ANNUAL PERFORMANCE PLAN

2018/19

OHSC

Office of Health Standards Compliance

Ensuring quality and safety in health care

OHSC

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 2018/19

[Beginning with 2016/17]

Date of Tabling: March 2018

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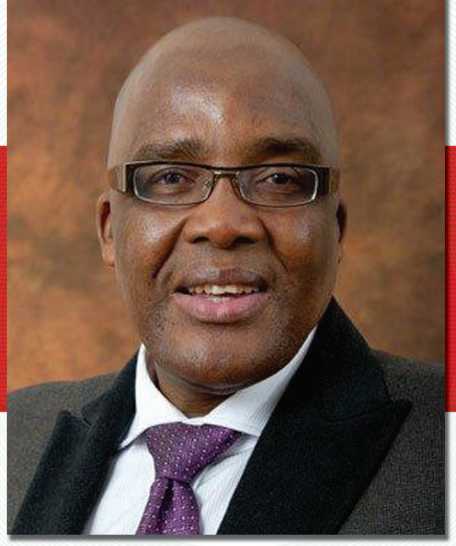


FOREWORD

Improving the quality of healthcare is central in the provision of services in the public and private sector to improve the experience of citizens in our health establishments to promote safe quality care and good health. The establishment of the Office of Health Standards Compliance (OHSC), now in its third year of operation has a critical role in regulating the quality of care.

During the 2016/17 financial year, I appointed the first Health Ombud with the main responsibility of considering and investigating complaints. Subsequent to the appointment of the Health Ombud, the OHSC launched a complaint call centre which serves as a mechanism through which the general public can lodge complaints. By the end of the 2016/17 financial year, a total of 730 complaints had been received across the country, related to health establishments in both the private and public sectors. Several investigations were conducted, with the most prominent investigation being about the "Circumstances Surrounding the Death of Mentally-ill patients: Gauteng Province."

The process of developing and promulgating the norms and standards is underway. It is envisaged that the promulgated norms and standards will lay the foundation for the OHSC to certify private and public health establishments as well as take enforcement action for non-compliance. The OHSC has set itself an inspection target of 19% (725 of 3816) of public sector health establishments in 2018/19 which will increase to 21% (801 of 3816) in 2020/21.

The goal of achieving universal health care coverage implemented through the National Health Insurance (NHI) will be dependent on safe and good quality of care services for users of our health institutions. The OHSC has a responsibility to advise the Minister on regulated quality norms and standards and play a significant role in the certification of health establishments.

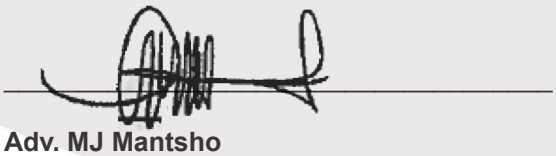
The OHSC remains committed to ensuring good governance and accountability. It is commendable that since its inception, the OHSC has achieved an unqualified audit from the Auditor-General.

Dr PA Motsoaledi, MP
Minister of Health

OFFICIAL SIGN-OFF

It is hereby certified that this OHSC Annual Performance Plan:

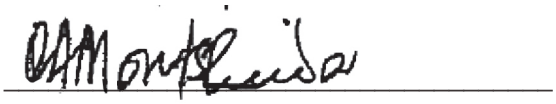
- Was developed by the management of the OHSC under the guidance of the OHSC Board;
- Takes into account all the relevant policies, legislation and other mandates relevant to the Office; and
- Reflects the strategic outcome-oriented goals and revised objectives which the OHSC will endeavour to achieve over the period 2017 to 2021.



Adv. MJ Mantsho
Director: Governance, Strategy and Board Secretariat
Date: 30/01/2018

Mr. J Mapatha
Chief Financial Officer
Date: 30/01/2018

Dr. S Mndaweni
Chief Executive Officer
Date: 30/01/2018



Ms A Montshiwa
OHSC Acting Chairperson (Accounting Authority)
Date: 30/01/2018

INTRODUCTION

The OHSC has been established in terms of the National Health Act, 2003 (Act No. 61 of 2003) ("the Act") 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 objectives of the OHSC as outlined in the Act are to protect and promote the health and safety of users of health services by;

- Monitoring and enforcing compliance by health establishments with norms and standards prescribed by the Minister in relation to the national health system; and
- 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 as follows:

- 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 users, 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:

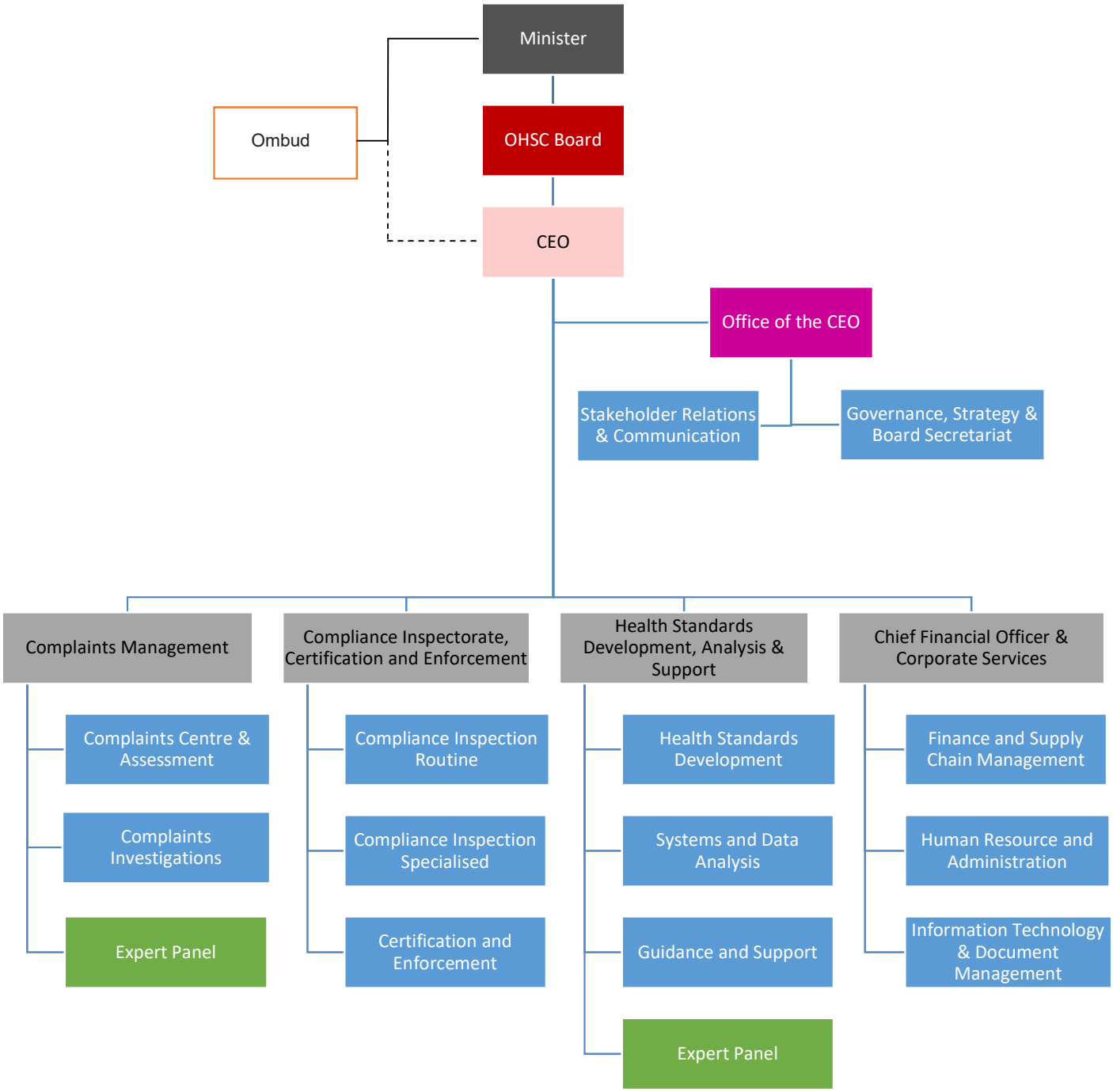
Goal 01	**Publicly demonstrate responsiveness and accountability as an effective and efficient high-performance organisation**
Goal statement	The OHSC is an effective and efficient high-performance organisation that is responsive and publicly accountable
Indicator	Auditor General's annual findings rating

