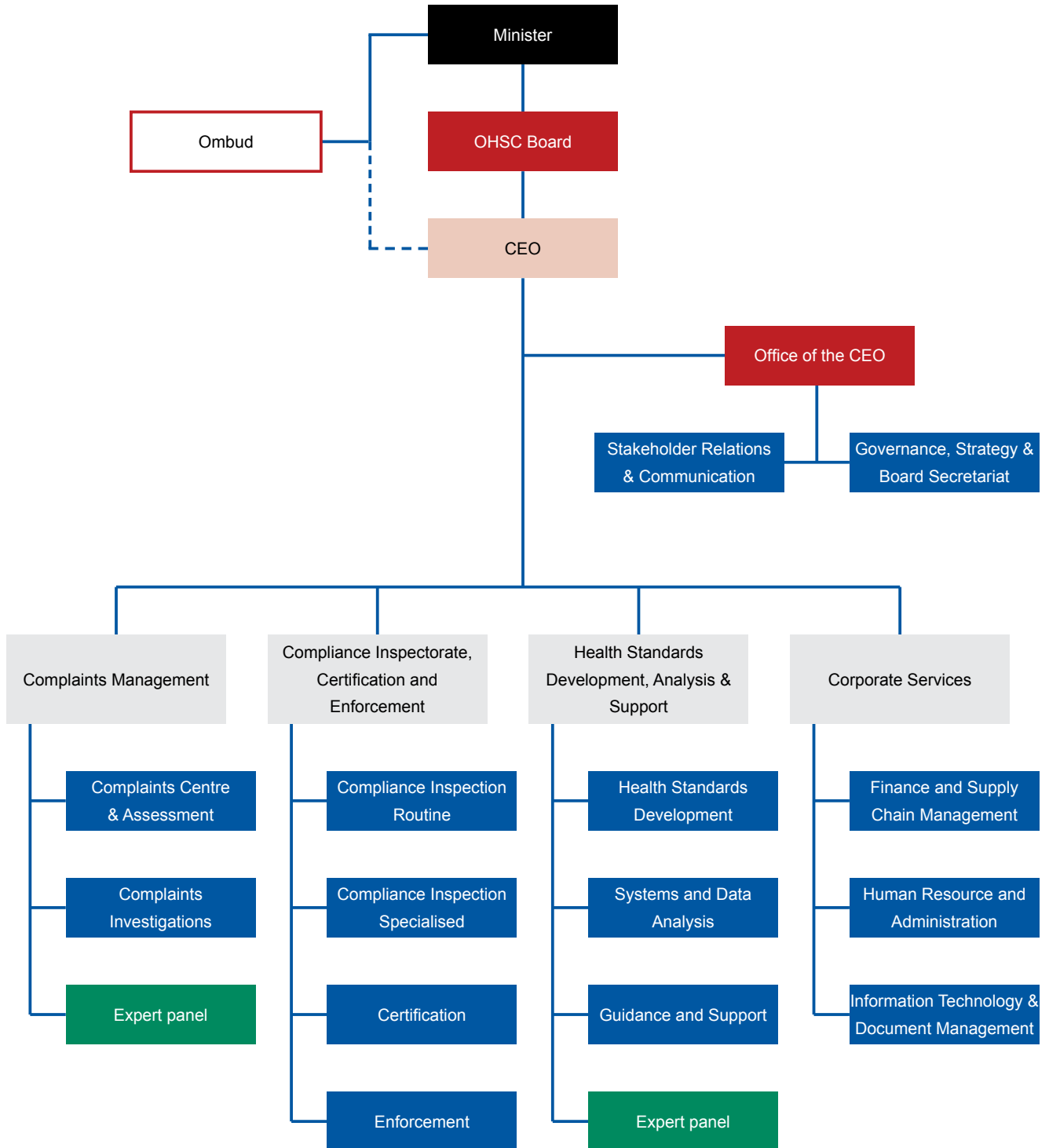
<b>Goal 01</b>	Publicly demonstrate responsiveness and accountability as an effective and efficient high-performance organisation
<b>Goal statement</b>	The OHSC is an effective and efficient high-performance organisation that is responsive and publicly accountable
<b>Indicator</b>	Auditor General's annual findings rating
<b>Goal 02</b>	Inspect Health Establishments (HEs) for compliance with quality norms and standards
<b>Goal statement</b>	Health establishments comply with norms and standards for health and safety of users and provision of quality, compassionate and responsive care.
<b>Indicator</b>	Number and % of HEs certified as complying with quality standards
<b>Goal 03</b>	Patient and community complaints regarding poor care and situations of concern are investigated and responded to
<b>Goal statement</b>	The public is protected through ensuring that poor care and situations of concern are investigated and responded to
<b>Indicator</b>	Number and % of user and community complaints investigated and responded to within six months
<b>Goal 04</b>	Progressively improve the quality and safety of healthcare through effective communication and collaboration with users, providers and other relevant stakeholders
<b>Goal statement</b>	Communicate and work with users, providers and other relevant stakeholders through written agreements of collaboration and information sharing to enhance quality and compliance.
<b>Indicator</b>	Number of public awareness initiatives executed





Diagram 1:

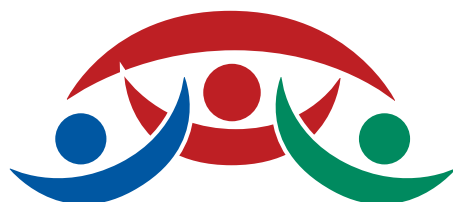
# HIGH LEVEL ORGANISATIONAL STRUCTURE





## Part A

# STRATEGIC OVERVIEW





## 1. UPDATED SITUATIONAL ANALYSIS

In presenting this APP of the OHSC, it must be borne in mind that this is a new organisation, which started its operations independently from the NDoH on 1 April 2015. The first year of operations was mainly focused on putting systems and processes in place which would enable the execution of the mandate as per the Act. The promulgation of regulations published for comment just before the start of the 2015/16 financial year was anticipated to be finalised by mid-year of the 2016/17 financial year, but this has since been delayed by the review undertaken by the NDoH which resulted in significant changes to the regulations to require further publication for public comment before promulgation by the Minister. A review of the Strategic Plan was also undertaken as informed by the performance information results of the predetermined objectives in the first year of operations to address the challenges experienced with the implementation of the first APP. This process has resulted in revised programme performance information with reallocated indicators with clear technical indicator descriptions to the relevant programmes for alignment with the mandate of the entity and in compliance to National Treasury guidelines for managing programme performance information.

Given this, the Office had to develop an APP for 2017/18 which is informed by the revised Strategic Plan for the Medium Term Strategic Framework (MTSF) period and which also introduces some new key indicators which are informed by the developmental phase of the entity. The new indicators are in the areas of Corporate Services which has been reallocated under the Administration Programme, Compliance Inspectorate which now includes Certification and Enforcement as a new programme, and Complaints Management and the Office of Ombud as one programme. The new programmes and indicators are aligned to the approved strategic objectives of the entity for the MTSF period and have been reallocated under the relevant Strategic Outcome-Oriented Goals. Developments in these areas have seen some achievements in terms of systems and process development in the first year of operations which have now paved the way for the actual core operations in these areas to be implemented.

These changes will contribute towards the OHSC's continued support to government to achieve its goals and objectives in terms of reducing avoidable mortality, morbidity and harm within health establishments and improving availability, responsiveness and acceptability of health care services for users. The Office will continue to monitor and enforce compliance by health establishments with regulated norms and standards in relation to the national health system as a way of protecting and promoting the health and safety of users of health care services.

Improving the quality of health care is one of the critical components of the National Development Plan outcome to "strengthen health system effectiveness" through enabling external assessments of compliance with prescribed standards. Improving the quality of health care through the implementation of the National Core Standards is one of the sub-outputs of "improving health system effectiveness" and will contribute not only to improved patient care and satisfaction but will also enable the system to better meet the specified outcomes for National Core Standards.

## 1.1. Performance Delivery Environment

The changes in the performance delivery environment that gave rise to the need to introduce new programmes and reallocate performance indicators to these programmes were:

- The audited performance information results on predetermined objectives in the first year of independent operations (2015/16) which identified some gaps in the Strategic Plan, and hence the review of the Strategic Plan for alignment to the mandate and National Treasury guidelines for managing programme performance information;
- Challenges experienced by management in the implementation of the first APP (2015/16) which was developed before appointment of the majority of users using limited data for benchmarking;
- The promulgation of the procedural regulations which will pave the way for the inclusion of private sector hospitals and clinics in the key performance indicators of the Compliance Inspectorate only upon promulgation of the norms and standards regulations;
- The existence of systems and processes in the other areas which will ensure delivery on the core business and support functions of the entity; and
- Availability of personnel appointed through the recruitment drive which saw the target for the filling of vacancies in the first year of operations achieved in the first quarter of 2015/16.

