

2020

Analysis on the HIV/Aids medicine for patients in the health facilities of the Northern Cape per district

STUDENT NAME: SIPHO MBINAKOMO

CLUSTER: HEALTH

PROVINCE: NORTHERN CAPE

Summary

South Africa has the biggest HIV epidemic in the world, with 7.1 people living with HIV. HIV prevalence is high among the general population at 20.4 per cent. HIV is the virus that causes HIV infection. AIDS is the most advanced stage of HIV infection. HIV is spread through contact with the blood, semen, pre-seminal fluid, rectal fluids, vaginal fluids, or breast milk of a person with HIV. In the United States, HIV is spread mainly by having unprotected sex or sharing injection drug equipment, such as needles, with a person who has HIV. Antiretroviral therapy (ART) is the use of HIV medicines to treat HIV infection. People on ART take a combination of HIV medicines (called an HIV regimen) every day.

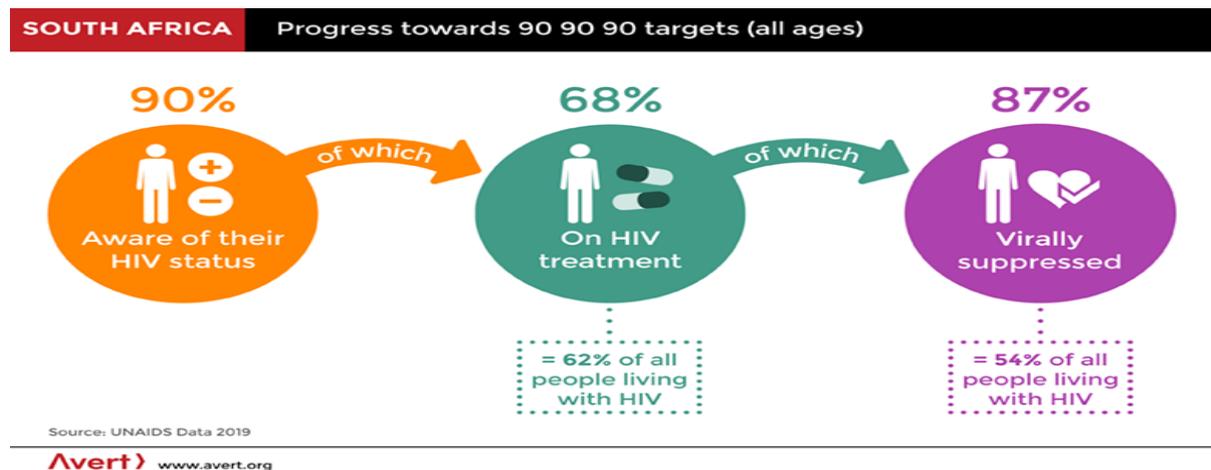
ART is recommended for everyone who has HIV. ART can't cure HIV infection, but HIV medicines help people with HIV live longer, healthier lives. HIV medicines can also reduce the risk of HIV transmission. According to the UNAIDS data 2019, South Africa has the largest antiretroviral treatment (ART) programme in the world and these efforts have been largely financed from the national revenue. In 2015, the country was investing more than R20.6 billion annually to run its HIV programmes of which the Northern Cape received R372 million for 2015/16 totalling to R1.780 billion up to 2018/19 financial year.

The success of this ART programme is evident in the increases in national life expectancy, rising from 61.2 years in 2010 to 67.7 years in 2015. The Statistics SA mid-year population data for 2018 shows that the life expectancy for males is at 57.2 year and 63.5 years for females in the Northern Cape for the period 2011 -2016 and estimated to increase to 60 years and 66.8 years for 2016-2021 respectively.

The National Health Minister, Dr. Zweli Mkhize, on 27th November 2019 launched a new advanced anti-retroviral medication in the Ugu District Municipality in KwaZulu-Natal. This new combination drug is said to provide significant benefits to patients. This new three-in-one pill

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

promises to accelerate viral suppression in those living with HIV throughout the country and help people with HIV to take control of their health faster with fewer side effects.



The table above shows that great improvement has been made by South African government with the awareness of HIV status at 87 per cent national level to reach the target of 90 90 90 programme. The Northern Cape Premier Dr Zamani Saul during the world aids day commemoration alluded that “At the end of September 2019, of the 84599 people estimated to be living with HIV in the province, 88.9 per cent know their HIV status, 86.5 per cent of People living with HIV were enrolled into ART treatment and 83.6 per cent of clients on treatment were virally suppressed.

Several factors contribute to the medicine shortages including long SCM processes, medicine stock-outs, and poor medicine management within facilities. It was discovered that Pixley Ka Seme District was identified pilot project through the NHI for the rolling out of the CCMDD by the National Department of Health of which no great results were achieved due to capacity constraints.

The whole province regional identifier is the highest on spending at R860 million out of all six regional identifier mainly situated with the FBD municipalities boundaries, for the past four years. Furthermore, the Frances Baard District is the main cost driver when compared to other four districts in the Northern Cape with the total amount of R413 million between 2015/16 and

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

2018/19 mainly because it contains the highest population coupled with clients tested positive 15 years and older rate at 6.6 per cent above the provincial rate of 5.6 per cent and below the national rate of 8.2 per cent.