Goal 02	**Inspect Health Establishments (HEs) for compliance with quality norms and standards**
Goal statement	Health establishments comply with norms and standards for health and safety of users and provision of quality, compassionate and responsive care
Indicator	% of compliant HEs certified by the OHSC within 60 days after the final inspection report

Goal 03	**Patient and community complaints regarding poor care and situations of concern are investigated and responded to**
Goal statement	The public is protected through ensuring that poor care and situations of concern are investigated and responded to
Indicator	% complaints resolved in the call centre within two months of lodgement
Indicator	% of user complaints resolved within 30 working days through assessment/screening
Indicator	% of complaints lodged with the OHSC investigated and responded to within six months
Indicator	% of investigations finalised by the Ombud within six months from the lodgement date
Indicator	% of Ombud recommendations monitored for implementation by health establishments within six months of tabling to OHSC

Goal 04	**Progressively improve the quality and safety of healthcare through effective communication and collaboration with users, providers and other relevant stakeholders**
Goal statement	Communicate and work with users, providers and other relevant stakeholders through written agreements of collaboration and information sharing to enhance quality and compliance
Indicator	Number of public awareness initiatives executed

HIGH LEVEL ORGANISATIONAL STRUCTURE



PART A

STRATEGIC OVERVIEW

1. UPDATED SITUATIONAL ANALYSIS

The Office developed an Annual Performance Plan for 2018/19 as informed by the Strategic Plan for the Medium Term Strategic Framework (MTSF) which also introduces goals informed by the developmental phase of the OHSC. The goals of OHSC are in the areas of Administration, Compliance Inspectorate, Certification and Enforcement, Complaints Management and Health Ombud and Health Standards Design, Analysis and Support.

The OHSC 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. The implementation of the promulgated and regulated norms and standards will contribute to improved patient care and satisfaction and further enable the health care system to better meet the specified outcomes of National Core Standards.

During the 2016/17 financial year, the Minister of Health appointed the first Health Ombud with the main responsibility of considering and investigating complaints. Subsequent to the appointment of the Ombud, the OHSC launched a complaint call centre which serves as a mechanism through which the public may lodge unresolved complaints. By end of the 2016/17 financial year, a total of 730 complaints had been received from across the country, these complaints related to health establishments in both the private and public sectors. The most prominent investigation was the one about, "Circumstances Surrounding the Death of Mentally ill patients: Gauteng Province."

The OHSC is responsible to investigate unresolved complaints by healthcare services, both public and private, make recommendations and refer any complaint needing further management and investigation to other regulatory or public entities. The Life Esidimeni investigation and its media and public coverage are significant and raised the visibility and powers of the OHSC and the Health Ombud. Some of the challenges and risks the Health Ombud faces include respondents taking the reports on appeal and legal review. This hallmark investigation saw all recommendations made accepted by the Gauteng Department of Health. With due consideration to the current trends with reference to complaints, the OHSC anticipates that the scope and volume of complaints will increase significantly, and this will require the necessary funding to match the anticipated increase.

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 2016/17 financial year identified some gaps in the strategic plan, which lead to the review of the strategic plan to align with the mandate and National Treasury guidelines for managing programme performance information;
- Challenges experienced by the management in the implementation of the APP 2016/17 which was developed before appointment of the majority of users using limited data for benchmarking;
- The promulgated procedural regulations will pave the way for the inclusion of private sector hospitals and clinics, guided by key performance indicators of the compliance inspectorate which will follow upon promulgation of the norms and standards regulations;
- The existence of systems and processes in other operational and support functions will ensure delivery on the core business of the entity; and
- Personnel appointed through the recruitment drive that achieved the target for filling vacancies in 2016/17 financial year.

Some performance indicators initially intended for the 2016/17 financial year were revised to introduce new indicators which were aimed at improving the execution of the mandate as stipulated in the Act; however, await the promulgation of the norms and standards regulations.

1.2. Organizational environment

The process of promulgation of norms and standards is currently underway and will be promulgated by the Minister of Health. The Office had to review some indicator targets which were initially intended to be implemented in 2017/18 for reporting only in the 2018/19 financial year.

The main changes to the strategic direction reflected in the 2018/19 APP are:

- The exclusion of private health establishments in indicators for compliance inspections and progressive enforcement in exercising regulatory power due to unavailability of promulgated norms and standards regulations; and
- The increase in human resource capacity during 2016/17 financial year, reflected in the current staff compliment.

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 as well as the published White Paper on National Health Insurance.

3. OVERVIEW OF 2017 BUDGET AND MTEF ESTIMATES

3.1. Expenditure Estimates

3.1.1. Table 1: Expenditure Estimates

			Medium-term estimates		
PROGRAMME	**Audited outcomes 2016/17**	**2017/2018**	**2018/19**	**2019/20**	**2020/21**
Administration	34 007 301	50 114 392	50 381 055	52 588 854	55 895 458
Compliance Inspection, Certification and Enforcement	42 078 632	49 110 158	49 299 645	52 769 726	54 737 728
Complaints Management and Ombud	8 791 505	14 769 975	17 810 707	19 083 956	20 466 151
Health Standards Design, Analysis and Support	6 025 122	11 716 474	12 186 593	12 497 464	13 372 664
TOTAL	**90 902 560**	**125 711 000**	**129 678 000**	**136 940 000**	**144 472 000**