These challenges and improvements informed the need for the review of the Strategic Plan and development of this APP aligned to the revised Strategic Plan. Some performance indicators initially intended for the 2016/17 financial year were revised as well to introduce new ones which are aimed at the actual execution of the mandate as per the Act, but will have to wait for the promulgation of the norms and standards regulations.

## 1.2. Organisational environment

The anticipated promulgation of the norms and standards regulations in the 2016/17 financial year could not materialise as there were delays with the processing of the regulations through reviews done by the NDoH which resulted in significant changes to the regulations. This necessitates further publication of the regulations for public comments before they could be promulgated by the Minister. The Office therefore, had to review some of the indicator targets which were initially intended to be implemented from 2016/17 for implementation only in the 2018/19 financial year.

The need for the budget increase over the baseline, in the context of the finalisation of the organisational design including of the administrative functions of this new entity, and the oversight and direction provided by the Board, were other critical changes in the organisational environment.

The main changes to the strategic direction that are reflected in this APP are:

- The inspector skills and accreditation for assessing HEs as required by the Act and of the guidance provided to them, which were incorporated into refined indicators;
- The exclusion of private health establishments in the indicators for Compliance Inspections and of progressive enforcement in the exercise of regulatory power due to unavailability of promulgated norms and standards regulations and the follow-up and re-inspection (included as part of the procedural regulations and operational plans);



- The expansion in capacity during the first financial year of operations which has been reflected in an expanded staff establishment that has enabled the critical management and administrative systems to be set up;
- The progress towards independent functioning during the transition which has led to the specification of staffing, budgets and outputs for each budget programme, including that of administration through the Corporate Services division; and
- A clearer understating of the role of the Office with respect to other regulators and stakeholders and activities to concretise this.

## 2. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

There have been no significant changes to the OHSC's legislative and other mandates apart from the publication and anticipated promulgation of the norms and standards regulations. The majority of comments received in relation to the published draft regulations were found to be constructive, which is an indication of the acceptance of the entity into the health sector by the public to bring about quality standards for health establishments. The review of the comments and the draft regulations would ensure that the final regulations take into consideration all the regulatory elements which may have been missed during the initial drafting stage.

## 3. OVERVIEW OF 2017 BUDGET AND MTEF ESTIMATES

### 3.1. Table 1: Expenditure Estimates

Summary Budget per Programme					
Division	Audited outcomes 2015/16	2016/17	2017/18	2018/19	2019/20
CEO's Office	5 874 012	12 402 743	12 335 087	13 097 779	12 897 804
Compliance Inspectorate, Certification and Enforcement	30 492 386	39 429 532	49 110 158	53 377 089	57 209 945
Complaints Management	3 498 872	12 999 833	14 769 975	15 835 475	16 955 628
Corporate Services	23 380 802	26 839 310	37 779 305	38 119 689	40 441 470
HSDAS	4 154 647	8 863 582	11 716 474	12 572 968	12 946 153
<b>Total</b>	<b>67 400 719</b>	<b>100 535 000</b>	<b>125 711 000</b>	<b>133 003 000</b>	<b>140 451 000</b>

Table 2:

Economic Classification		Medium-term estimates			
	Audited outcomes 2015/16	2016/17	2017/18	2018/19	2019/20
<b>CURRENT PAYMENTS</b>	<b>62 612 628</b>	<b>91 606 283</b>	<b>121 148 844</b>	<b>129 818 713</b>	<b>137 214 120</b>
Compensation of employees	39 478 925	64 645 158	79 161 491	85 351 816	91 822 142
Goods and services of which:	23 133 703	26 961 125	41 987 353	44 466 897	45 391 978
Board fees and related costs	1 429 668	1 829 643	1 877 258	1 982 384	1 982 384

Economic Classification		Medium-term estimates			
	Audited outcomes 2015/16	2016/17	2017/18	2018/19	2019/20
Travel, subsistence and accommodation	7 861 010	9 950 747	12 975 262	14 319 101	15 083 016
Training and development	834 619	1 315 000	900 000	950 400	950 400
Venues and facilities	212 287	797 880	710 000	749 760	791 747
Catering services	289 810	243 158	238 191	281 530	327 295
Legal fees	-	-	1 000 000	1 000 000	1 000 000
Consulting and professional services	6 283 118	1 999 500	3 102 762	3 276 517	2 947 895
Inventory and consumables	346 283	338 344	397 293	419 541	443 036
Publications and marketing	236 392	2 450 000	2 450 000	2 587 200	1 855 554
Advertisement	1 194 150	800 00	600 000	633 600	633 600
Relocation expenses	49 412	250 000	800 000	300 000	300 000
Printing and stationery	467 749	400 000	560 000	591 360	624 476
Bank charges	57 331	20 000	60 000	63 360	66 908
Insurance	-	171 464	125 839	132 886	140 328
Water and electricity	184 648	300 071	316 875	334 620	353 359
Gain/(loss) from transfer of functions	27 134	-	-	-	-
Communication costs (telephone and data)	623 210	1 386 240	1 023 422	1 088 575	1 169 465
Lease payments	1 416 204	2 902 077	12 210 450	13 007 123	13 858 518
Security services	-	-	100 000	105 900	112 148
Cleaning services	65 411	-	340 000	359 040	379 146
Depreciation and amortisation	655 203	-	-	-	-
Audit costs	814 872	1 500 000	1 500 000	1 584 000	1 672 704
IT maintenance and support	79 308	307 000	700 000	700 000	700 000
Penalty and interest	5 884	-	-	-	-
<b>PAYMENTS FOR CAPITAL ASSETS</b>	<b>4 788 092</b>	<b>8 928 717</b>	<b>4 562 156</b>	<b>3 184 287</b>	<b>3 236 880</b>
Other machinery and equipments	775 933	3 540 000	816 596	716 002	786 444
Office furniture	1 207 898	-	1 000 000	300 000	100 000
Software and intangible assets	462 359	4 248 717	2 055 560	1 413 285	1 550 436
Computer equipment	1 498 125	1 140 000	690 000	755 000	800 000
Leasehold improvements	843 777	-	-	-	-
<b>Total</b>	<b>67 400 719</b>	<b>100 535 000</b>	<b>125 711 000</b>	<b>133 003 000</b>	<b>140 451 000</b>



**3.2. Table 3: Personnel Information**

Number of posts on approved establishment	Actual outcomes			Medium - term expenditure estimate						Average growth rate (%)	Salary level/ total: Average (%)						
	2015/16			2016/17		2017/18		2018/19				2019/20					
	Number	Cost (R'000)	Unit Cost (R'000)	Number	Cost (R'000)	Number	Cost (R'000)	Number	Cost (R'000)			Number	Cost (R'000)				
Salary level	225	39 478	449	108	64 895	601	121	79 161	654	121	85 352	705	121	91 822	759	12%	100%
1 - 6	6	-	-	5	958	192	6	1 320	220	6	1 424	237	6	1 532	255	17%	5%
7 - 10	155	18 933	326	60	26 461	441	69	33 760	489	69	36 451	528	69	39 212	568	14%	57%
11 - 12	42	11 844	592	24	17 925	747	27	22 499	833	27	24 233	898	27	26 071	966	13%	22%
13 - 16	22	8 701	870	19	19 551	1 029	19	21 582	1 136	19	23 244	1 223	19	25 007	1 316	9%	16%
Programme	225	39 478	449	108	64 895	601	121	79 161	654	121	85 352	705	121	91 822	759	12%	100%
Programme 1	40	10 289	490	26	16 107	620	29	19 135	660	29	20 622	711	29	22 185	765	11%	24%
Programme 2	71	23 266	423	58	31 351	541	63	38 123	605	63	41 128	653	63	44 245	702	12%	52%
Programme 3	94	3 034	506	13	9 240	711	17	12 479	734	17	13 450	791	17	14 470	851	16%	14%
Programme 4	20	2 889	482	11	8 197	745	12	9 424	785	12	10 152	846	12	10 922	910	10%	10%

### 3.3. Relating expenditure trends to strategic outcome-oriented goals

#### Overall

- Over the five-year period covered by the OHSC's revised Strategic Plan, the OHSC has set itself the inspection targets of 20% of health establishments in the public sector, as well as 30% of health establishments in the private sector. These objectives serve to promote one of the OHSC's principles, which is to act as the champion of the public and of healthcare users so as to restore credibility and trust. To this end, the OHSC's financial and human resource allocation is geared towards the core functions of inspections, and design of complaint management systems which serve as the interface with the stakeholders, thus making the OHSC accessible to the public which is the core customer base of the OHSC.
- The total budget allocation for the 2017/18 is expected to be R125.7 million with 60% geared towards the core business activities, and increasing to R140.5 million in the 2019/20 financial year, of which 61% is earmarked for the core operations. In the same manner, the total staff complement is projected to grow from 108 in 2016/17 to 121 in 2019/20 of which more than 70% will be staff in the core operations over the same period.
- As the OHSC is a developing and growing organisation resources have been allocated for the development and implementation of the necessary and critical support systems, which will enhance communication and collaboration between the OHSC and users of health services. These costs have been included under the Administration Programme. Provision has also made for the change of office premises in the 2017/18 financial year, and this has an impact on the projections for the MTEF period.