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

Contents

1. Introduction	1
2. Policy and Institutional Information	3
3. Programme Chain of Delivery	5
4. Expenditure Observations	9
5. Performance	10
6. Options	12
7. Recommendations	14
8. Action	16
Annexure 1: Logframe	
Annexure 2: Business Process	
Annexure 3: Excel – (Pivot tables)	
Annexure 4: Other analysis and information	

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

1. Introduction

The analysis was done based on the actual expenditure incurred under the grant for the procurement of medicine in the Comprehensive HIV/Aids & TB grant allocated for the Northern Cape Department of Health from 2015/16 to 2018/19 as extracted from the Basic Accounting System (BAS) report converted into pivot tables as well grouping SCOA items such as bandages and dressing or contraceptives as inventory supplies medicine. The objective of HIV/Aids & TB grant was drawn from BAS and the regional identifier for districts. In order to have accurate data, the statistics on the infected patients was drawn from the District Health Information System (DHIS).

The following items were purchased using the grant: Compensation of Employees, medicine, blood services, transfers included payments to NPO or Community Health Care Workers (CHCW), outsourced services include medical waste services, food supplies, inventory medical supplies and equipment. The data was cleaned using a tables and sheets to delete duplicate items.

Furthermore, the regional identifier segment plays the critical role in respect of comparing all districts such as the largest district i.e., Frances Baard and Namakwa smallest district in terms of population.

With respect to expenditure there was a sixth Regional Identifier classified as (blank were cleaned and renamed - whole province as was scrutinized). The data represent and belongs to the Provincial Department of Health – Programme 2 District Health Services dealing with the implementation of the programme in the province as well as coordination in that regard. This expenditure is significant at R824 million over four year from 2015/16 – 2018/19 due to that most projects are driven from the District Health Services programme hence, a recorded increase of 11.7 per cent. The Pixley ka Seme district is the highest increase of 33 for 2016/17

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

followed by Frances Baard District (FBD) Municipalities at 12 per cent and the whole province at 11.7 per cent whilst John Taolo Gaetsewe (JTG), Siyanda and Namakwa District Municipalities show the decline 24.3 per cent, 23.8 per cent and 18.7 per cent respectively. Although JTG recorded the significant decline its grand total spending for the period under review is higher than Pixley ka Seme, Namakwa and Siyanda at R153 million.

To note that the Compound Average Growth Rate (CAGR) shows that FBD municipalities are leading at the growth of 29.4 per cent followed by Namakwa District at 16.6 per cent, JTG at 14.7 per cent, whole province at 4.8 per cent, Pixley ka Seme at 4.4.8 per cent and ZF Mgcawu (Siyanda) at 3.2 per cent. The CAGR on expenditure recorded does not match the distribution population data per districts on the table below as FBD is the largest and followed by ZF Mgcawu (Siyanda) District municipalities then JTG District municipalities.

Total Population of Northern Cape per District, 2014-2018

District	2014	2015	2016	2017	2018
Namakwa	131 288	132 885	134 476	136 104	137 750
Pixley ka Seme	204 495	207 827	211 108	214 399	217 668
ZF Mgcawu	262 016	266 746	271 301	275 781	280 141
Frances Baard	394 699	403 620	412 461	421 363	430 215
John Taolo Gaetsewe	232 180	238 136	244 023	249 906	255 717
Northern Cape	1 224 678	1 249 213	1 273 370	1 297 555	1 321 491

Source: IHS Markit, 2020 [Regional eXplorer, 1854 (2.6i)]

Grand Problem: There is generally not enough medicines in hospitals to treat HIV/AIDS and TB patients

Pocket Problem: Several factors contribute to the medicine shortages including SCM processes, medicine stock-outs, and poor medicine management within facilities

This performance and expenditure review focus on:

- What can be done to reduce stock-outs? Is more funding required or are there ways of improving the efficiencies of medicine management?
- What is the average cost of medicines for HIV/Aids infected patients to receive treatment?
- What is total expenditure on HIV/Aids medicine in the province per district?

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

- The use of central depot at the provincial level compared to direct procurement with suppliers by District offices for facilities.

2. Policy and Institutional Information

Section 54(1)(a) of the Employment Equity Act, No 55 of 1998 responses to HIV/AIDS in employment law and their impact in the workplace no person may be unfairly discriminated against on the basis of their HIV status.

The National Health Act 61 of 2003 section 25 states that the provincial departments of Health general functions amongst other is to have control in the quality of all health services and facilities and promote health and healthy lifestyles. The National HIV/Aids and TB Policy addresses a wide spectrum of HIV and TB issues including, prevention, treatment, support and cure.

The National Strategic Plan on HIV, STIs and TB 2017 – 2021 states that provinces are expected to implement the schedule 5 grant: Comprehensive HIV/Aids and TB grant. The conditions of grant are agreed and reviewed annually by the National Department of Health (NDoH), National Treasury, and the provinces. On a quarterly basis, performance output reports are to be submitted within 30 days following the reporting period using standard formats as determined by the NDoH.

Provinces submit annual applications to access funding from the national sphere of government (NDoH). These applications include a business plan for HIV/Aids and TB related services as well as administration of medicine.

The compliance with the Pharmacy Act no 53, of 1974 and Medicines and Related Substances Act, 1965 (Act No. 101 of 1965) is vital and the Centralised Chronic Medicines Dispensing and Distribution (CCMDD) Programme has been rolled out by National Department of Health in

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

province through the NHI Districts i.e. Pixley ka Seme (pilot) since February 2014 to reduce numbers of patients collecting medication at the health facilities.