3.1.2. Table 2: Economic classification

Economic classification			Medium-term estimates		
	Audited outcomes 2016/17	**2017/18**	**2018/19**	**2019/20**	**2020/21**
CURRENT PAYMENTS	**85 506 108**	**121 148 844**	**126 833 713**	**134 053 120**	**141 426 342**
Compensation of employees	55 176 222	79 161 491	85 822 022	92 674 455	100 054 038
Goods and services of which:	30 329 886	41 987 353	41 011 691	41 378 665	41 372 304
Board fees and related costs	1 577 014	1 877 258	1 982 384	2 091 416	2 206 443
Travel,subsistence and accommodation	14 649 792	12 975 262	11 123 992	11 193 819	9 527 291
Training and development	775 331	900 000	950 400	950 400	1 002 672
Venues and facilities	1 589 428	710 000	644 160	680 233	717 646
Catering services	124 256	238 191	308 206	355 449	374 999
Legal fees	128 103	1 000 000	1 584 636	1 644 291	1 734 727
Consulting and professional services	1 204 160	3 102 762	3 304 653	2 977 606	3 141 375
Inventory and consumables	582 129	397 293	683 125	721 380	761 056
Publications and marketing	1 649 414	2 450 000	2 587 200	1 855 554	1 957 609
Advertisement	412 337	600 000	633 600	633 600	668 448
Relocation expenses	172 414	800 000	300 000	300 000	316 500
Printing and stationery	586 947	560 000	591 360	624 476	658 822
Bank charges	54 183	60 000	63 360	66 908	70 588
Insurance	118 088	125 839	300 000	316 800	334 224
Water and electricity	337 449	316 875	334 620	353 359	372 794
Gain/(loss) from transfer of functions	(67 978)	-	-	-	-
Communication costs (telephone and data)	1 265 122	1 023 422	1 334 704	1 408 113	1 485 559
Lease payments	1 788 555	12 210 450	11 459 076	12 221 238	12 893 406
Loss on stolen assets	46 238	-	-	-	-
Postage and courier services	28 275	-	29 831	31 471	33 202
Motor vehicle expense	2 236	-	8 944	9 436	9 955
Security services	-	100 000	105 900	112 148	118 316
Cleaning services	130 064	340 000	359 040	379 146	399 999
Depreciation and amortisation	1 751 834	-	-	-	-
Audit costs	1 101 065	1 500 000	1 584 000	1 672 704	1 764 703
IT maintenance and support	294 885	700 000	738 500	779 118	821 969
Penalty and interest	28 545	-	-	-	-
PAYMENTS FOR CAPITAL ASSETS	**5 396 452**	**4 562 156**	**2 844 287**	**2 886 880**	**3 045 658**
Other machinery and equipments	968 325	816 596	716 002	786 444	829 698
Office furniture	680 777	1 000 000	300 000	100 000	105 500
Motor vehicles	481 059	-	-	-	-
Software and intangible assets	2 330 387	2 055 560	1 073 285	1 200 436	1 266 460
Computer equipment	935 904	690 000	755 000	800 000	844 000
TOTAL	**90 902 560**	**125 711 000**	**129 678 000**	**136 940 000**	**144 472 000**

3.1.3. Table 3: Personnel information

Number of posts on approved establishment		Actual outcomes						Medium - term expenditure estimates									Average growth rate (%)	Salary level/ total: Average (%)
		2016/17			2017/18			2018/19			2019/20			2020/21				
		Number	Cost (R'000)	Unit Cost (R'000)	Number	Cost (R'000)	Unit Cost (R'000)	Number	Cost (R'000)	Unit Cost (R'000)	Number	Cost (R'000)	Unit Cost (R'000)	Number	Cost (R'000)	Unit Cost (R'000)	2017/18 - 2020/21	
Salary level	**225**	**104**	**55 176**	**531**	**121**	**79 161**	**654**	**121**	**85 822**	**709**	**121**	**92 674**	**766**	**121**	**100 054**	**827**	**8%**	**100%**
1 – 6	6	5	981	196	6	1 320	**220**	6	1 331	222	6	**1 448**	**241**	6	1 576	263	6%	5%
7 – 10	155	60	24 468	408	69	33 760	**489**	69	35 625	516	69	**38 835**	**563**	69	42 332	614	8%	57%
11 – 12	42	24	16 027	668	27	22 499	**833**	27	26 726	990	27	**29 183**	**1 081**	27	31 867	1 180	12%	22%
13 – 16	22	15	13 700	913	19	21 582	**1 136**	19	22 140	1 165	19	**23 208**	**1 221**	19	24 279	1 278	4%	16%
Programme	**225**	**104**	**55 176**	**531**	**121**	**79 161**	**654**	**121**	**85 822**	**709**	**121**	**92 674**	**766**	**121**	**100 054**	**827**	**8%**	**100%**
Programme 1	40	22	15 359	698	29	19 135	**660**	29	20 887	**720**	29	22 460	**774**	29	24 110	**831**	8%	24%
Programme 2	71	57	29 200	512	63	38 123	**605**	63	40 351	**640**	63	43 805	**695**	63	47 562	**755**	8%	52%
Programme 3	94	16	5 991	374	17	12 479	**734**	17	14 828	**872**	17	15 946	**938**	17	17 156	**1 009**	11%	14%
Programme 4	20	9	4 626	514	12	9 424	**785**	12	9 756	**813**	12	10 463	**872**	12	11 226	**936**	6%	10%

3.2. 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 health establishments in both the public sector and the private sector. These objectives serve to promote one of the OHSC's principle, which is to act as the champion of the public and of healthcare users 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 optimising of the 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 2018/19 is expected to be R129.7 million with 61% geared towards the core business activities and increasing to R144.5 million in the 2020/21 financial year. Due to budgetary constraints, the total staff complement is projected to remain at 121 over the MTEF period of which more than 70% are staff in the core operations over the same period.

- Overall, the budget allocation increases by an average of 5.5%, whereas compensation for employees increase by an average of 8% to cater for cost of living adjustments and notch increases. This pattern has led to a trade-off, wherein there is a gradual decrease in expenditure allocated for goods and services, and payment of capital assets, in order to accommodate the increases in compensation of employees. The expenditure largely affected by the decrease is travel, subsistence and accommodation, which may have significant impact on the OHSC's ability to deliver on its core mandate of inspections, providing guidance to HEs on Norms and Standards and complaints investigations.

- As the OHSC is a developing and growing organisation, resources have been allocated for the development and implementation of 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. One of the largest operational budget items under this Programme is the provision for office space to cater for a growing organisation.

Specific budget programmes:

- The *Compliance Inspectorate,* which is currently the largest programme of the entity, will grow over the medium-term due to the expected increase in performance targets for the inspection of health establishments, as well as progressive enforcement of compliance as dictated by the National Health Amendment Act. The function on certification and enforcement is also located in this programme.

- Recent trends and patterns have indicated a significant increase in the number of complaints received by the OHSC. The budget for the *Complaints Management* division caters for the investigation of complaints received from the users of health care.

- The *Administration Programme* comprises the CEO's Office, Corporate Services, the Board Secretariat, Communication and Stakeholder Relations. These provide the critical strategic support services and systems necessary for the OHSC to deliver on its mandate and comply with relevant legislative requirements. The budget in this programme 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 leadership and administrative support necessary for the OHSC to deliver on its mandate and comply with all relevant legislative requirements.

4.2. Strategic objective annual targets for 2018/19

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	Audited performance	Medium-term targets			
			2016/17	2017/18	2018/19	2019/20	2020/21
Establish a fully functional Office suitably staffed to execute the mandate and goals of the OHSC (1.1)	% of funded staff appointed	90%	96%	90%	90%	90%	95%
Accredit inspectors after successfully completing approved training course (1.2)	% of compliance inspectors accredited	100%	Target Not Achieved	80%	85%	100%	100%
Implement good governance, oversight and accountability through appropriate delegations, including financial management and compliance to PFMA1.3)	Auditor General's annual findings rating	Unqualified audit report	Unqualified audit report	Unqualified audit report	Unqualified audit report	Unqualified audit report	Unqualified audit report
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%	95%	90%	95%	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	14	6	8	8	8
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	2	2	4	2	2

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

The following table sets out the annual performance targets for the programme using indicators as identified.