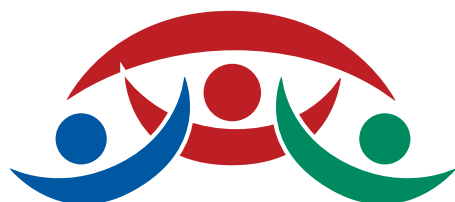
#### Specific budget programmes:

- The Compliance Inspectorate, which is the largest programme of the entity, grows over the medium term by increasing the number of inspectors to improve the coverage of inspections in the public and private sectors and progressive enforcement of compliance as dictated by the National Health Amendment Act. The function on Certification and Enforcement will also be located in this programme.
- The Ombud was appointed during the 2016/17 financial year, and will investigate complaints received through the Call Centre and issue findings and recommendations. Investigative staff will be appointed over the period covered by the Strategic Plan. The Ombud will function with the staff in the Complaints Management division who will be able to handle complaints through the Call Centre. This will result in increased performance in terms of the number of complaints received and investigated.
- Critical strategic support services are placed in the office of the CEO, namely the Board Secretariat, Communications and Stakeholder Relations. In addition to the essential Corporate Services, which together constitute the Administration programme. In addition to the hiring of key staff and attendant costs, the budget will also fund the requisite systems which will support all functions of the OHSC, including the lease of office space to cater for a growing organisation.
- The Health Standards Design, Analysis and Support programme will assist in the design of standards and tools, tracking and analysis of health establishment data, and provision of guidance and support material for health establishments.





**PART B**  
**STRATEGIC OBJECTIVES**





## 4. PROGRAMME 1: ADMINISTRATION

### 4.1. Programme Purpose

To provide the leadership and administrative support necessary for the OHSC to deliver on its mandate and comply with all relevant legislative requirements.

### 4.2. Table 4: Strategic objective annual targets for 2017/18

The following tables outline the output targets for the budget year and over the MTEF period for each strategic objective specified for this programme in the Strategic Plan.

Strategic Objective	Indicator	Strategic Plan Target	Estimated performance				Medium-term targets		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Establish a fully functional Office suitably staffed to execute the mandate and goals of the OHSC (1.1)	% of funded staff appointed	90%			60%	80%	90%	90%	90%
Accredit inspectors after successfully completing approved training course (1.2)	% of compliance inspectors accredited	100				New indicator	80%	85%	100%
Implement good governance, oversight and accountability through appropriate delegations, including financial management and compliance to PFMA requirements (1.3).	Auditor General's annual findings rating.	Unqualified audit	-	-	Unqualified audit	Unqualified audit	Unqualified audit	Unqualified audit	Unqualified audit
Leverage the Information Technology to meet the needs of the OHSC and to deliver OHSC services more efficiently (1.4)	% of IT systems uptime	95%			New indicator	80%	90%	95%	95%
Create public, provider and stakeholder awareness about the roles and powers of the OHSC (1.5)	# of media and communication events and campaigns conducted annually	18			4	4	6	6	6



Strategic Objective	Indicator	Strategic Plan Target	Estimated performance				Medium-term targets		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Support the mandate and objectives of the OHSC through Memorandum of Understanding (MOUs) with relevant regulators or other organisations (1.6)	# of MOUs signed annually with regulators/other organisations to protect and promote healthcare quality and safety	10		New indicator	2	2	2	2	2

### 4.3. Programme performance indicators and annual targets for 2017/18

**Table 5: The following table sets out the annual performance targets for the programme using indicators as identified**

Programme Performance Indicator	Strategic Plan Target	Estimated performance				Medium-term targets		
		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
% of funded staff appointed	90%			60%	80%	90%	90%	90%
Auditor General's annual findings rating.	Unqualified			Unqualified audit	Unqualified audit	Unqualified audit	Unqualified audit	Unqualified audit
% of compliance inspectors accredited	100%				New indicator	80%	85%	100%
% of IT systems uptime.	95%			New indicator	80%	90%	95%	95%
# of media and communication events and campaigns conducted annually	18			4	4	6	6	6
# of MOUs signed annually with regulators/other organisations to protect and promote healthcare quality and safety	10			2	2	2	2	2

#### 4.4. Reconciling performance targets with the Budget and MTEF

**Table 6: Expenditure Estimates: Programme 1: Administration**

Economic Classification		Medium-term estimates			
	Audited outcomes 2015/16	2016/17	2017/18	2018/19	2019/20
<b>Current Payments</b>	<b>2 466 722</b>	<b>30 313 336</b>	<b>45 552 236</b>	<b>48 033 181</b>	<b>50 102 394</b>
Compensation of employees	10 289 310	15 505 486	19 134 723	20 621 658	22 184 971
Goods and services of which:	14 177 412	14 807 850	26 417 513	27 411 523	27 917 423
Board fees and related costs	1 429 668	1 823 643	1 877 258	1 982 384	1 982 384
Travel, subsistence and accommodation	603 144	922 979	608 506	642 582	678 567
Training and development	742 980	1 321 000	900 000	950 400	950 400
Venues and facilities	27 290	533 875	160 000	168 960	178 422
Catering services	135 438	50 000	30 000	31 680	33 454
Legal fees	-	-	1 000 000	1 000 000	1 000 000
Consulting and professional services	5 151 907	1 099 500	1 352 362	1 428 094	1 490 327
Inventory and consumables	241 776	250 000	302 800	319 757	337 663
Advertising	1 162 452	800 00	600 000	633 600	633 600
Publications and marketing	283 998	2 450 000	2 450 000	2 587 200	1 855 554
Relocation expenses	49 412	250 000	800 000	300 000	300 000
Printing and stationery	467 749	400 000	560 000	591 360	624 476
Gain/(loss) from transfer of functions	27 134	-	-	-	-
Bank charges	57 331	20 000	60 000	63 360	66 908
Insurance	-	171 464	125 839	132 886	140 328
Water and electricity	184 648	300 071	316 875	334 620	353 359
Communication costs (telephone and data)	575 604	1 386 240	1 023 422	1 088 575	1 169 465
Operating lease	1 416 204	1 222 077	11 610 450	12 407 123	13 258 518
Security services	-	-	100 000	105 900	112 148
Cleaning services	65 411	-	340 000	359 040	379 146
Audit costs	814 872	1 500 000	1 500 000	1 584 000	1 672 704
Penalty and interest	5 884	-	-	-	-
Depreciation and amortisation	655 203	-	-	-	-
IT maintenance and support	79 308	307 000	700 000	700 000	700 000
<b>PAYMENTS FOR CAPITAL ASSETS</b>	<b>4 788 092</b>	<b>8 928 717</b>	<b>4 562 156</b>	<b>3 184 287</b>	<b>3 236 880</b>
Other machinery and equipments	775 933	3 540 000	816 596	716 002	786 444
Office furniture	1 207 898	-	1 000 000	300 000	100 000
Leasehold improvements	843 777	-	-	-	-
Software and intangible assets	462 359	4 248 717	2 055 560	1 413 285	1 550 436
Computer equipment	1 498 125	1 140 000	690 000	755 000	800 000
<b>Total</b>	<b>29 254 814</b>	<b>39 242 053</b>	<b>50 114 392</b>	<b>51 217 467</b>	<b>53 339 274</b>



## Performance and expenditure trends

- The budget estimates for the Administration Programme increase from R39.2 million in 2016/17 to R53.3 million in 2019/20 to enable the Office to meet its strategic objectives.
- The large budget items within this Programme are:
  1. The employment of additional staff members to assist with the necessary support function for a growing organization.
  2. The implementation of the approved Communication and Stakeholder Relations Strategy to increase the OHSC's brand visibility and public awareness.
  3. The Board and related costs to enable adequate corporate governance and oversight with required additional expertise as may be needed.
  4. Support functions such as rental of office premises, audit costs, training and development, telephone, information technology maintenance, as well as advertising for both procurement and recruitment
  5. Additional furniture and computer equipment for the new offices and additional staff members.