The programme is giving an eligible chronic stable patient the opportunity to collect his or her medication from a convenient pick-up point and enables the facility to focus on the unstable chronic patients. Unfortunately the investigation shows that the programme was not the success in the Northern Cape piloted under the National health Insurance (NHI) as most patients still prefer to visit health facilities of which Free State have recorded more than 120 thousand patients of 180 thousands patients to receive medication at their homes or nearest pharmacy of their choice.

The HIV/Aids medication and other medicines in the Northern cape are procured through a Central Depot using the intenda system and distributed to all facilities. Non-HIV/Aids medicines (i.e., other medicine) is procured by regional, provincial hospitals directly from the suppliers. The role players at a national and provincial level are shown in the diagram below.

National Sphere – role players



Provincial Sphere – Role players



This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

Municipal Sphere – Role Players

District Offices, Pharmaceutical Depot, Health Facilities, Pharmacist/professional
Nurses/medical allied worker including (Doctors) / courier companies appointed on CCMDD

by National Health –

Delivery of medication to eligible patients and provide excellent health care service

districts is specifically on the HIV/Aids and TB components funded mainly by the HIV/Aids and TB grant.

The Provincial Department of Health issue allocation letters to programmes and facilities and capture the budget on the Basic Accounting Systems to interface with the Intenda Warehouse Inventory System. The specifications for Tender of pharmaceutical supplies is issued by province for the eligible services providers for bidding. The bidding process is followed from specifications, evaluation, and adjudication of bids by the representatives from:

- The Chief Financial Officer`s office
- District Health Management Services
- District Office and
- Provincial Medical Depot.

The Accounting Officer appoints the suitable services providers of medicine and related medical suppliers for HIV/Aids.

To receive medicines, facilities submit their medicine requisitions to the District Office which will send them to the Medical Depot for consideration. The Medical depot procure medicine for the health facilities through the contracted services providers. The medicine is delivered to the medical Depot and then later transferred to the health facilities by the depot personnel. The medicine is kept or stored at the required and specified temperatures by the facilities in terms of Norms and Standards issued by the Office of the Health Standards Compliance.

These processes are intended to manage the availability of medicine at health facilities which will result in fewer deaths from HIV/Aids. The implementation of the Comprehensive HIV/Aids & TB grant programme is depended on the following role players:

- Provincial Treasury (Provincial Budget Management)
- Office of the Premier (Monitoring and evaluation unit)
- Northern Cape Department of Health - Office of the CFO`s

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

- Provincial Medical Depot staff
- District Office Support Staff,
- District Health Programme officers
- Medical allied workers (Doctors/Interns)
- Community Health Care Workers (CHCW)
- Professional Nurses
- Enrolled nurses and
- Pharmacist
- Centralised Chronic Medicines Dispensing and Distribution (CCMDD) – service providers

The Society for Family Health (SFH) donated a truck as part of HIV prevention to the Northern Cape Department of Health during the 2018/19 for the delivery of condoms across all five (5) districts and the acceptance letter was approved by the Accounting Officer and the registration process of the truck under the NCDOH ownership was completed.

The following table reflect the activities as well as the indicators in the HIV/AIDS medicine.

Table 1: Northern Cape Department of Health Medicine Management logical framework matrix

NATIONAL DEPARTMENT OF HEALTH - ACTIVITIES				PROVINCIAL ACTIVITIES			
IMPACT	IMP1	Improved life expectancy					
Indicator		% HIV test positive clients 15 years and older rate					
Frequency		Annually					
Source of data		District Health Information Systems					
OUTCOME	OUTC1	Reduction of the HIV/Aids Death rate					
Indicator		clients remaining on Antiretroviral Therapy (ART)					
Frequency		Annually					
Source of data		District Health Information Systems					
Final Output	FOUT1	Availability of Medicine to Patients					
Indicator		Male condom distribution rate		Adults with viral load suppressed 12 months rate			
Frequency		quarterly		quarterly			
Source of data		District Health Information Systems		District Health Information Systems			
Intermediate outputs	IOUT1	Approved Business Plan		IOUT2	Appointment of Services providers for pharmaceutical	IOUT4	Medication stored or kept at Health Facilities
Indicator		Timely submission of Business Plan by end February		Number of contracts concluded with Service providers		% of Stock levels kept at facilities	
Frequency		Annually		Annually		Quarterly	
Source of data		Division of Revenue Act		Tender documents/SCM		Intenda Warehouse Management System	
Activities	ACT1.4	Feedback on the conditional grants business plan		ACT 2.4	Provincial Office - (CFO)/Medical Depot/SCM conclude on evaluation of tenders	ACT 3.4	Delivery of the medicine in the facilities
Indicator							
Frequency							
Source of data							
Activities	ACT1.3	Assessment of the conditional grants business plan by National		ACT 2.3	Specifications for Tender issued - Pharmaceutical services providers	ACT 3.3	The Depot procure medicine for facilities
Indicator						% of Stock levels available at facilities	
Frequency						Quarterly	
Source of data						Intenda Warehouse Management System (Depot)	
Activities	ACT1.2	Receive the Conditional grants Business Plan		ACT 2.2	Budget captured on the Basic Accounting System/Intenda inventory System	ACT 3.2	The District Office sent medicine needs of facilities to Depot
Indicator						Number of completed requisitions for medicine/medicine supplies received	
Frequency						Quarterly	
Source of data						District Health Offices /Facilities	
Activities	ACT 1.1	Revision of Conditional Grants Frameworks &	Submission of Provincial conditional grants business plans	ACT 2.1	PDoH issue allocation letters to Programmes/Districts and Facilities	ACT 3.1	The facilities send medicine needs to the District Offices
Indicator						Number of health facilities completing requisitions for medicine	
Frequency						Quarterly	
Inputs		NDoH, Programme Officers for HIV/Aids and TB grant, PDoH and Provincial Treasury	PDoH, Provincial Treasury, Treasury Committee		PDoH staff, interested Services providers		Health Facilities, District Management, Professional Nurses, Pharmacist, Community Health Workers and Medical allied staff.
Performance indicator							
Frequency							
Programme elements							
Responsibility							
Means Linked to National Process before the programme is implemented							