Programme Performance Indicator	Strategic Plan Target	Audited performance	Medium-term targets			
		2016/17	2017/18	2018/19	2019/20	2020/21
% of funded staff appointed	90%	96%	90%	90%	90%	95%
% of compliance inspectors accredited	100%	Target Not Achieved	80%	85%	100%	100%
Auditor General's annual findings rating	Unqualified audit report	Unqualified audit report	Unqualified audit report	Unqualified audit report	Unqualified audit report	Unqualified audit report
% of IT systems uptime	95%	95%	90%	95%	95%	96%
# of media and communication events and campaigns conducted annually	18	14	6	8	8	8
# of MOUs signed annually with regulators/other organisations to protect and promote healthcare quality and safety	10	2	2	4	2	2

4.4. Reconciling performance targets with the Budget and MTEF

Expenditure Estimates: Programme 1: Administration

Economic Classification			Medium-term estimates		
	Audited outcomes 2016/17	2017/18	2018/19	2019/20	2020/21
CURRENT PAYMENTS	**30 177 612**	**45 552 236**	**47 536 768**	**49 701 974**	**52 849 799**
Compensation of employees	15 359 316	19 134 723	20 887 478	22 460 475	24 110 018
Goods and services of which:	14 818 296	26 417 513	26 649 290	27 241 499	28 739 781
Board fees and related costs	1 577 014	1 877 258	1 982 384	2 091 416	2 206 443
Travel,subsistence and accommodation	989 964	608 506	642 582	678 567	715 888
Training and development	775 331	900 000	950 400	950 400	1 002 672
Venues and facilities	406 047	160 000	168 960	178 422	188 235
Catering services	58 757	30 000	47 892	50 557	53 338
Legal fees	80 223	1 000 000	584 636	589 291	621 702
Consulting and professional services	864 072	1 352 362	1 456 230	1 520 038	1 603 640
Inventory and consumables	506 259	302 800	583 341	616 008	649 889
Advertising	412 337	600 000	633 600	633 600	668 448
Publications and marketing	1 649 414	2 450 000	2 587 200	1 855 554	1 957 609
Relocation expenses	172 414	800 000	300 000	300 000	316 500
Printing and stationery	586 947	560 000	591 360	624 476	658 822
Gain/(loss) from transfer of functions	(67 978)	-	-	-	-
Bank charges	54 183	60 000	63 360	66 908	70 588
Insurance	118 088	125 839	300 000	316 800	334 224
Water and electricity	337 449	316 875	334 620	353 359	372 794
Communication costs (telephone and data)	1 265 122	1 023 422	1 334 704	1 408 113	1 485 559
Operating leases	1 649 510	11 610 450	11 261 805	12 023 967	12 685 285
Security services	-	100 000	105 900	112 148	118 316
Loss on stolen of assets	46 238	-	-	-	-
Motor vehicle expense	2 236	-	8 944	9 436	9 955
Postage and courier services	28 275	-	29 831	31 471	33 202
Cleaning services	130 064	340 000	359 040	379 146	399 999
Audit costs	1 101 065	1 500 000	1 584 000	1 672 704	1 764 703
Penalties and interest	28 545	-	-	-	-
Depreciation and amortisation	1 751 834	-	-	-	-
IT maintenance and support	294 885	700 000	738 500	779 118	821 969
PAYMENTS FOR CAPITAL ASSETS	**3 829 690**	**4 562 156**	**2 844 287**	**2 886 880**	**3 045 658**
Other machinery and equipments	495 127	816 596	716 002	786 444	829 698
Office furniture	680 777	1 000 000	300 000	100 000	105 500
Motor vehicles	481 059	-	-	-	-
Software and intangible assets	1 236 823	2 055 560	1 073 285	1 200 436	1 266 460
Computer equipment	935 904	690 000	755 000	800 000	844 000
TOTAL	**34 007 301**	**50 114 392**	**50 381 055**	**52 588 854**	**55 895 458**

PERFORMANCE AND EXPENDITURE TRENDS

- The budget estimates for the Administration Programme increased from R50.114 million in 2017/18 to R55.9million in 2020/21 to enable the Office to meet its strategic objectives.

- The large budget items within this Programme are:
  1 The implementation of the approved Communication and Stakeholder Relations Strategy to increase the OHSC's brand visibility and public awareness.
  2 The Board and related costs to enable adequate corporate governance and oversight with required additional expertise as may be needed.
  3 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
  4 Additional furniture and computer equipment for the new offices and additional staff members.

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 2018/19

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	Audited performance	Medium-term targets			
			2016/17	2017/18	2018/19	2019/20	2020/21
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 clinics, CHCs and hospitals inspected annually by the OHSC	20%	18.2% (697 of 3816)	18% (689 of 3816)	19% (725 of 3816)	20% (763 of 3816)	21% (801 of 3816)
	# and % of private sector clinics,CHCs and hospitals inspected annually by the OHSC	30%	0% (0 of 369)	-	30% (111 of 369)	35% (129 of 369)	40% (147 0f 369)
Certify HEs that are compliant with prescribed norms and standards (2.2)	Procedures for certification process developed and implemented	Certification procedures Developed	Target Not Achieved	Certification procedures	Certification procedures Developed	-	-
	% of compliant HEs certified by the OHSC within 60 days after the final inspection report.	100%	Target Not Achieved	-	-	100%	100%
Effect enforcement action against persistently non-compliant HEs (2.3)	Procedures for timely enforcement action developed and implemented	Enforcement procedures Developed	Target Not Achieved	Enforcement procedures Developed	-	-	-
	% of 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%	Target Not Achieved	-	-	100%	100%
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	1	1	1	1	1

5.3. Programme performance indicators and annual targets for 2018/19

The following table sets out the annual performance targets for the programme using indicators as identified.

Programme Performance Indicator	Strategic Plan Target	Audited performance	Medium-term targets			
		2016/17	2017/18	2018/19	2019/20	2020/21
# and % of public sector clinics, CHCs and hospitals inspected annually by the OHSC	20%	18.2% (697 of 3816)	18% (689 of 3816)	19% (725 of 3816)	20% (763 of 3816)	21% (801 of 3816)
# and % of private sector clinics, CHCs and hospitals inspected annually by the OHSC	30%	0% (0 of 369)	-	30% (111 of 369)	35% (129 of 369)	40% (147 0f 369)
Procedures for certification process developed and implemented	Certification procedures Developed	Target Not Achieved	Certification procedures	Certification Procedures Developed	-	-
% of compliant health establishments certified by the OHSC within 60 days after the final inspection report	100%	Target Not Achieved	-	-	100%	100%
Procedures for timely enforcement action developed and implemented	Enforcement procedures Developed	Target Not Achieved	Enforcement procedures Developed	-	-	-
% of 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%	Target Not Achieved	-	-	100%	100%
# of reports on inspections conducted, remedial recommendations issued and compliance status of health establishments (annual inspection report)	5	1	1	1	1	1

5.4. Reconciling performance targets with the Budget and MTEF

Expenditure Estimates: Programme 2: Compliance Inspectorate, Certification and Enforcement.