## 5. PROGRAMME 2: COMPLIANCE INSPECTORATE, CERTIFICATION AND ENFORCEMENT

### 5.1. Programme Purpose

To manage the inspection of health establishments in order to assess compliance with national health system's norms and standards as prescribed by the Minister, certify health establishments as compliant or noncompliant with prescribed norms and standards and take enforcement action against non-compliant health establishments

### 5.2. Strategic objective annual targets for 2017/18

**Table 7: The following tables outlines the output targets for the budget year and over the MTEF period for each strategic objective specified for this programme in the Strategic Plan.**

Strategic Objective	Indicator	Strategic Plan Target	Estimated performance				Medium-term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
Inspect regulated (public and private) health establishment for compliance with prescribed norms and standards at least every 4 years (2.1)	# and % of public sector health establishment inspected annually by the OHSC	20%	-	10% (382 of 3816)	17% (649 of 3816)	18% (689 of 3816)	19% (725 of 3816)	20% (763 of 3816)	
Certify HEs that are compliant with prescribed norms and standards (2.2)	# and % of private sector health establishment inspected annually by the OHSC	30%	-	New indicator	20% (74 of 369)	-	25% (92 of 369)	30% (111 of 369)	
Effect enforcement action against persistently non-compliant HEs (2.3)	Procedures for certification process developed and implemented	Certification procedures			New indicator	Certification procedures	-	-	
	% compliant HEs certified within 60 days after the final inspection report	100%		New indicator	100%	-	100%	100%	
	Procedures for timely enforcement action developed and implemented	Enforcement procedures			New indicator	Enforcement procedures	-	-	
	% persistently non-compliant health establishments for which enforcement action is initiated within 10 days from date of receipt of re-inspection or EWS report	100%		30%	100%	-	100%	100%	



Strategic Objective	Indicator	Strategic Plan Target	Estimated performance			Medium-term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Publish information about compliance status of HE with norms and standards (2.4)	# of reports on inspections conducted, remedial recommendations issued and compliance status of health establishments (annual inspection report)	5	New indicator	2	1	1	1	1

### 5.3. Programme performance indicators and annual targets for 2017/18

**Table 8: The following table sets out the annual performance targets for the programme using indicators as identified**

Programme Performance Indicator	Strategic Plan Target	Estimated performance			Medium-term targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
# and % of public sector health establishment inspected annually by the OHSC	20%	-	10% (382 of 3816)	17% (649 of 3816)	18% (689 of 3816)	19% (725 of 3816)	20% (763 of 3816)
# and % of private sector health establishment inspected annually by the OHSC	30%	-	New indicator	20% (74 of 369)	-	30% (111 of 369)	35% (129 of 369)
Procedures for certification process developed and implemented	Certification procedures	-	-	New indicators	Certification procedures	-	-
% of compliant health establishments certified by the OHSC within 60 days after the final Inspection Report	100%	-	New indicator	100%	-	100%	100%
Procedures for timely enforcement action developed and implemented	Enforcement procedures	-	-	New indicator	Enforcement procedures	-	-
% persistently non-compliant health establishments for which enforcement action is initiated within 10 days from date of receipt of re-inspection or EWS report	100%	-	30%	100%	-	100%	100%
# of reports on inspections conducted, remedial recommendations issued and compliance status of health establishments (Annual Inspection Report)	5	New indicator	2	1	1	1	1

#### 5.4. Reconciling performance targets with the Budget and MTEF

**Table 9: Expenditure Estimates: Programme 2: Compliance Inspectorate, Certification and Enforcement**

Economic Classification		Medium-term estimates			
	Audited outcomes 2015/16	2016/17	2017/18	2018/19	2019/20
<b>Current Payments</b>	<b>30 492 386</b>	<b>39 429 532</b>	<b>49 110 158</b>	<b>53 377 089</b>	<b>57 209 945</b>
Compensation of employees	23 266 828	30 824 901	38 123 319	41 127 763	44 244 656
Goods and services of which:	7 225 558	8 604 630	10 986 839	12 249 326	12 965 289
Travel, subsistence and accommodation	7 010 867	8 283 120	10 624 936	11 837 156	12 500 037
Venues and facilities	4 530	196 602	100 000	105 600	111 514
Consulting and professional services	2 596	-	100 000	105 600	111 514
Advertising	31 698	-	-	-	-
Catering services	5 379	73 305	107 410	143 425	181 457
Inventory and consumables	90 799	51 603	54 493	57 544	60 767
<b>PAYMENTS FOR CAPITAL ASSETS</b>	-	-	-	-	-
<b>Total</b>	<b>30 492 386</b>	<b>39 429 532</b>	<b>49 110 158</b>	<b>53 377 089</b>	<b>57 209 945</b>

#### Performance and expenditure trends

- This is the biggest division driven by the staff numbers required to ensure on-the-ground inspection coverage of all health establishments across the country.
- The increased budget allocation has gone in large part into increasing the number of inspectors to initiate inspections of both public and private health establishments, which are needed in order to contribute to the objective of enhancing and enforcing compliance.
- The increased inspection coverage will come with all the requirements for the inspection teams to function in terms of travel costs, subsistence and accommodation.





## 6. PROGRAMME 3: COMPLAINTS MANAGEMENT AND OFFICE OF THE OMBUD\*

### 6.1. Programme Purpose

To consider, investigate and dispose of complaints relating to non-compliance with prescribed norms and standards in a procedurally fair, economical and expeditious manner. \*Ombud functions integrated into Strategic objectives and indicators as functionally Ombud is located with the Office [NHAA S 81 (3) (b) and uses staff of the Office NHAA S 81 (3) (c)]

### 6.2. Strategic objective annual targets for 2017/18

**Table 10: The following tables outlines the output targets for the budget year and over the MTEF period for each strategic objective specified for this programme in the Strategic Plan.**

Strategic Objective	Indicator	Strategic Plan Target	Estimated performance				Medium-term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
Create an accessible mechanism to lodge complaints with the OHSC (3.1)	Fully functional Call Centre system for receiving complaints	Call Centre functional	New indicator	Call Centre functional	Call Centre functional	-	-	-	
Investigate and respond to complaints or concerns about non-compliance with norms and standards effectively (3.2)	Procedures for receiving and managing complaints developed	Procedures in place	-	Procedures in place	Procedures in place	-	-	-	
	% of complaints lodged with the OHSC investigated and responded to within six months	80%	-	50%	60%	70%	80%	85%	
Issue findings and recommendations about complaints of non-compliance with prescribed norms and standards within six months (3.3)	System and procedures for investigation of complaints set up	System set up and functional		System set up and functional	-	-	-	-	
	% of investigation finalised within 6 months by the Ombud	80%		New indicator	60%	70%	80%	85%	
Communicate and monitor recommendations made by the Ombud (3.4)	Procedures for communication and monitoring of Ombud recommendations set up and functional	System set up and functional	New indicator	Procedures developed	Procedures developed	-	-	-	

Strategic Objective	Indicator	Strategic Plan Target	Estimated performance			Medium-term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	% of Ombud recommendations monitored for implementation by health establishment within six months of tabling to OHSC	80%		New indicator	60%	70%	80%	85%

### 6.3. Programme performance indicators and annual targets for 2017/18

**Table 11: The following table sets out the annual performance targets for the programme using indicators as identified**

Programme Performance Indicator	Strategic Plan Target	Estimated performance			Medium-term targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Fully functional Call Centre system for receiving complaints	Call Centre functional		Call Centre functional	Call Centre functional	-	-	-
Procedures for receiving and managing complaints developed	Procedures in place		New indicator	Procedures in place	-	-	-
% of complaints lodged with the OHSC investigated and responded to within six months	80%		50%	60%	70%	80%	85%
System and procedures for investigation of complaints set up	System set up and functional		New indicator	System set up and functional	-	-	-
% of investigation closed within 6 months by the Ombud	80%		New indicator	60%	70%	80%	85%
Procedures for communication and monitoring of Ombud recommendations set up and functional	System set up and functional		New indicator	Procedures developed	-	-	-
% of Ombud recommendations monitored for implementation by health establishment within six months of tabling to OHSC	80%		New indicator	60%	70%	80%	85%