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

4. Expenditure Observations

The Northern Cape department of Health received only 3 per cent of the total allocation from the Comprehensive HIV/Aids & TB grant as per the presentation by National Department of Health to standing Committee on Appropriations/Portfolio Committee on Health during the 2017/18 Financial year. 98% of this (R498 million) was spent by the Northern Cape Department of Health and HIV/Aids programmes accounted for R422 million as per table attached.

The data extracted from BAS report and then converted into pivot tables

Sum of Total Expenditure Row Labels	Column Labels				Grand Total	Year on year growth			
	2015/2016	2016/2017	2017/2018	2018/2019		Y1 to Y2	Y2-Y3	Y3-Y4	CAGR
FRANCES BAARD MUNICIPALITIES	62 995 486	70 579 056	98 483 576	136 398 644	368 456 762	12.0%	39.5%	38.5%	29.4%
JOHN TAOLO GAETSWEWWE MUNICIPLTS	35 362 455	26 757 986	37 194 376	53 356 455	152 671 272	-24.3%	39.0%	43.5%	14.7%
NAMAKWA MUNICIPALITIES	13 820 371	11 232 358	16 150 306	21 895 047	63 098 082	-18.7%	43.8%	35.6%	16.6%
NC : WHOLE PROVINCE	189 868 217	212 048 158	203 529 848	218 792 354	824 238 577	11.7%	-4.0%	7.5%	4.8%
PIXLEY KA SEME MUNICIPALITIES	24 055 324	31 981 584	29 242 897	27 392 871	112 672 675	33.0%	-8.6%	-6.3%	4.4%
SIYANDA MUNICIPALITIES	33 423 285	25 460 491	37 569 411	36 729 776	133 182 963	-23.8%	47.6%	-2.2%	3.2%
Grand Total	359 525 138	378 059 632	422 170 413	494 565 147	1 654 320 331	5.2%	11.7%	17.1%	11.2%

The total expenditure recorded for the past four years amounts to R1.654 billion. of which NC whole province is the highest at R824 million followed by Frances Baard municipalities at R368 million and the list spending recorded at 63 million for Namakwa municipalities. The CAGR for the province is standing at 11.2% of which FBD municipalities are leading at 29 per cent in correlation to the status of clients that tested positive at 6.6 per cent in terms of the DHIS data 2016/17 financial year. The year on year growth of expenditure is at 5.2 per cent and 11.7 per cent above the projected cpi or inflationary adjustment of 5 per cent for 2016/17 and 2017/18 financial years.

The regional identifier and goods and services item segments were selected in order to determine the accurate data. The above figures includes non-negotiable items such medicine, medicine supplies, blood services, food supplies and not limited to compensation of employees spending total at the Provincial District Management Office. To note that CoE accounts for R464 million of the total spending on the HIV/Aids programme.

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

Summary of Districts											
Sum of Total_Expenditure	Column Label						Pareto Analysis				
Row Labels	Y	2015/2016	2016/2017	2017/2018	2018/2019	Grand Total	Y1 Cumsum	Y2 Cumsum	Y3 Cumsum	Y4 Cumsum	GT Cumsum
COMPENSATION OF EMPLOYEES		22.59%	21.82%	25.41%	37.86%	27.65%	22.6%	21.8%	25.4%	37.9%	27.6%
MEDICINE		23.25%	23.35%	31.45%	18.82%	24.13%	45.8%	45.2%	56.9%	56.7%	51.8%
BLOOD SERVICES		14.14%	21.03%	16.63%	15.13%	16.69%	60.0%	66.2%	73.5%	71.8%	68.5%
TRANSFERS		20.72%	21.70%	0.06%	0.03%	9.42%	80.7%	87.9%	73.6%	71.8%	77.9%
OUTSOURCED SERVICES		0.00%	0.01%	19.18%	13.10%	8.91%	80.7%	87.9%	92.7%	84.9%	86.8%
FOOD SUPPLIES		3.83%	4.30%	1.96%	2.14%	2.95%	84.5%	92.2%	94.7%	87.1%	89.7%
Grand Total		100.00%	100.00%	100.00%	100.00%	100.00%	200.00%	200.00%	200.00%	200.00%	200.00%

It was discovered that the pareto analysis show the Compensation of employees, medicine, blood services and transfers –(NPO- stipends/payment for Community Health Care Workers) total to 78 per cent less than 80 threshold for pareto and when adding outsource service the spending is recorded at 87 per cent for the past four years.