Economic classification			Medium-term estimates		
	Audited outcomes 2016/17	**2017/18**	**2018/19**	**2019/20**	**2020/21**
CURRENT PAYMENTS	**42 078 632**	49 110 158	49 299 645	52 769 726	54 737 728
Compensation of employees	29 200 061	38 123 319	40 351 028	43 805 148	47 562 286
Goods and services of which:	12 878 571	10 986 839	8 948 617	8 964 578	7 175 442
Travel,subsistence and accommodation	12 733 566	10 624 936	8 642 047	8 610 840	6 802 248
Venues and facilities	-	100 000	-	-	-
Consulting and professional services	90 801	100 000	105 600	111 514	117 647
Catering services	10 176	107 410	143 425	181 457	191 437
Inventory and consumables	44 029	54 493	57 544	60 767	64 109
PAYMENTS FOR CAPITAL ASSETS	**-**	**-**	**-**	**-**	**-**
TOTAL	**42 078 632**	**49 110 158**	**49 299 645**	**52 769 726**	**54 737 728**

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 budget allocation has gone in large part into funding 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 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 2018/19

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	Audited performance	Medium-term targets			
			2016/17	2017/18	2018/19	2019/20	2020/21
Create an accessible mechanism to lodge complaints with the OHSC (3.1)	Fully functional Call Centre System for receiving complaints	Functional Call Centre	Call Centre functional	-	-	-	-
Investigate and respond to complaints about non-compliance with norms and standards effectively (3.2)	Procedures for receiving and managing complaints developed	Procedures for receiving and managing complaints in place	Procedures in development phase	-	-	-	-
	% complaints resolved in the call centre within two months of lodgement	50%	-	New Indicator	50%	60%	70%
	% of user complaints resolved within 30 working days through assessment/screening	50%	-	New indicator	50%	65%	70%
	% of complaints lodged with the OHSC investigated and responded to within six months	80%	38.2%	70%	80%	85%	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	Procedures in development phase	-	-	-	-
	% of investigations finalised by the Ombud within 6 months from the lodgement date	80%	15%	70%	80%	85%	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	Procedures in development phase	-	-	-	-
	% of Ombud recommendations monitored for implementation by health establishments within six months of tabling to OHSC	80%	100%	70%	80%	85%	85%

6.3. Programme performance indicators and annual targets for 2018/19

The following table sets out the annual performance targets for the programme using indicators as identified.

Programme Performance Indicator	Strategic Plan Target	Audited performance	Medium-term targets			
		2016/17	2017/18	2018/19	2019/20	2020/21
Fully functional Call Centre System for receiving complaints	Functional Call Centre	Call Centre functional	-	-	-	-
Procedures for receiving and managing complaints developed	Procedures for receiving and managing complaints in place	Procedures in development place	-	-	-	-
% complaints resolved in the call centre within two months of lodgement	50%	-	New Indicator	50%	60%	70%
% of user complaints resolved within 30 working days through assessment/screening	50%	-	New indicator	50%	65%	70%
% of complaints lodged with the OHSC investigated and responded to within six months	80%	38.2%	70%	80%	85%	85%
System and procedures for investigation of complaints set up	System set up and functional	Procedures in development phase	-	-	-	-
% of investigations finalised by the Ombud within 6 months from the lodgement date	80%	15%	70%	80%	85%	85%
Procedures for communication and monitoring of Ombud recommendations set up and functional	System set up and functional	Procedures in development phase	-	-	-	-
% of Ombud recommendations monitored for implementation by health establishments within six months of tabling to OHSC	80%	100%	70%	80%	85%	85%

6.4. Reconciling performance targets with the Budget and MTEF

Expenditure Estimates: Programme 3: Complaints Management and Ombud Budget.

Economic classification			Medium-term estimates		
	Audited outcomes 2016/17	**2017/18**	**2018/19**	**2019/20**	**2020/21**
CURRENT PAYMENTS	**7 224 743**	14 769 975	17 810 707	19 083 956	20 466 151
Compensation of employees	5 990 669	12 479 195	14 827 972	15 946 235	17 155 855
Goods and services of which:	1 234 074	2 290 780	2 982 735	3 137 721	3 310 296
Travel,subsistence and accommodation	374 477	1 100 000	1 161 600	1 226 650	1 294 115
Venues and facilities	368 712	50 000	52 800	55 757	58 823
Catering services	45 403	100 780	106 424	112 384	118 565
Legal fees	47 880	-	1 000 000	1 055 000	1 113 025
Consulting and professional services	226 715	400 000	422 400	446 054	470 587
Inventory and consumables	31 841.42	40 000	42 240	44 605	47 059
Operating lease	139 045	600 000	197 271	197 271	208 121
PAYMENTS FOR CAPITAL ASSETS	**1 566 762**	**-**	**-**	**-**	**-**
Other machinery and equipments	473 198	-	-	-	-
Software and intangible assets	1 093 564	-	-	-	-
TOTAL	**8 791 505**	**14 769 975**	**17 810 707**	**19 083 956**	**20 466 151**

6.5. Performance and expenditure trends

- The budget of the Complaints Management division is expected to increase from R14.8 million in 2017/18 to R20.5 million in 2020/21.
- Provision has been made for expert panels to assist in investigations where appropriate, as well as legal fees related to the findings on investigations.
- The budget of the Ombud is included as required by the National Health Amendment Act. The budget will enable the functioning of the proper channels for the complaints system, including assessment and referral and communication of findings, including the implementation of recommendations of the Ombud emanating from complaints investigations.

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 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 2018/19

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	Audited performance	Medium-term targets			
			2016/17	2017/18	2018/19	2019/20	2020/21
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 regulated health establishments set up and functional	System set up and Functional	System set up	System for submission of annual returns set up and Functional	-	-	-
	% of annual returns analysed within 60 days to determine the profiles of HEs	80%	93%	-	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	1	1	1	1	1
Provide guidance on compliance with norms and standards for regulated HEs (4.3)	# of relevant authorities responsible for support to HEs that have received guidance for compliance with norms and standards	14	7	8	12	14	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 and Functional	System set up	System set up & functional	System for data collection and surveillance set up	-	-
	% of health establishments identified as high risk that are referred to the appropriate division/ unit within OHSC	100%	52%	100%	100%	100%	100%

7.3. Programme performance indicators and annual targets for 2018/19

The following table sets out the annual performance targets for the programme using indicators as identified.

Programme Performance Indicator	Strategic Plan Target	Audited performance	Medium-term targets			
		2016/17	2017/18	2018/19	2019/20	2020/21
% of annual returns analysed within 60 days to determine the profiles of HEs	80%	93%	-	80%	80%	80%
Number of norms and standards recommended to the Minister annually	3	1	1	1	1	1
# of relevant authorities responsible for support to health establishments that have received guidance for compliance with norms and standards	14	7	8	12	14	14
Fully functional surveillance system that reports on potential risks to compliance	System set up and Functional	System set up	System for data collection and surveillance set up	System for data collection and surveillance set up	-	-
% of health establishments identified as high risk that are referred to the appropriate division/unit within OHSC	100%	52%	100%	100%	100%	100%

7.4. Reconciling performance targets with the Budget and MTEF

Expenditure Estimates –Programme 4: Health Standards Design, Analysis and Support Budget.

Economic classification			Medium-term estimates		
	Audited outcomes 2016/17	**2017/18**	**2018/19**	**2019/20**	**2020/21**
CURRENT PAYMENTS	**6 025 122**	**11 716 474**	**12 186 593**	**12 497 464**	**13 372 664**
Compensation of employees	4 626 176	9 424 254	9 755 544	10 462 597	11 225 879
Goods and services of which:	1 398 946	2 292 220	2 431 049	2 034 867	2 146 785
Travel,subsistence and accommodation	551 786	641 820	677 762	677 762	715 039
Venues and facilities	814 669	400 000	422 400	446 054	470 587
Catering services	9 919	-	10 465	11 051	11 659
Consulting and professional services	22 572	1 250 400	1 320 422	900 000	949 500
PAYMENTS FOR CAPITAL ASSETS	**-**	**-**	**-**	**-**	-
TOTAL	**6 025 122**	**11 716 474**	**12 186 593**	**12 497 464**	**13 372 664**

7.5. Performance and expenditure trends

- The main budget item is the remuneration of employees to support the technical work of the division, including plans to conduct a review of and 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, as well as consultative forums.
- Additional external technical expertise and input may be required.