#### 6.4. Reconciling performance targets with the Budget and MTEF

**Table 12: Expenditure Estimates: Programme 3: Complaints Management and Office of the Ombud Budget**

Economic Classification		Medium-term estimates			
	Audited outcomes 2015/16	2016/17	2017/18	2018/19	2019/20
<b>Current Payments</b>	<b>3 498 872</b>	<b>12 999 833</b>	<b>14 769 975</b>	<b>15 835 475</b>	<b>16 955 628</b>
Compensation of employees	3 033 971	10 792 811	12 479 195	13 450 011	14 470 178
Goods and services of which:	464 901	2 207 022	2 290 780	2 385 464	2 496 450
Travel, subsistence and accommodation	76 679	377 442	1 100 000	1 161 600	1 226 650
Venues and facilities	-	17 403	50 000	52 800	55 757
Catering services	-	95 436	100 780	106 424	112 384
Training and development	11 950	-	-	-	-
Consulting and professional services	375 801	-	400 000	422 400	446 054
Inventory and consumables	471.68	36 741	40 000	42 240	44 605
Operating lease (lease of equipment)	-	1 680 000	600 000	600 000	600 000
<b>PAYMENTS FOR CAPITAL ASSETS</b>	-	-	-	-	-
<b>Total</b>	<b>3 498 872</b>	<b>12 999 833</b>	<b>14 769 975</b>	<b>15 835 475</b>	<b>16 955 628</b>

#### Performance and expenditure trends

- The budget of the Complaints Management division is expected to increase from R12.9 million in 2016/17 to R16.9 million in 2019/20.
- Provision has been made for additional staff members for the call centre, complaints assessments and investigators, which will further provide additional capacity for the proper functioning of the Office of the Ombud
- The budget of the Ombud is carried by the OHSC as required by the National Health Amendment Act. The OHSC will put in place mechanisms for the proper channels for the complaints system, including assessment and referral and communication with the Ombud regarding monitoring of the implementation of recommendations.

## 7. PROGRAMME 4: HEALTH STANDARDS DESIGN ANALYSIS AND SUPPORT

### 7.1. Programme Purpose

To provide high-level technical, analytical and educational support to the work of the Office in relation to the research, development and analysis of norms and standards; and support; capacity building and establishment of communication networks with stakeholders.

### 7.2. Strategic objective annual targets for 2017/18

**Table 13: The following tables outlines the output targets for the budget year and over the MTEF period for each strategic objective specified for this programme in the Strategic Plan.**

Strategic Objective	Indicator	Strategic Plan Target	Estimated Performance				Medium-term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
All health establishments obligated or regulated by prescribed norms and standards to submit annual returns before the end of March each year for purposes of monitoring and inspections (4.1)	System for submission of annual returns by health establishments set up	System set up & functional		System set up	System set up	System set up	-	-	
	% of annual returns analysed within 60 days to determine the profiles of HE	80%		New indicator	80%	-	80%	80%	
Recommend norms and standards for different types of HEs for submission to the Minister for promulgation (4.2)	Number of norms and standards recommended to the Minister annually	3	-	New indicator	1	1	1	1	
Provide guidance on compliance with norms and standards for regulated HEs (4.3)	Number (#) of relevant authorities responsible for supporting HEs that have received guidance for compliance with norms and standards	14		6	7	8	12	14	
Monitor early-warning reports of situations of potential risk from HEs or users to prioritise inspections (4.4)	Fully functional surveillance system that reports on potential risks to compliance	System set up		New indicator	System set up	System set up & Functional	-	-	
	% of health establishments identified as high risk that are referred to the appropriate division/unit within OHSC	100%	-	New indicator	100%	100%	100%	100%	



### 7.3. Programme performance indicators and annual targets for 2017/18

Table 14: The following table sets out the annual performance targets for the programme using indicators as identified

Programme Performance Indicator	Strategic Plan Target	Estimated performance			Medium-term targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
System for submission of annual returns by health establishments set up	System set up & functional		System set up	System set up	System set up	-	-
% of annual returns analysed within 60 days to determine the profiles of HE	80%		New indicator	80%	-	80%	80%
Number of norms and standards recommended to the Minister annually	3	-	New indicator	1	1	1	1
# of relevant authorities responsible for supporting HEs that have received guidance for compliance with norms and standards	14		6	7	8	12	14
Fully functional surveillance system that reports on potential risks to compliance	System set up		New indicator	System set up	System set up & Functional	-	-
% of health establishments identified as high risk that are referred to the appropriate division/unit within OHSC or the Minister for action to be taken	100%	-	New indicator	100%	100%	100%	100%

## 7.4. Reconciling performance targets with the Budget and MTEF

**Table 15: Expenditure Estimates - Programme 4: Health Standards Design, Analysis and Support Budget**

Economic Classification		Medium-term estimates			
	Audited outcomes 2015/16	2016/17	2017/18	2018/19	2019/20
<b>Current Payments</b>	<b>4 154 647</b>	<b>8 863 582</b>	<b>11 716 474</b>	<b>12 572 968</b>	<b>12 946 153</b>
Compensation of employees	2 888 816	7 521 959	9 424 254	10 152 384	10 922 337
Goods and services of which:	1 265 831	1 341 623	2 292 220	2 420 584	2 023 816
Travel, subsistence and accommodation	170 320	367 206	641 820	677 762	677 762
Venues and facilities	180 467	50 000	40 000	422 400	446 054
Inventory and consumables	7 147	-	-	-	-
Catering services	152 486	24 417	-	-	-
Consulting and professional services	755 411	900 000	1 250 400	1 320 422	900 000
<b>PAYMENTS FOR CAPITAL ASSETS</b>	-	-	-	-	-
<b>Total</b>	<b>4 154 647</b>	<b>8 863 582</b>	<b>11 716 474</b>	<b>12 572 968</b>	<b>12 946 153</b>

### Performance and expenditure trends

- The main budget item is the remuneration of employees in view of the division's plans to conduct a review of and/or develop new norms and standards, and measurement tools. This will also include additional work in terms of guidance, support and research at both national and provincial levels.
- The review of the norms and standards, coupled with guidance and support at national and provincial levels, necessitates budgetary provision for increased travelling and accommodation provisions
- Additional external technical expertise and input will be required.



## 8. QUARTERLY TARGETS PER PROGRAMME

### 8.1. Programme 1: Administration

**Table 16: The following table sets out the quarterly targets for the unit performance indicators identified above.**

Programme Performance Indicator	Reporting period	Annual target	Quarterly targets			
			1st	2nd	3rd	4th
Auditor General's annual findings rating.	Annual	Unqualified audit	-	-	-	Unqualified audit
% of funded staff appointed	Quarterly	90%	85%	90%	90%	90%
% of compliance inspectors accredited	Annual	80%	-	-	-	80%
% of IT systems uptime.	Quarterly	90%	90%	90%	90%	90%
# of media and communication events and campaigns conducted annually	Quarterly	6	1	2	1	2
# of MOUs signed annually with regulators/other organisations to protect and promote healthcare quality and safety	Annual	2		1		1

### 8.2. Programme 2: Compliance Inspectorate, Certification and Enforcement

**Table 17: The following table sets out the quarterly targets for the unit performance indicators identified above.**

Programme Performance Indicator	Reporting period	Annual target	Quarterly targets			
			1st	2nd	3rd	4th
# and % of public sector health establishment inspected annually by the OHSC	Quarterly	18%	4%	5%	5%	4%
Procedures for certification process developed and implemented	Annual	Certification procedures				Certification procedures
Procedures for timely enforcement action developed and implemented	Annual	Enforcement procedures				Enforcement procedures
# of reports on inspections conducted, remedial recommendations issued and compliance status of health establishments (annual inspection report)	Annual	1				1

### 8.3. Programme 3: Complaints Management and Office of the Ombud

**Table 18: The following table sets out the quarterly targets for the unit performance indicators identified above.**

Programme Performance Indicator	Reporting period	Annual target	Quarterly targets			
			1st	2nd	3rd	4th
Fully functional Call Centre system for receiving complaints	Annual	Call centre functional	Functional call centre	Functional call centre	Functional call centre	Functional call centre
% of complaints lodged with the OHSC investigated and responded to within six months.	Quarterly	70%	70%	70%	70%	70%
% of investigation closed within 6 months by the Ombud	Quarterly	70%	70%	70%	70%	70%
% of Ombud recommendations monitored for implementation by health establishment within six months of tabling to OHSC	Quarterly	70%	70%	70%	70%	70%