FRANCES BAARD MUNICIPALITIES											
Sum of Total_Expenditure	Column Label						Pareto Analysis				
Row Labels	Y	2015/2016	2016/2017	2017/2018	2018/2019	Grand Total	Y1 Cumsum	Y2 Cumsum	Y3 Cumsum	Y4 Cumsum	GT Cumsum
BLOOD SERVICES		16.47%	33.72%	21.30%	31.73%	26.60%	16.5%	33.7%	21.3%	31.7%	26.6%
MEDICINE		0.00%	0.22%	38.09%	26.79%	20.97%	16.5%	33.9%	59.4%	58.5%	47.6%
TRANSFERS		39.29%	44.97%	0.05%	0.00%	14.36%	55.8%	78.9%	59.4%	58.5%	61.9%
OUTSOURCED SERVICES		0.03%	0.00%	27.43%	13.68%	12.98%	55.8%	78.9%	86.9%	72.2%	74.9%
TRAVEL AND SUBSISTENCE		10.37%	3.07%	2.83%	3.98%	4.53%	66.1%	82.0%	89.7%	76.2%	79.4%
CONSULTANTS		0.03%	0.00%	0.00%	0.00%	0.00%	100.0%	100.0%	100.0%	100.0%	100.0%
FUEL,OIL AND GAS		0.00%	0.00%	0.00%	0.01%	0.00%	100.0%	100.0%	100.0%	100.0%	100.0%
Grand Total		100.00%	100.00%	100.00%	100.00%	100.00%	200.00%	200.00%	200.00%	200.00%	200.00%

The FBD municipalities show that the pareto grand cumsum analysis is reached when counting the blood services, medicine, transfers, outsourced services, traveling and substance items of which the highest blood services in correlation with HIV test positive clients 15 years and older indicator.

SIYANDA MUNICIPALITIES											
Sum of Total_Expenditure	Column Label						Pareto Analysis				
Row Labels	Y	2015/2016	2016/2017	2017/2018	2018/2019	Grand Total	Y1 Cumsum	Y2 Cumsum	Y3 Cumsum	Y4 Cumsum	GT Cumsum
COMPENSATION OF EMPLOYEES		43.87%	38.41%	57.50%	87.20%	56.93%	43.9%	38.4%	57.5%	87.2%	56.9%
MEDICINE		45.17%	40.16%	23.26%	-1.03%	26.49%	89.0%	78.6%	80.8%	86.2%	83.4%
Grand Total		100.00%	100.00%	100.00%	100.00%	100.00%	200.0%	200.0%	200.0%	200.0%	200.0%

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

Only the Compensation of employees and medicine are the cost drivers for the district in terms of Pareto and attributable to that they are the HIV/Aids programme implementers for the whole province hence CoE expenditure recorded at 56.9 per cent.

JOHN TAOLO GAETSWEWE MUNICIPLTS										
Sum of Total_Expenditure	Column La					Pareto Analysis				
Row Labels	2015/2016	2016/2017	2017/2018	2018/2019	Grand Total	Y1 Cumsum	Y2 Cumsum	Y3 Cumsum	Y4 Cumsum	GT Cumsum
MEDICINE	0.00%	0.00%	48.77%	47.02%	28.90%	0.0%	0.0%	48.8%	47.0%	28.9%
TRANSFERS	53.87%	64.69%	0.00%	0.00%	23.12%	53.9%	64.7%	48.8%	47.0%	52.0%
OUTSOURCED SERVICES	0.00%	0.13%	36.83%	32.19%	20.72%	53.9%	64.8%	85.6%	79.2%	72.7%
BLOOD SERVICES	17.32%	28.96%	12.49%	9.67%	15.41%	71.2%	93.8%	98.1%	88.9%	88.2%
EQUIPMENT	17.09%	0.00%	0.00%	0.00%	3.86%	88.3%	93.8%	98.1%	88.9%	92.0%
Grand Total	100.00%	100.00%	100.00%	100.00%	100.00%	200.0%	200.0%	200.0%	200.0%	200.0%

The analysis of JTG do not differ from the previous districts analysis on non-negotiable items been the cost drivers ather than additions of equipment procured for rendering ART in the districts and the expenditure share been recorded higher at 18.7 per cent for the 2016/17 financial year notwithstanding that Provincial Treasury`s of North west and Northern Cape to finalise the transfer of facilities/communities of Ba-ga Mothibi to the Northern Cape with full funding.

PIXLEY KA SEME MUNICIPALITIES										
Sum of Total_Expenditure	Column Lak					Pareto Analysis				
Row Labels	2015/2016	2016/2017	2017/2018	2018/2019	Grand Total	Y1 Cumsum	Y2 Cumsum	Y3 Cumsum	Y4 Cumsum	GT Cumsum
TRANSFERS	50.99%	53.02%	0.00%	0.00%	25.10%	51.0%	53.0%	0.0%	0.0%	25.1%
OUTSOURCED SERVICES	0.00%	0.00%	51.56%	42.07%	24.47%	51.0%	53.0%	51.6%	42.1%	49.6%
BLOOD SERVICES	33.87%	42.46%	10.98%	4.62%	22.79%	84.9%	95.5%	62.5%	46.7%	72.4%
MEDICINE	0.00%	0.00%	34.76%	37.62%	18.70%	84.9%	95.5%	97.3%	84.3%	91.1%
INVENTORY MEDICAL SUPPLIES	5.20%	2.94%	0.33%	8.80%	4.09%	90.1%	98.4%	97.6%	93.1%	95.2%
Grand Total	100.00%	100.00%	100.00%	100.00%	100.00%	200.0%	200.0%	200.0%	200.0%	200.0%

The above table also shows that the Frances Baards Municipalities rely mostly on the CHCW for rendering the HIV/Aids programme to communities hence the rate of spending is high at 25 per and items still the same throughout the districts on pareto analysis as they are cost drivers for the grant.