8. QUARTERLY TARGETS PER PROGRAMME

8.1. Programme 1: Administration

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
% of funded staff appointed	Quarterly	90%	85%	90%	90%	90%
% of compliance inspectors accredited	Annual	85%	-	-	-	85%
Auditor General's annual findings rating	Annual	Unqualified audit report	-	-	-	Unqualified audit report
% of IT systems uptime	Quarterly	95%	95%	95%	95%	95%
# of media and communication events and campaigns conducted annually	Quarterly	8	2	2	2	2
# of MOUs signed annually with regulators/other organisations to protect and promote healthcare quality and safety	Annual	4	1	1	1	1

8.2. Programme 2: Compliance Inspectorate, Certification and Enforcement

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 clinics, CHCs and hospitals inspected annual/y by the OHSC	Quarterly	19% (725 of 3816)	3.5% (134 of 3816)	7% (270 of 3816)	3.5% (134 of 3816)	5% (187 of 3816)
# and % of private sector clinics, CHCs and hospitals inspected annually by the OHSC		30% (111 of 369)	-	10% (37 of 111)	10% (37 of 111)	10% (37 of 111)
Procedures for certification process developed and implemented	Quarterly	Certification procedures developed	Draft Framework from the unit	2nd draft framework with CEC inputs	3rd draft framework with CEC inputs	Final Draft for presentation at the Board
% of compliant HEs certified within 60 days by the OHSC after the final inspection report	Quarterly	-	-	-	-	-
Procedures for timely enforcement action developed and implemented	Quarterly	-	-	-	-	-
% of persistently non-compliant health establishments for which enforcement action is initiated within 10 days from date of receipt of re-inspection or EWS report	Quarterly	-	-	-	-	-
# 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 Ombud

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
% complaints resolved in the call centre within two months of lodgement	Quarterly	50%	50%	50%	50%	50%
% of user complaints resolved within 30 working days through assessment/screening	Quarterly	50%	50%	50%	50%	50%
% of complaints lodged with the OHSC investigated and responded to within six months	Quarterly	80%	80%	80%	80%	80%
% of investigations finalised by the Ombud within six months from the lodgement date	Quarterly	80%	80%	80%	80%	80%
% of Ombud recommendations monitored for implementation by health establishments within six months of tabling to OHSC	Quarterly	80%	80%	80%	80%	80%

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

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 regulated health establishments set up and functional	Annually	Achieved	-	-	-	-
% of annual returns analysed within 60 days to determine the profiles of HE	Annually	80%	-	-	-	80%
Number of norms and standards recommended to the Minister annually	Annually	1	First draft standards prepared	First round of engagement with stakeholders	Second round of engagement with stakeholders	Standards recommended to the Minister
# of relevant authorities responsible for supporting health establishments that have received guidance for compliance with norms and standards.	Quarterly	12	3	3	3	3
Fully functional surveillance system that reports on potential risks to compliance	Quarterly	System for data collection and surveillance set up	Call Centre data feed functional	Inspection and annual returns data feed functional	Data feed for adverse events to be reported within 24 hours functional	DHIS and monthly EWS reporting data feed functional
% of health establishments identified as high risk that are referred to the appropriate division/unit within OHSC	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

			Medium-term estimates		
PROGRAMME	**Audited outcomes 2016/17**	**2017/2018**	**2018/19**	**2019/20**	**2020/21**
Administration	34 007 301	50 114 392	50 381 055	52 588 854	55 895 458
Compliance Inspection, Certification and Enforcement	42 078 632	49 110 158	49 299 645	52 769 726	54 737 728
Complaints Management and Ombud	8 791 505	14 769 975	17 810 707	19 083 956	20 466 151
Health Standards Design, Analysis and Support	6 025 122	11 716 474	12 186 593	12 497 464	13 372 664
TOTAL	**90 902 560**	**125 711 000**	**129 678 000**	**136 940 000**	**144 472 000**

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 exists 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
% of 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 ptimue	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
# 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	The OHSC with a mandate to promote the health and safety of users the Office 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 Cumulative	6	Performance above the target	Director: Communications

Indicator Name	Short Definition	Purpose /Importance	Source	Calculation Method	Data Limitations	Type of Indicator	Calculation Type	Reporting Cycle	Baseline	Desired Performance	Responsibility
# 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 Cumulative	2	Performance above the 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 sector clinics, CHCs and Hospitals 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	Numerator source: Inspection register Denominator source: List of HEs supplied by NDoH	Numerator: # of public HE for which an inspection was conducted Denominator: total # of public sector clinics, CHCs and hospitals	Incomplete-ness or variations in the denominator numbers as supplied by the NDoH	Output	# and % Cumulative	Quarterly	13%	Performance above the target might be desirable once full capacity exists	EM: Compliance inspections
# and % of private sector clinics, CHCs and Hospitals 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	Numerator source: Inspection register Denominator source: List of HEs supplied by NDoH	Numerator: # of private HE for which an inspection was conducted Denominator: total # of private sector clinics, CHCs and hospitals	Incomplete-ness or variations in the denominator numbers as supplied by the NDoH	Output	# and % Cumulative	Quarterly	New indicator	Performance above the target might be desirable once full capacity exists	EM: Compliance inspections
Procedures for certification process developedand implemented	Procedures outlining the process and criteria for certification of compliant HE	To ensure that only compliant HEs are certified	Approved procedures	N/A	Promulgation of procedural regulation	Output	Non-cumulative	Annual	Yes	Implementation of the procedures	Director: Certification & Enforcement
% compliant HEs certified by the OHSC within 60 days after the final inspection report	Health establishments that are found to be complaint with regulated norms and standards are certified	To encourage compliance with norms and standards by HE	List of complaint HEs	Numerator: # of health establishment certified Denominator: total # of health establishment found to be compliant	Requires regulations to be promulgated	Output	% Non-cumulative	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	Non-cumulative	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	Persistently non-compliant health establishments refer to HEs that are subjected to inspection and re-inspection for the same breach of the norms and standards but fail to remedy the breach	To ensure quality improvement is set up towards compliance with norms and standards	Numerator source: List of HEs for which enforcement action was taken Denominator source: List of non-complaint HEs	Numerator: # of health establishments for which enforcement action was taken Denominator: Total # of persistently non-complaint health establishments	Requires regulations to be promulgated	Output	% Non-cumulative	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 Non-cumulative	Annual	Yes	Performance above the target might be desirable once full capacity exists	EM: Compliance 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 System for the public to lodge complaints relating to non-compliance with NHA and related acts is set up with toll free line and trained complaints officers	Promote access for the public to complain about breaches of the NHA and related acts by Health Establishments	Complaints Management System Certificates and/or attendance registers of training	N/A	N/A	Output	Non-cumulative	Annually	Call Centre functional	Accessible Call Centre with ≥ 2 %downtime	Director: Complaints Centre & Assessment
% of complaints resolved in the Call Centre within 2 months of lodgement	Low risk complaints received through the Call Centre, logged on the OHSC Complaint Management System and responded to within 2 months from date of logging. This excludes private health establishments. A complaint is resolved when itwas referred to the health establishment for action, an acknowledgement received from the health establishment and complainant satisfied with outcome	Respond to low risk complaints in a timely manner	Low Risk Complaints Register Request Details Reports	Numerator: # of low risk complaints resolved within 2 months of logging Denominator: total # of low risk complaints logged in the 2 months (excludes private health complaints)	The time covered by the numerator and denominator may differ	Output	%	Quarterly	New indicator	Performance above the target might be desirable once full capacity exists	Director: Complaints Centre & Assessment
% of user complaints screened within 30 working days	Complaints, assigned to assessors for screening and a final report tabled with appropriate decision within 30 days from date of receipt of response to complaint request from health establishment. The decision may be either to dispose or refer for internal or external investigation	Measure the efficiency with which the assessors respond to complaints and produce an assessment report	Screening SLA Report Assessment reports	Numerator: # of complaints screened within 30 working days of receipt of response to complaint request from health establishments Denominator: total # of complaints assigned to assessors for screening in the last 30 working days	The time covered by the numerator and denominator may differ	Output	%	Quarterly	New indicator	Performance above the target might be desirable once full capacity exists	Director: Complaints Centre & Assessment