### 8.4. Programme 4: Health Standards Design, Analysis and Support (HSDAS)

**Table 19: The following table sets out the quarterly targets for the unit performance indicators identified above.**

Programme Performance Indicator	Reporting period	Annual target	Quarterly targets			
			1st	2nd	3rd	4th
System for submission of annual returns by health establishments set up	Annually	System set up	System set up	System set up	System set up	System set up
Number of norms and standards recommended to the Minister annually	Annually	1				1
# of relevant authorities responsible for supporting HEs that have received guidance for compliance with norms and standards	Quarterly	8	2	2	2	2
Fully functional surveillance system that reports on potential risks to compliance	Annually	System set up & Functional	System set up & Functional	System set up & Functional	System set up & Functional	System set up & Functional
% of health establishments identified as high risk that are referred to the appropriate division/unit within OHSC or the Minister for action to be taken	Quarterly	100%	100%	100%	100%	100%

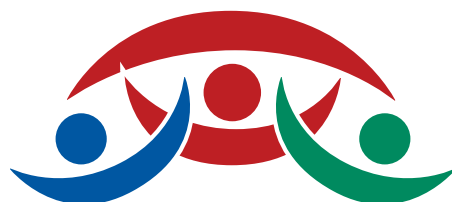




## PART C

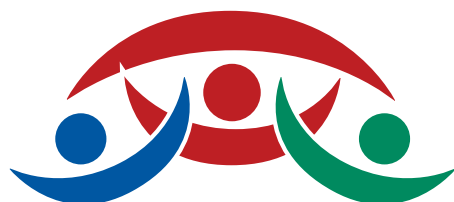
### LINKS TO OTHER PLANS

9. There are no links to other plans or envisaged capital investments at this stage.





**PART D**  
**ANNEXURES**





## 10. ANNEXURE 1: BUDGET PROGRAMME SUMMARY: COSTING FOR ENE 2017

Summary Budget per Programme					
Division	Audited outcomes 2015/16	2016/17	2017/18	2018/19	2019/20
CEO's Office	5 874 012	12 402 743	12 335 087	13 097 779	12 897 804
Compliance Inspectorate, Certification and Enforcement	30 492 386	39 429 532	49 110 158	53 377 089	57 209 945
Complaints Management	3 498 872	12 999 833	14 769 975	15 835 475	16 955 628
Corporate Services	23 380 802	26 839 310	37 779 305	38 119 689	40 441 470
HSDAS	4 154 647	8 863 582	11 716 474	12 572 968	12 946 153
<b>Total</b>	<b>67 400 719</b>	<b>100 535 000</b>	<b>125 711 000</b>	<b>133 003 000</b>	<b>140 451 000</b>

## 11. ANNEXURE 2: TECHNICAL INDICATOR DESCRIPTION SHEET

Indicator Name	Short Definition	Purpose / Importance	Source	Calculation Method	Data Limitations	Type of Indicator	Calculation Type	Reporting Cycle	Baseline	Desired Performance	Responsibility
Auditor General's annual findings rating.	Annual audit by Auditor General is unqualified	As a regulator, it is critical that the OHSC should set an example	Auditor general report	N/A	N/A	Output	N/A	Annual	Unqualified audit report	Unqualified audit without findings	CFO
% of funded staff appointed	Staff for which funding exits in the annual budget who are appointed by the end of that year	Where funding is available the OHSC must ensure it is fully utilized	Register/ Masterfile of appointed staff Annual staffing plan	Numerator: # of appointed staff in March of each year Denominator: Total # of funded posts for that year	Picture in a single month may not reflect the situation during the remainder of the year	Output	%	Quarterly	92%	Performance above target desirable	Director HR
# compliance inspectors accredited	Inspectors trained in a curriculum and training course and procedures approved by the Board and certified as such by the CEO	The credibility and competence of inspectors is a legislated and operational pre-requisite.	Certificate of Appointment	Numerator: # of inspectors trained Denominator: total # of inspectors in the OHSC database	Progress will depend on promulgation of regulations	Output	Number	Annual	New indicator	The credibility and competence of inspectors meets legislated and operational pre-requisite.	Director Guidance and support & Director HR
% of IT systems uptime	Percentage of the time while the system was up, calculated by minutes.	The availability of the integrated IT solution is crucial to running of OHSC daily operations.	Reports from Server infrastructure	Numerator: Minutes of uptime / Denominator: Total number of minutes for the specified period	Availability of server management	output	Percentage	Quarterly	New indicator	99%	Director IT



Indicator Name	Short Definition	Purpose / Importance	Source	Calculation Method	Data Limitations	Type of Indicator	Calculation Type	Reporting Cycle	Baseline	Desired Performance	Responsibility
# of media and communication events and campaigns conducted annually	Seminars, workshops, conferences and use of radio, publications or television designed to increase awareness of work of OHSC among providers and users of health services or stakeholders	As a new regulator with a mandate to promote the health and safety of users the OHSC must ensure all relevant parties are aware of its work and assist in enhancing its effectiveness	OHSC record of events, copies of publications distributed, media awareness programme reports	Total number of events and campaigns	Nil	Activity	Number	Annual	6	Performance above the target	Director Communications
# of MOUs signed annually with regulators/other organisations to protect and promote healthcare quality and safety	MOUs setting out respective actions of the signatories towards enhancing quality and safety are signed and current in that year.	The OHSC has a legislated and operational need to formalize its working relationships with regulators who can contribute to its mandate	Signed MOUs	Total number of signed MOUs	Will require evidence of annual review and agreement	Output	Number	Annual	2	Performance above target might be desirable once full capacity exists	CEO

Indicator Name	Short Definition	Purpose / Importance	Source	Calculation Method	Data Limitations	Type of Indicator	Calculation Type	Reporting Cycle	Baseline	Desired Performance	Responsibility
# and % of public health establishments inspected annually by the OHSC	# and % of public sector clinics, CHCs and hospitals for which an OHSC inspection team has carried out an assessment	The coverage of inspections is fundamental to the regulatory mandate of the OHSC	Inspection register	Numerator: # of public HE for which an inspection was conducted Denominator: total # of public sector clinics, CHCs and hospitals	Incompleteness or variations in the denominator numbers as supplied by the NDOH	Output	%	Quarterly	13%	Performance above the target might be desirable once full capacity exists	EM Compliance inspections
# and % of private sector health establishment inspected annually by the OHSC	# and % of private sector clinics, CHCs and hospitals for which an OHSC inspection team has carried out an assessment	The coverage of inspections is fundamental to the regulatory mandate of the OHSC	Inspection register	Numerator: # of private HE for which an inspection was conducted Denominator: total # of private sector clinics, CHCs and hospitals	Incompleteness or variations in the denominator numbers as supplied by the NDOH	Output	%	Quarterly	New indicator	Performance above the target might be desirable once full capacity exists	EM Compliance inspections
Procedures for certification process developed and implemented	Procedures outlining the process and criteria for certification of compliant HE	To ensure that only compliant HE are certified	Approved procedures	n/a	Promulgation of procedural regulation	Output	n/a	Annual	Yes	Implementation of the procedures	Director: Certification & Enforcement
% compliant HIEs certified within 60 days after the final inspection report	Health establishments that are found to be compliant with regulated norms and standards are certified	To encourage compliance with norms and standards by HE	Copies of certificates issued	Numerator: # of health establishment certified Denominator: total # of health establishment found to be compliant	Requires regulations to be promulgated	Output	%	Quarterly	No	100%	Director Certification and Enforcement



Indicator Name	Short Definition	Purpose / Importance	Source	Calculation Method	Data Limitations	Type of Indicator	Calculation Type	Reporting Cycle	Baseline	Desired Performance	Responsibility
Procedures for timely enforcement action developed and implemented	Procedures outlining the process and criteria for enforcement action against persistently non-compliant HE	To ensure that regulatory enforcement action is standardized, fair and transparent	Approved procedures	N/A	Requires regulations to be promulgated	Output	N/A	Annual	No	Implementation of the procedures	Director Certification and Enforcement
% persistently non-compliant health establishments for which enforcement action is initiated within 10 days from date of receipt of re-inspection or EWS report	Action is taken against health establishments that are found to be persistently non-compliant with the prescribed norms and standards	To ensure quality improvement is set up towards compliance with norms and standards	Enforcement register	Numerator: # of health establishments for which enforcement action was taken Denominator: Total # of persistently non-complaint health establishments	Requires regulations to be promulgated	Output	%	Quarterly	No	100%	Director Certification and Enforcement
# of reports on inspections conducted, remedial recommendations issued and compliance status of health establishments (annual inspection report)	Number of reports produced on inspections conducted annually, remedial recommendations issued, and compliance status of health establishments as assessed	The OHSC as a regulator must ensure that stakeholders, users and providers are aware of its findings from inspections conducted annually	Annual inspection report	Total number of reports issued	N/A	Output	Number	Annual	Yes	Performance above the target might be desirable once full capacity exists	EM: Inspections & Director: Communications