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

SIYANDA MUNICIPALITIES										
Sum of Total_Expenditure	Column Labels					Pareto Analysis				
Row Labels	2015/2016	2016/2017	2017/2018	2018/2019	Grand Total	Y1 Cumsum	Y2 Cumsum	Y3 Cumsum	Y4 Cumsum	GT Cumsum
BLOOD SERVICES	27.85%	41.03%	24.02%	19.60%	27.48%	27.9%	41.0%	24.0%	19.6%	27.5%
MEDICINE	0.00%	6.16%	37.93%	44.94%	23.88%	27.9%	47.2%	62.0%	64.5%	51.4%
TRANSFERS	33.13%	42.14%	0.00%	0.00%	17.02%	61.0%	89.3%	62.0%	64.5%	68.4%
OUTSOURCED SERVICES	0.00%	0.00%	33.62%	25.56%	16.24%	61.0%	89.3%	95.6%	90.1%	84.6%
EQUIPMENT	25.71%	4.35%	0.00%	0.00%	7.01%	86.7%	93.7%	95.6%	90.1%	91.6%
Grand Total	100.00%	100.00%	100.00%	100.00%	100.00%	200.0%	200.0%	200.0%	200.0%	200.0%

The district show the same data on non-negotiable items as the cost drivers for pareto analysis to made up 80 per cent.

NAMAKWA MUNICIPALITIES										
Sum of Total_Expenditure	Column Labels					Pareto Analysis				
Row Labels	2015/2016	2016/2017	2017/2018	2018/2019	Grand Total	Y1 Cumsum	Y2 Cumsum	Y3 Cumsum	Y4 Cumsum	GT Cumsum
BLOOD SERVICES	23.40%	31.35%	25.63%	24.74%	25.83%	23.4%	31.3%	25.6%	24.7%	25.8%
OUTSOURCED SERVICES	0.00%	0.00%	36.84%	30.45%	21.08%	23.4%	31.3%	62.5%	55.2%	46.9%
TRANSFERS	38.72%	63.72%	0.00%	0.00%	18.57%	62.1%	95.1%	62.5%	55.2%	65.5%
MEDICINE	0.00%	0.00%	21.07%	20.24%	12.95%	62.1%	95.1%	83.5%	75.4%	78.4%
EQUIPMENT	27.10%	0.00%	14.46%	0.00%	10.11%	89.2%	95.1%	98.0%	75.4%	88.5%
Grand Total	100.00%	100.00%	100.00%	100.00%	100.00%	200.00%	200.00%	200.00%	200.00%	200.00%

The district show the same data on non-negotiable items as the cost drivers for pareto analysis to made up 80 per cent.

Sum of Total_Expenditure	Column Labels	Year on year growth								MTEF Growth Projections			6%
		2015/2016	2016/2017	2017/2018	2018/2019	Grand Total	Y1 to Y2	Y2-Y3	Y3-Y4	CAGR	2019/2020	2020/21	2021/22
COMPENSATION OF EMPLOYEES	84 736 446	90 632 201	119 531 106	199 305 254	494 205 008	7.0%	31.9%	66.7%	33.0%	211 263 569	223 939 384	237 375 747	
MEDICINE	87 242 205	96 982 599	121 792 960	100 404 255	406 422 019	11.2%	25.6%	-17.6%	4.8%	106 428 510	112 814 221	119 583 074	
BLOOD SERVICES	53 057 492	87 344 926	78 235 233	79 656 665	298 294 316	64.6%	-10.4%	1.8%	14.5%	84 436 065	89 502 229	94 872 363	
TRANSFERS	77 721 300	90 147 432	279 576	141 130	168 289 438	16.0%	-99.7%	-49.5%	-87.8%	149 598	158 574	168 088	
OUTSOURCED SERVICES	17 047	37 253	90 204 179	68 976 391	159 234 870	118.5%	242037.2%	-23.5%	1493.5%	73 114 974	77 501 873	82 151 985	
INVENTORY MEDICAL SUPPLIES	5 183 561	22 208 912	7 529 002	18 138 850	53 060 325	328.4%	-66.1%	140.9%	51.8%	19 227 181	20 380 812	21 603 660	
FOOD SUPPLIES	14 354 532	17 861 228	9 240 075	11 254 895	52 710 729	24.4%	-48.3%	21.8%	-7.8%	11 930 188	12 646 000	13 404 760	
EQUIPMENT	25 433 054	1 633 665	6 018 198	7 518 126	40 603 044	-93.6%	268.4%	24.9%	-33.4%	7 969 213	8 447 366	8 954 208	
TRAVEL AND SUBSISTENCE	9 352 254	3 729 598	4 683 813	7 813 049	25 578 714	-60.1%	25.6%	66.8%	-5.8%	8 281 832	8 778 742	9 305 467	
ADVERTISING	2 908 716	19 152	661 902	15 133 079	18 722 850	-99.3%	3356.0%	2186.3%	73.3%	16 041 064	17 003 528	18 023 739	
CONTRACTORS	2 384 406	254 780	2 225 588	12 075 852	16 940 626	-89.3%	773.5%	442.6%	71.7%	12 800 403	13 568 427	14 382 532	
CONSUMABLES	4 442 112	2 009 035	701 870	1 531 049	8 684 065	-54.8%	-65.1%	118.1%	-29.9%	1 622 912	1 720 286	1 823 504	
CATERING	3 032 032	1 348 116	974 003	2 670 894	8 025 046	-55.5%	-27.8%	174.2%	-4.1%	2 831 147	3 001 016	3 181 077	
VENUE & FACILITIES	2 122 254	176 965	759 620	677 343	3 736 182	-91.7%	329.2%	-10.8%	-31.7%	717 984	761 063	806 726	
INVENTORY	1 714 478	-	857 818	873 285	3 445 581	-100.0%	#DIV/0!	1.8%	-20.1%	925 682	981 223	1 040 096	
INTEREST PAID	151 621	641 338	600 112	1 059 836	2 452 907	323.0%	-6.4%	76.6%	91.2%	1 123 426	1 190 832	1 262 282	
ICT	296 719	8 795	43 873	740 623	1 090 009	-97.0%	398.8%	1588.1%	35.6%	785 060	832 164	882 094	
TRAINING & DEVELOPMENT	493 800	16 359	10 832	131 000	651 991	-96.7%	-33.8%	1109.4%	-35.7%	138 860	147 192	156 023	
ADMINISTRATION FEES	408 174	106 165	31 288	48 544	594 171	-74.0%	-70.5%	55.2%	-50.8%	51 456	54 544	57 816	
OPERATING PAYMENTS	84 784	42 202	34 304	180 939	342 229	-50.2%	-18.7%	427.5%	28.7%	191 795	203 303	215 501	
FLEET SERVICES	-	182 617	-	77 004	259 621	#DIV/0!	-100.0%	#DIV/0!	#DIV/0!	81 624	86 521	91 712	
CONSULTANTS	18 500	-	-	-	18 500	-100.0%	#DIV/0!	#DIV/0!	-100.0%	0	0	0	
FUEL,OIL AND GAS	-	-	-	9 145	9 145	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	9 694	10 276	10 892	
Grand Total	375 155 488	415 383 339	444 415 353	528 417 207	1 763 371 387	10.7%	7.0%	18.9%	12.1%	560 122 239	593 729 573	629 353 348	