Indicator Name	Short Definition	Purpose / Importance	Source	Calculation Method	Data Limitations	Type of Indicator	Calculation Type	Reporting Cycle	Baseline	Desired Performance	Responsibility
% of complaints lodged with the OHSC investigated and responded to within six months	Complaints that are investigated and with a production of a final report within 6 months from date of receipt of complaint in the Investigation Unit	The efficiency with which the complaints are investigated, and a final report is produced	Investigation register and Final reports	Numerator: # of complaints investigated and final report issued Denominator: Total# of complaints referred for investigation in the last 6months	The reporting cycle for the denominator and numerator may differ, 6 months' time lag for denominator may/will apply. # Promulgation of Regulations on norms and standards	Output	% Non-Cumulative	Quarterly	38.2%	Full capacity may contribute to achievement of the target	Senior Investigator: Health Cases
% of investigations finalised by the Ombud within six months from the lodgement date	Complaints that the Ombud directly received or the OHSC refers to the for further investigation with production of a final report within 6 months from date of receipt or referral. An investigation is finalised when it is fully investigated, followed up, reviewed by Health Ombud, signed off by the CEO and feedback is provided	The efficiency with which the Ombud assesses and investigates complaints and can produce a report is important for users	Investigation register # Final reports	Numerator: # of investigations closed within 6 months Denominator: # of cases received or referred to the Ombud for investigation	The time period covered by the numerator and denominator may differ # Promulgation of Regulations on norms and standards	Output	% Non-cumulative	Quarterly	New indicator	15%	Senior Investigator: Legal Cases/ Ombud
% of Ombud recommendations monitored for implementation by health establishment 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 recommendations tabled to OHSC	Promulgation of the regulations	Activity	% Non-cumulative	Quarterly	New indicator	100%	CEO/Senior Investigator: Legal Cases

Indicator Name	Short Definition	Purpose / Importance	Source	Calculation Method	Data Limitations	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 Non-cumulative	Annually	No	Functional system	Director: Systems Data Analysis and Research
% of annual returns analysed within 60 days to determine the profiles of health establishments	Regulated HEs 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 analyzed Denominator: # of annual returns received	N/A	Activity	% Non-cumulative	Annual	New indicator	100%	Director: Systems Data Analysis and Research
Number of norms and standards recommended the Minister annually	Sets of norms and standards developed for different categories of HEs and recommended to the Minister	To regulate HE for improvement of the quality of care and user safety	Draft norms and standards	Numerator: # of norms and standards recommended to the Minister annually Denominator: None	None	Output	Non-cumulative	Annual	New indicator	3 sets of norms and standards in development concurrently; one set submitted for comment per year	Director: Health Standards Design and Development
# 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 NHA (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	Register of guidance events including agenda Register of materials distributed	Numerator: # of relevant authorities responsible to support health establishment that have received guidance on compliance with norms and standards	Some private HEs do not have relevant authorities and will therefore be counted as relevant authorities themselves	Output	Number Cumulative	Quarterly	New indicator	Performance above the target might be desirable once full capacity exists	Director: Health Standards Design and Development

Indicator Name	Short Definition	Purpose / Importance	Source	Calculation Method	Data Limitations	Type of Indicator	Calculation Type	Reporting Cycle	Baseline	Desired Performance	Responsibility
Fully functional surveillance system that reports on potential risk to compliance	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 monitor indicators of risks to patient safety	EWS database	Numerator: fully functional surveillance system that report to potential risk to compliance. Denominator: None	N/A	Activity	Non-Cumulative	Annually	New indicator	System functional	Director: Systems Data Analysis and Research
Fully functional surveillance system that reports on potential risk to compliance	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 monitor indicators of risks tom patient safety	EWS database	Numerator: fully functional surveillance system that report to potential risk to compliance. Denominator: None	N/A	Activity	Non-Cumulative	Annually	New indicator	System functional	Director: Systems Data Analysis and Research
% 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	% Non-Cumulative	Quarterly	New indicator	100% of identified facilities referred for action to be taken	Director: Systems Data Analysis and Research

12. ANNEXURE 3: MATERIALITY AND SIGNIFICANCE FRAMEWORK FOR THE FINANCIAL YEAR 2018/19

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
iii) below all material facts and/or events, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority.

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 considers 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 2017 was applied as follows:

Element	% Range to be applied against the rand value	Amount per audited financial statements (2016/17)	Significance Amount
Accumulated surplus	5%	R42 681 834	R2 134 092