Indicator Name	Short Definition	Purpose / Importance	Source	Calculation Method	Data Limitations	Type of Indicator	Calculation Type	Reporting Cycle	Baseline	Desired Performance	Responsibility
Fully functional Call Centre system for receiving complaints	Call Centre for public to lodge complaints relating to non-compliance with prescribed norms and standards is set up with toll free line and trained complaints officers	Promote access for the public to complain about breaches in norms and standards by Health Establishments.	System complaints database	N/A	N/A	Output	N/A	Annually	New indicator	Accessible Call Centre with $\geq 2$ %downtime	Director Complaints management
% of complaints lodged with the OHSC investigated and responded to within six months	Complaints that the OHSC receives through its call Centre, or registry and logs on its system that it assesses or investigates with production of a final report responding to the matter within 6 months from date of receipt of the complaint	The efficiency with which the OHSC assesses and investigates complaints and can produce a report is important for users	OHSC complaints register showing calls logged, resolution status and final reports.	Numerator: # of cases resolved within 6 months Denominator: total # of calls logged by OHSC in the past 6-months.	The time period covered by the numerator and denominator may differ.	Output	%	Quarterly	45%	Performance above the target might be desirable once full capacity exists	Director Complaints management
% of cases referred to the Ombud and closed within 6 months	Complaints that the OHSC refers to the Ombud for further investigation with production of a final report resolving the matter within 6 months from date of receipt of referral	The efficiency with which the Ombud assesses complaints and can produce a report is important for users.	Investigation register	Numerator: # of investigations closed within 6 months Denominator: # of investigations referred to the Ombud (# of cases referred to the Ombud for investigation)	The time period covered by the numerator and denominator may differ	Output	%	Quarterly	New indicator	100%	Director: Complaints Centre





Indicator Name	Short Definition	Purpose / Importance	Source	Calculation Method	Data Limitations	Type of Indicator	Calculation Type	Reporting Cycle	Baseline	Desired Performance	Responsibility
% of Ombud recommendations monitored within six months of tabling to OHSC	Recommendation by the Ombud on complaints finalized and report issued are monitored by OHSC for compliance by HE. within 6 months from date of receipt of recommendations for monitoring	To ensure that recommendations are implemented by health establishments for quality improvement	Follow up register and reports	Numerator: # of Ombud's recommendation monitored Denominator: Total # of Ombud's reports with recommendations	Promulgation of the regulations	Activity	%	Quarterly	New indicator	100%	Ombud

Indicator Name	Short definition	Purpose/ Importance	Source	Calculation Method	Data Limitation	Type of indicator	Calculation Type	Reporting cycle	Baseline	Desired performance	Responsibility
Number of norms and standards developed or reviewed annually	Sets of norms and standards reviewed or developed for different categories of HE	To regulate HE for improvement of the quality of care and user safety	Draft norms and standards	N/A	None	output	N/A	Annual	No	3 sets of norms and standards in development concurrently; one set submitted for comment per year	Director: Health Standards research design and development
% of annual returns analysed within 60 days to determine the profiles of health establishments	Regulated HE which had submitted their annual returns containing their profiles according to prescribed form.	To guide the planning of inspections	Annual returns database	Numerator: # of annual returns analysed. Denominator: # of annual returns received	N/A	Activity	%	Annual	No	100%	Director: Systems and data analysis

Indicator Name	Short definition	Purpose/Importance	Source	Calculation Method	Data Limitation	Type of indicator	Calculation Type	Reporting cycle	Baseline	Desired performance	Responsibility
System for submission of annual returns by regulated health establishments set up and functional	Software system to capture HE establishment profiles	Create a database of regulated HE	Annual returns database	N/A	Promulgation of procedural regulations	Output	N/A	annually	No	Functional system	Director: Systems and data analysis
# of relevant authorities responsible for support to health establishments that have received guidance on compliance with norms and standards	Number of those authorities defined in the NHAA (national, provincial, municipal and private hospital groups) for whom guidance and support is provided to ensure compliance with norms and standards by their health establishments.	To communicate the norms and standards and build capacity in conducting self-assessments, and closing identified gaps.	Register of guidance events including agenda Register of materials distributed	Total number of relevant authorities.	Some private HEs do not have relevant authorities and will therefore be counted as relevant authorities themselves. Promulgation of procedural regulations	Output	number	Quarterly	No	Performance above the target might be desirable once full capacity exists	Director Guidance and support
Surveillance system set up for reporting on indicators of risk to users	A surveillance system to receive standardised or ad hoc reporting indicating potential situations of risk to patient safety	An early warning system to enable OHSC to prioritise inspections by focusing on high risk establishments	EWS database	N/A	N/A	Output	N/A	Annually	No	System functional	Director: Systems and Data Analysis



Indicator Name	Short definition	Purpose/Importance	Source	Calculation Method	Data Limitation	Type of indicator	Calculation Type	Reporting cycle	Baseline	Desired performance	Responsibility
% of health establishments identified as high risk that are referred to the appropriate division/unit within OHSC	High risk establishments identified by the Early Warning System that are referred to the appropriate division/unit or the Ministry of Health for action to be taken to ensure compliance with norms and standards	To mitigate risk, protect users and enforce compliance with norms and standards	EWS referral register	Numerator: # of high risk health establishments referred  Denominator: Total # of high risk health establishments identified by the EWS	Self-reported data used  Quality of external data sources, e.g. DHIS  Delayed reporting	Output	%	Quarterly	No	100% of identified facilities referred for action to be taken	Director: Systems and Data Analysis

## 12. ANNEXURE 3: MATERIALITY AND SIGNIFICANCE FRAMEWORK FOR THE FINANCIAL YEAR 2017/18

### 12.1. Background

- a) Irrespective of the amount involved, the following significant events will be disclosed to the Executive Authority in the event that they occur within the OHSC, and further that approval will be sought from the Executive Authority before the OHSC can conclude on them:
- i) establishment or participation in the establishment of a company or public entity;
  - ii) participation in a significant partnership, trust, unincorporated joint venture, public private partnerships or similar arrangement;
  - iii) acquisition or disposal of a significant shareholding in a company;
  - iv) acquisition or disposal of a significant asset that would significantly affect the operations of the OHSC;
  - v) commencement or cessation of a significant business activity;
  - vi) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement; and
- b) The following significant events will be disclosed to the Executive Authority in the event that they occur within the OHSC:
- i) material infringement of legislation that governs the OHSC;
  - ii) material losses resulting from criminal or fraudulent conduct in excess of the parameters significance parameters below
  - iii) all material facts and/or events, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority

### 12.2. Quantitative Aspects

- a) The National Treasury issued a Practice Note - "Practice Note on Applications Under Section 54 of the Public Management Act No. 1 of 1999 9 (as amended) by Public Entities" - setting the parameters for the rand value determinations of significance. The Practice Note further stipulates that the parameters should be derived from the rand values of certain elements of the audited annual financial statements as follows:

Element	% Range to be applied against the rand value
Total assets	1% - 2%
Total revenue	0,5% - 1%
Profit after tax [Surplus]	2% - 5%

- b) The OHSC takes cognisance of the fact that financial transactions are not of the same nature. Thus, the determination of the materiality parameters takes into account that some of the transactions may not arise out of the normal activities of the OHSC.
- c) When determining materiality, it is generally accepted that the lower the risk, the higher the percentage to be used, and the higher the risk, the lower the percentage to be used.



d) For purposes of determining the rand values of the identified elements, the audited annual financial statements of OHSC for the year ended 31 March 2016 was applied as follows:

Element	% Range to be applied against the rand value	Amount per audited financial statements (2015/16)	Significance Amount	Rationale for the % used
Surplus	5%	R26 487 871	R1 324 394	Mid-point of the National Treasury's parameters

### 12.3. Review

- a) The OHSC is fully aware that the environment in which it operates is a dynamic one, wherein key developments may affect the way it conducts its business.
- b) On an annual basis, the OHSC will conduct a thorough risk identification and assessment process to determine any new risks that may have emerged since the conclusion of the prevailing risk management framework.
- c) In line with the afore-mentioned process, the OHSC will revisit the materiality and significance framework and align it accordingly to deal with any new and emerging risks in its portfolio.
- d) The review of the materiality and significance framework will, among others, take into account the previous year's audited financial statements, management letter by the Auditor General, the internal auditor's report, any new and relevant legislation, and the expectations of the OHSC's stakeholders.
- e) However, more frequent review of the framework may be necessary if major changes in the operating environment occur during the year.