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

The year on year growth of spending for four years shows that the HIV/Aids medicine items recorded 10.7 per cent for Y1, 7 per cent for Y2 and 12.1 per cent for Y3 way above inflation of 5 per cent and projected at 6 per cent over the incoming 2019 MTEF.

5. Performance

The total spending on the Comprehensive HIV/Aids & TB grant objective shows an average annual growth rate of 12.3 per cent per annum over the last four years. HIV/AIDs related programmes account for 11.2 per cent from 2015/16 to 2018/19 financial years. The expenditure on HIV/Aids comprises of expenditure on goods and services items as well as compensation of employees to implement the grant suitably.

Medicine refers to medication dispensed to the patients or users whilst medical supplies means products that are used for therapeutic purposes such as gloves, gauze, cotton, administration sets, needles, catheters, oxygen masks.

Interviews were conducted with two Deputy Directors and a Director from different departments including the Northern Cape Department of Health – Management Accounting and Provincial Treasury - Economic Analysis and Free State Medical Depot. This revealed some of the performance information mentioned above such as the distribution population data in the performance expenditure review.

The table shows the data of 2016/17 financial year as the base line of previous four years

Districts	HIV test positive clients 15 years and older (%)	Clients remaining on Antiretroviral Therapy (ART) (%)	Male Condom Distribution coverage	% Share of Spending for 2016/17 Financial year
Frances Baard	6.6	61.8	16.7	18.7
John Taolo Gaetsewe (JTG)	5.6	78	21.9	7.08
Pixley ka Seme	4.1	76	33.9	8.46
ZF Mgcawu (Siyanda)	5.1	65.3	19.8	6.73

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

Namakwa	2.2	91.5	20.7	2.9
Whole Province				56.1
Northern Cape	5.6	69.3	21.5	100

The above data from the DHIS when compared to the expenditure for 2016/17 financial year the leading district on spending or cost drivers in the base year is the whole province expenditure not correctly classified to the relevant regional identifier which makes it difficult for the data to be comparable or have correlation with the indicators for the medicine management of HIV/Aids.

~~The Namakwa district recorded the highest (treatment) rate at 91.5 per cent on the clients remaining on ART due to accessibility of health services by patients, hence the lower expenditure share of 2.9 per cent as more Community Health Centres/Clinics are nearer to the communities. Notwithstanding that the Namakwa district was inherited from the Western Cape Province.~~

The distribution of male condoms is still a challenge for most district with the current distribution rate significantly lower than the national rate of 47.%%. This implies that not all communities access condoms easily hence poor performance on this indicator and more awareness programmes need to take place.

The 90 90 90 programme in the province does heal results on people knowing their status in the Frances Baard and JTG district municipalities due to that the HIV test positive clients is equal or above the 5.6 rate of province.

Norms and Standard stipulates the medicine be kept locked at the clean storage facilities at all times and every shelf in a store room must be a minimum height of 225 mm above the floor. The facilities are given a turnaround time of three to 7 workings days to place orders for medicine at the provincial depot and ensure that stock levels are kept at required minimum level to avoid the expiring of medicine as budgets are allocated to facilities while spending interface in Programme7: Health Care Services Programme and get journalise to respective facilities when medicine is dispensed and payment paid to the suppliers.