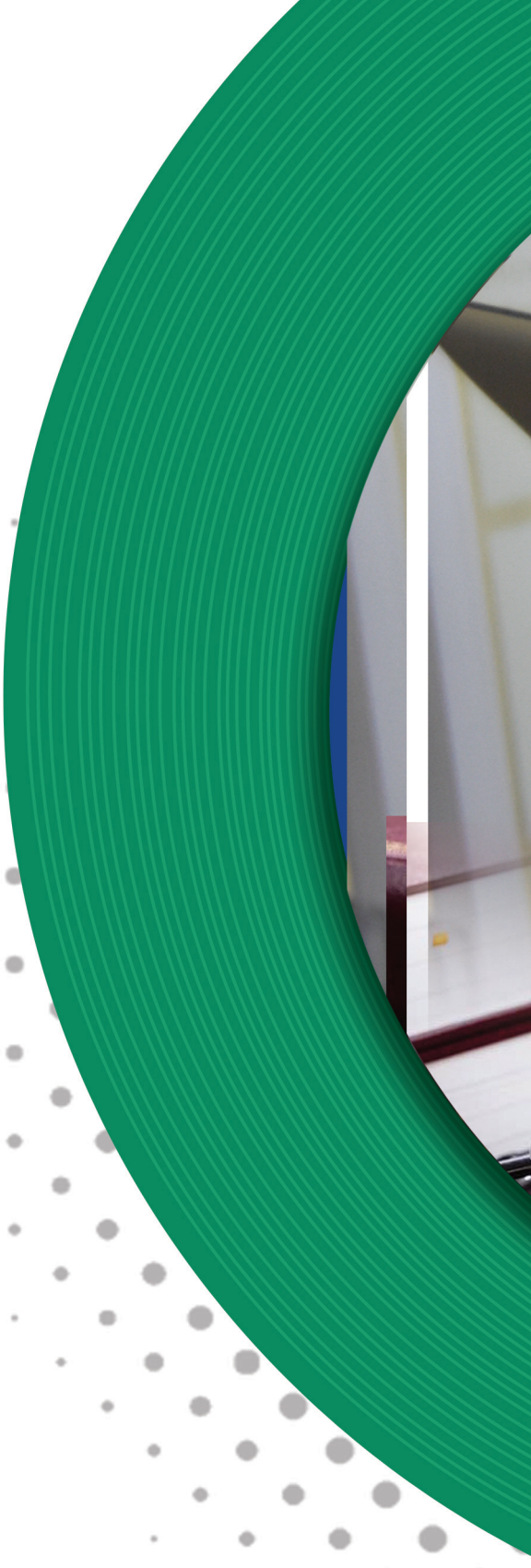
3. Review

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 conducts a risk assessment 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, consider 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	Strategic risk	Limited understanding and clarity on independence and mandate of OHSC by key stakeholders	The OHSC grew out of the NDoH and developing independence would require clear directives. Clarity in the roles and responsibilities between OHSC and NDoH are partially inadequate 1. Delays in promulgating norms & standards 2. Perception of competing interests within the regulatory sector 3. Lack of a common/uniform framework to manage stakeholders 4. Public perception of the lack of independence of OHSC 5. Lack of public awareness of the mandate of the OHSC	1. Possible duplication of functions 2. Negative impact on OHSC service delivery 3. Negative impact on OHSC reputation and image	1. Implementation of the Communication and Stakeholder Relations Strategy and stakeholder map in place 2. National Health Act, 2003 (Act No.61 of 2003) 3. Implementation of the Ombud recommendations 4. Communications policy 5. Implementation of the existing MoU's with entities
2	Compliance, regulatory & legal risks	Limitation of the regulatory framework that has an impact in OHSC to implement its mandate	1. Prolonged litigation against regulatory action 2. Inadequate OHSC enforcement framework for health establishments (HEs) 3. Insufficient guidance and support for compliance with regulated norms and standards 4. HE Certification process not yet finalised	1. Reputation & credibility 2. Delays in implementing regulatory sanctions 3. The health and safety of health care users is compromised 4. Potential financial loss 5. Non-certification of HEs 6. Negative impact on the implementation of the NHI scheme 7. Negative impact on OHSC image and reputation	1. National Health Act, 2003, (Act No.61 of 2003) as amended provides regulatory powers to the OHSC 2. Proposed norms and standards submitted for promulgation to the Minister of Health 3. Approved OHSC Enforcement Policy has been developed. Procedural regulations in place 4. Consultative workshops with relevant authorities and health care personnel in provinces are undertaken 5. Approved HE Certification Framework in place 6. Procedural regulations in place
3	Compliance, regulatory & legal risks	Litigation against the OHSC	Legal challenges related to the functions and/or actions of the OHSC	1. Penalties may be incurred 2. Negative impact on OHSC image and reputation	1. National Health Act, 2003 (Act No.61 of 2003), as amended provides regulatory powers to the OHSC 2. OHSC procedural regulations in place 3. Approved inspector training programme in place 4. Draft norms and standards regulations in place
4	Operational risk	Insufficient OHSC office space and facilities	Untimely internal decision-making process	1. Inadequate office space for the housing of key enabling facilities e.g. Call Centre 2. Inadequate storage of OHSC assets and records 3. Potential for negative impact on employee productivity and morale	Interim OHSC office facility in place
5	Governance	Ongoing vacancies on the Board	Disjuncture between the number of Board members required and the committees' numbers Vacant post of the Chairperson	Over-extended governance structures and committees may not function effectively	1. Board and Committee Charters 2. Adherence to King IV
6	People (human resource) risk	Insufficient human resource capacity and skills	1. Lack of specialised skills. 2. Ineffective remuneration strategy for specialised skills	1. Negative impact on OHSC service delivery 2. Negative impact on employee morale and instances of employee fatigue	1. Approved OHSC Organogram in place 2. Limited personnel budget 3. Appointing interns for additional capacity 4. Headhunting specialised skills

Risk No.	Risk Category	Risk Name	Root Cause	Risk Consequence	Existing Strategies and Controls
7	Strategic risk	Inadequate norms and standards for different types of HEs	1. Lack of capacity. 2.Lack of approved list of standards to be developed. 3. Lack of clarity on who develops the standards	1. Negative impact on health care service delivery to users 2. Negative impact on OHSC image and reputation Prolonged turnaround times Loss of public confidence in the Office	1. Norms and standards finalised and submitted to the NDoH Norms and standards published for comment 2. Guidance and role clarification sourced from the minister
8	Information technology risk	Potential failure of ICT infrastructure in meeting business needs and cyber threats	1. Utilisation of MRC ICT Infrastructure. 2. IT security threat. 3. Weak information security 4. Inadequate funding and resources to sustain ICT OHSC systems	1. Negative impact on OHSC service delivery 2. Negative impact on the administrative efficiency of the OHSC 3. Compromised data security 4. Possible inaccurate reporting	1. Implementation of the ICT Strategy 2. ICT steering committee
9	Strategic risk	Delays in the resolutions of complaints	1. Insufficient capacity in investigations 2. Overload to the system due to lack of gatekeeping 3. No clear guidance on where to lodge a complaint with OHSC/ Ombuds/health establishments 4. Lack of cooperation by health establishments 5. Inadequate legislative Frameworks	1. Negative impact on health care service delivery 2. Prolonged turnaround times 3. Loss of public confidence in the Office	1. Some investigators have been appointed 2 Call centre established 3. Ombud appointed 4 Call takers and assessors appointed 5. Implementation of the Communication and Stakeholder Relations Strategy and stakeholder map in place
10	Reputational risk	Fraud and corruption	1. Undue pressure from HE's to obtain certification at any cost 2. Bribery of the inspectors 3. Potential collusion 4. Poor implementation of policies	Reputation & Credibility HE's unduly certified	1. Certification enforcement Framework 2. Fraud Prevention Plan, including fraud Hotline 3. Vetting of new employees 4. Ethics training and implementation of Code of Conduct 5. Capacity building 6. Monitoring to adherence of prescripts
11	Strategic risk	Absence of Business Continuity Plans & Disaster Recovery Plans	Adverse events that impacts the organisations ability to operate / resume operations following a major business disruption 1. Reliance on MRC infrastracture	1. Disruption of business activities 2. Inability to deliver on mandate	None
12	Strategic risk	Ambiguities in the role of the Ombud	1. Duplication of roles in legislation. (No separation plans for Ombud and the Office)	"Duplication of work Internal conflict"	1. Draft MOA in place
13	Financial risk	Inadequate funding for OHSC operations	1. Dependence on NDOH for funding 2. Lack of own revenue generation mechanism	1. Strategic and operational targets may not be met. 2. Inability to attract required human resource capacity and skills	1. Government grant in place, Surplus in place 2. Investment policy in place
14	Compliance, regulatory & legal risks	Non-compliance with applicable regulatory requirements (core business and administrative processes)	1. Insufficient alignment of policies to regulatory requirements 2. Insufficient consequence management for unethical conduct 3. Inadequate awareness of applicable regulatory requirements 4. Inefficient internal processes may hamper compliance with regulatory requirements 5.Lack of a compliance framework	1. Potential for negative audit findings 2. Possible litigation and penalties may be incurred 3. Negative impact on OHSC image and reputation	1. OHSC policies and procedures in place 2. Governance and oversight structures in place 3. Internal and external audit process in place 4. Employee induction includes orientation on OHSC strategic plan and policy and procedures 5. Continuous training and awareness on applicable regulatory requirements



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