### 13. ANNEXURE 4: OHSC STRATEGIC RISK REGISTER

Risk No.	Risk Category	Risk Name	Root Cause	Risk Consequence	Existing Strategies and Controls
1	Service Delivery	Inadequate mechanism for the management and disposal of complaints from health care users and communities	<ol style="list-style-type: none"> <li>OHSC call centre not established.</li> <li>Insufficient HR capacity for receiving and handling patient and community complaints.</li> <li>Vacant Health Ombud's post.</li> </ol>	<ol style="list-style-type: none"> <li>Negative impact on health care service delivery.</li> <li>Negative impact on OHSC image and reputation.</li> </ol>	<ol style="list-style-type: none"> <li>OHSC Board has approved an outsourcing model for the OHSC Call Centre</li> <li>Utilisation of pre-existing arrangements inherited from the NDoH.</li> </ol>
2	Service Delivery	Inadequate norms and standards for different types of HES	<ol style="list-style-type: none"> <li>Inadequate capacity for the development of norms and standards for different types of HES</li> </ol>	<ol style="list-style-type: none"> <li>Negative impact on health care service delivery to users.</li> <li>Negative impact on OHSC image and reputation.</li> </ol>	<ol style="list-style-type: none"> <li>Finalize the current regulations for hospitals and PHCS - this is in progress.</li> </ol>
3	Service Delivery	Insufficient OHSC office space and facilities	Two year (short term) lease contract for OHSC office space was committed to as an interim measure.	<ol style="list-style-type: none"> <li>Inadequate office space for the housing of key enabling facilities e.g. Call Centre</li> <li>Inadequate storage of OHSC assets and records.</li> <li>Potential for negative impact on employee productivity and morale.</li> </ol>	Interim OHSC office facility in place.
4	Governance	Inadequate OHSC governance system and structure	<ol style="list-style-type: none"> <li>Special and technical skills gaps</li> <li>Leadership gap due to vacant positions at executive management level.</li> </ol>	<ol style="list-style-type: none"> <li>Conflation of roles.</li> <li>Delays in entity decision making negatively impacting on service delivery.</li> <li>Lack of OHSC media presence</li> </ol>	Interim acting arrangements for executive management positions.
5	Human Resource	Insufficient human resource capacity and skills	<ol style="list-style-type: none"> <li>Unfunded vacant posts.</li> <li>Ineffective remuneration strategy for specialised skills.</li> <li>Insufficient OHSC brand visibility and awareness.</li> </ol>	<ol style="list-style-type: none"> <li>Negative impact on OHSC service delivery.</li> <li>Negative impact on employee morale and instances of employee fatigue.</li> </ol>	<ol style="list-style-type: none"> <li>Approved OHSC Organogram in place.</li> <li>Limited personnel budget.</li> <li>Existing capacity in terms of funded posts.</li> </ol>



Risk No.	Risk Category	Risk Name	Root Cause	Risk Consequence	Existing Strategies and Controls
6	Stakeholder Management	Inadequate OHSC visibility	<ol style="list-style-type: none"> <li>OHSC is a new entity.</li> <li>Inadequate capacity for brand activation.</li> </ol>	<ol style="list-style-type: none"> <li>Inadequate stakeholder and health care user response to OHSC services.</li> <li>Negative impact on OHSC image and reputation.</li> </ol>	Draft Communication and Stakeholder Relations Strategy in place.
7	Service Delivery	Non-compliance by HEs with regulated norms and standards	<ol style="list-style-type: none"> <li>Insufficient understanding of regulated norms and standards by relevant authorities and HE personnel.</li> <li>Insufficient guidance and support for compliance with regulated norms and standards</li> </ol>	<ol style="list-style-type: none"> <li>Persistent non-compliance by HEs</li> <li>The health and safety of health care users is compromised.</li> </ol>	Consultative workshops with relevant authorities and health care personnel in provinces are undertaken.
8	ICT	Inadequate ICT infrastructure	<ol style="list-style-type: none"> <li>Inadequate funding for ICT infrastructure</li> <li>ICT strategy not yet approved.</li> </ol>	<ol style="list-style-type: none"> <li>Negative impact on OHSC service delivery.</li> <li>Negative impact on the administrative efficiency of the OHSC.</li> </ol>	Hosted and limited ICT infrastructure.
9	Service Delivery	Litigation by HEs against the OHSC	<ol style="list-style-type: none"> <li>Lack of accredited OHSC inspectors.</li> <li>Inadequate training of OHSC inspectors.</li> <li>Inadequate inspection and reporting process.</li> <li>Gaps may exist within the OHSC regulatory framework</li> </ol>	<ol style="list-style-type: none"> <li>Penalties may be incurred.</li> <li>Negative impact on OHSC image and reputation.</li> <li>Potential for the OHSC Regulatory Framework to be declared unconstitutional.</li> </ol>	<ol style="list-style-type: none"> <li>National Health Act 2003, as amended provides regulatory powers to the OHSC.</li> <li>Draft OHSC procedural regulations in place.</li> <li>Draft inspector training programme in place.</li> <li>Appointment of legal firms and legal advisors if required.</li> </ol>
10	Stakeholder Management	Inadequate stakeholder management	<ol style="list-style-type: none"> <li>OHSC is a new entity.</li> <li>Communication and stakeholder management strategy not yet approved.</li> <li>Perception of competing interests within the regulatory sector</li> </ol>	<ol style="list-style-type: none"> <li>Negative impact on OHSC service delivery.</li> <li>Negative impact on OHSC reputation and image.</li> </ol>	Draft Communication and Stakeholder Relations Strategy and stakeholder map in place.

Risk No.	Risk Category	Risk Name	Root Cause	Risk Consequence	Existing Strategies and Controls
11	Service Delivery	Inadequate OHSC enforcement framework for Health Establishments	<ol style="list-style-type: none"> <li>Delay in the promulgation of the draft norms and standards regulations.</li> <li>Lack of relevant legal technical skills within the OHSC.</li> </ol>	<ol style="list-style-type: none"> <li>Persistent non-compliance by HEs</li> <li>The health and safety of health care users is compromised.</li> </ol>	<ol style="list-style-type: none"> <li>National Health Act 2003, as amended provides regulatory powers to the OHSC</li> <li>Drafts norms and standards submitted for promulgation to the Minister of Health.</li> <li>Draft OHSC Enforcement Policy has been developed.</li> </ol>
12	Financial	Inadequate funding for OHSC operations	<ol style="list-style-type: none"> <li>New entity - historical expenditure spending pattern not yet established.</li> <li>Lack of own revenue generation.</li> </ol>	<ol style="list-style-type: none"> <li>Strategic and operational targets may not be met.</li> <li>Inability to attract required human resource capacity and skills</li> </ol>	<ol style="list-style-type: none"> <li>Government grant in place.</li> <li>Investment policy in place.</li> </ol>
13	Regulatory	Non-compliance with applicable regulatory requirements (core business and administrative processes)	<ol style="list-style-type: none"> <li>Insufficient alignment of policies to regulatory requirements.</li> <li>Insufficient consequence management for unethical conduct.</li> <li>Inadequate awareness of applicable regulatory requirements</li> <li>Inefficient internal processes may hamper compliance with regulatory requirements</li> </ol>	<ol style="list-style-type: none"> <li>Potential for negative audit findings.</li> <li>Possible litigation and penalties may be incurred.</li> <li>Negative impact on OHSC image and reputation.</li> </ol>	<ol style="list-style-type: none"> <li>OHSC policies and procedures in place.</li> <li>Governance and oversight structures in place.</li> <li>Internal and external audit process in place.</li> <li>Employee induction includes orientation on OHSC strategic plan and policy and procedures</li> </ol>
14	Service Delivery	HE certification system not yet finalised	Inadequate HR capacity for the finalisation of HE certification system	<ol style="list-style-type: none"> <li>Non-certification of HEs</li> <li>Negative impact on the implementation of the NHI scheme.</li> <li>Negative impact on OHSC image and reputation</li> </ol>	<ol style="list-style-type: none"> <li>Draft HE Certification Framework in place.</li> <li>The aforementioned framework was presented to the National Health Council (NHC) in the year 2014.</li> </ol>
15	Reputational	Public perception of the lack of independence of OHSC	<ol style="list-style-type: none"> <li>Limited powers of the OHSC Board.</li> <li>Lack of public awareness of the mandate of the OHSC.</li> </ol>	<ol style="list-style-type: none"> <li>Negative impact on the credibility and reputation of the OHSC.</li> </ol>	National Health Act 2003, as amended has established the OHSC





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