6. Options

The following table consists of comparison between 100 per cent procurement of HIV/Aids medicine and medical supplies through the centralised Pharmaceutical Depot Model and Decentralised to Regional, Provincial and Tertiary Hospitals.

Northern Cape Department of Health

100 % Centralized Depot	Decentralized - Regional Hospital/ Tertiary Hospital Services
1. The services provider is appointed by the province after following the bidding process;	The services provider is appointed by the province after following the bidding process;
2. Medical Depot procure medicine and medical supplies for the province,	Facilities procure medicine and medical supplies from the appointed services provider
3. The medical Depot keep stock at the maximum stock levels,	Regional Hospital- Dr Harry Surtie and Robert mangaliso Sobukwe Hospital receiving the medication from the supplier within 14 days
4. Facilities send their requisitions to access the medicine or medical supplies they need at Depot;	If no stock available with the appointed service provider the order is estimated to take extra 2 weeks or linked with terms of the service level agreement
5. The Depot scrutinize the requisition and issue stocks available to facilities through the intenda system;	The facilities receive orders placed and store medicine
6. If no stock available at store warehouse of the Depot, A Depot will start the procurement process with turnaround time of a 2weeks and if no medication is	Storage facilities is provided for the storage for medicines and drugs and such facilities must be kept locked at all times

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

100 % Centralized Depot	Decentralized - Regional Hospital/ Tertiary Hospital Services
available with the appointed suppliers the time is estimated to be a month of delivery to the Depot by the appointed supplier (delivery to the facility be more than 6 weeks)	except when medicines or drugs are being removed or returned to it;
7. The supplier deliver the medicine to the Depot and goods received note is signed by the Medical Depot receiving officer/clerk	The payment to the supplier is captured within 30 days for the supplier and paid depended cash flow available for the month.
8. The Depot deliver the medicine to the health facility in all districts,	Facility kept Medicines, detergents, pesticides and other harmful substances must be stored in lockable places and kept out of reach of the children
9. The payment to the supplier is captured within 30 days for the supplier and paid depended cash flow available for the month.	Done
10. Storage facilities is provided by facilities for the storage for medicines and drugs and such facilities must be kept locked at all times except when medicines or drugs are being removed or returned to it;	Done
11. The facilities kept the Medicines, detergents, pesticides and other harmful substances must be stored in lockable places and kept out of reach of the children	Done
12. The expenditure is journalized to the correct cost center – facility at the end month on receipt of the medicine by the relevant facility	Expenditure is capture correctly when payment is made
13. End-user receive their medication	End user receive their medication
14. Expired medicines to be kept and disposed in a safe manner;	Expired medicines to be kept and disposed in a safe manner;

Based on the above-mentioned scenarios it is clear that the 100 per cent centralised procurement system takes more time than expected for facilities to have stock on hand of which the life expectancy of patients is compromised whilst the decentralisation system is faster and manageable within the identified facilities.

The limitation is that the district facilities do not have capacity for the implementation of the decentralised procurement system for the province.

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were some data limitations and both the appropriate level of information, and its correctness could not be independently verified.

7. Recommendations

The expenditure data that was extracted from BAS report revealed the following:

1. HIV/Aids Medicine budget and expenditure

It is recommended that the budget and expenditure for HIV/Aids programme should be captured at the district level when the transaction take place to minimise incorrect reporting.

The following outcomes were discovered:

- The expenditure was captured correctly under the objective of HIV/Aid & TB grant objective with multiple lower level objective and responsibilities creating difficulties to analyse data and time consuming if not having knowledge for excel or BAS.
- The 6 Regional Identifier of made data to be unreliable until is cleaned and investigated as bulk of expenditure was captured as whole province under (blank) which whilst expenditure is expended within the Frances Baard District municipalities.
- The key cost drivers goods and services items were easily analysed after been grouped and renamed as non-negotiable items for presentation of the report.

2. Recommended Model

It is recommended that the status quo at the Department of Health should remain at the district level to procure through the Medical depot and be changed for the Regional and Tertiary Hospital be given the opportunity to procure medicine on their own to curb the stock outs relieve the pressure on the medical depot as they are big facilities.

Furthermore, the two identified fully capacities facilities to adopt gradually one or two facilities within their district and procure for them until they are in the level of competent to use the decentralised system for improving health service programme on HIV/Aids.

8. Action

As the Budget Analyst, after receiving the feedback on my first draft of my Performance Expenditure Review (PER) will implement the comments for the submission of my final PER, Upon receipt of my assessment of the PER, consultation will be done with Northern Cape Department of Health (CFO`s), Director - Northern Cape Pharmaceutical Depot including the three that were already interviewed and this will be completed in a two weeks' time. Copies of my PER will be shared with them and advise them to share the information with their Executive Management Committee (EMC) or senior management of NCDoh for implementation purpose, they will be further be advised to give feedback within a months' time.

Before the finalisation of the 2020 MTEF budget financial year which is to be tabled March 2020 a recommendation will be submitted to the department of health and provincial treasury in order to budget adequately for non-negotiable items especially medicine and medical supplies within the Comprehensive HIV/Aids & TB grant. The PER will also be presented to the Acting Accounting Officer of Northern Cape Provincial Treasury.