

2019

**Comparison between insourcing and
outsourcing of Security Services in the
Northern Cape Department of Health**

STUDENT NAME: BETTY MAIBI

CLUSTER: HEALTH

PROVINCE: NORTHERN CAPE

Summary

Security is a very important support service in all government facilities especially in the health sector where there are patients, staff members as well as the public visiting the facilities.

The inspiration derives from the Premier of the Northern Cape Province (Dr Zamani Saul) who indicated in his inauguration speech on the 29th of May 2019 that: "There will be dedicated work to ensure that we de-tenderize the state in our effort to cut costs of rendering services to our people. In our effort to de-tenderize the Provincial Government, we will also investigate and introduce phased in-sourcing of some support functions such as security guards, gardening, catering, cleaning services, maintenance of state buildings, etc. We must use the employment opportunities derived from these support functions to create decent work"

It was discovered that Frances Baard Municipalities are the main cost drivers out of all Regions with the total number of 281 security guards and an amount of R147, 280 million for the past four years. Furthermore, the Provincial Tertiary Hospital Service is the main cost driver out of all facilities within the province with the total amount of 31,529 million between 2015/16 and 2018/19 mainly because it contains the highest total number of security guards (69 security guards).

Comparison between the outsourcing and insourcing models was also done based on the current service level agreement between the department of health and the current service provider for the last year of the contract which is 2019/20. The insourcing model was based on the entry level 3 of the security guards as per DPSA directive. It was discovered that the outsourcing model is cost effective whereby the department will realise a savings of R10,230 million.

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1. Introduction

The analysis was done based on the actual expenditure on the security services in the Northern Cape Department of Health from 2015/16 to 2018/19 as extracted from the Basic Accounting System (BAS) report.

In order to consume accurate data, the BAS report was converted into pivot tables, the regional identifier was selected and further selected eight items that were used for security service purposes, namely, the P/P:Safeguard&Security, A&S/O/S:Security Services, Conss:Security Access Conss, Secure Equipment, Sys, Mater: Fix, Contrctrs: Security Services, Security Equipm, Sys, Mater: Fix, EQP<R5000:Sec EQ, Sys, Mat: IT and the Security Equipm, Sys, Mater: IT. The data was also cleaned using a series of mapping tables in order to delete duplicate items. Furthermore, the objective segment was selected in order to have a clear data on facilities level.

With respect to expenditure there was a sixth Regional Identifier classified as (blank). The blank was scrutinized further to Responsibility level in order to check and verify whether the facilities belongs to the Department of Health and it was discovered that they are all within Kimberley (which is the capital city of Northern Cape), furthermore, Frances Baard Municipalities realised a huge spike in 2016/17 financial year with an increase of 145.7 percent. (Blank) decreased its expenditure to -90.8 percent in 2016/17 financial year, a further decline was shown in 2017/18 with -41.3 percent and realised a huge spike in 2018/19 with 910.5 percent

Total expenditure was R61.152 million in 2015/16 and R119.837 million in 2018/19 which is a total growth of 25.1 percent. The two columns were added next to the grand total of Frances Baard Municipalities in order to incorporate the (Blank) total.

This performance and expenditure review:

- interrogates the security services expenditure report within the Northern Cape (NC) Department of Health from BAS.

- analyses and compares the performance and expenditure of both the outsourcing and insourcing,
- checks the current personnel status, e.g. how personnel (both many insourcing and outsourcing),
- identifies which model is cost effective between outsourcing and insourcing without compromising the safety of personnel, the public and the patients,
- interviews the Security Managers from different departments and provinces, and
- provides recommendations of the best model to adopt.

2. Policy and Institutional Information

Legislations that the Security Manager should have at his/her disposal to perform duties include amongst the others the following:

- Protected Disclosure Act 26 of 2000
- Fire arms control Act 60 of 2000
- Protection of Information Act 84 of 82
- Control of Access to Public Premises Act 53 of 85
- PAIA Act 2 of 2000, etc.

The security Legislations aims to support the National Interest of South Africa and business objectives by protecting employees, information, assets and assuring the continued delivery of services to the public.

The following regulations also influence effective security services:

- Minimum Information Security Standards (MISS) - These standards were prepared by the National Intelligence Agency in conjunction with the Workgroup for Redefining Security of National Intelligence Co-ordinating Committee (NICOC) as an RSA Information Security Policy/Standard.
- Minimum Physical Security Standards (MPSS) - Government Sector Security Council (GSSC) took the pleasure of launching a directive which clearly outlines the minimum

physical security standards required primarily for national key points, parastatals, government departments and different types of installations. It is seen as a critical step in dealing with crime especially property related crime.

- PSIRA - The primary objects of the Authority are to regulate the private security industry and to exercise effective control over the practice of the occupation of security service provider in the public and national interest and the interest of the private security industry itself, and for that purpose, subject to this Act,
- Security Policy – The Security Manager is responsible for implementing and coordinating the policy and directives.

The department is aligns with the National Norms and Standards which is still under review because it does not cover all aspects, it is a one size fits all e.g. it indicate 1 guard per night per facility of which is not working for the bigger facilities or areas experiencing enormous crime cases. Physical Security Risk Management is also conducted on the facilities to determine the number of security guards needed. The kind of service and the volume of people also influence the number of security guards to be deployed.

Where there is enormous theft and there is no security placed at the area e.g. at the basement or warehouse, it is always advisable to install the CCTV.

3. Programme Chain of Delivery

Security services should be provided at all public health facilities in order to protect the property, assets, personnel, information and the public/visitors. When the department outsources, the delivery chain for the management of security is as follows:

- Identify how many facilities should be provided with security guards,
- How many security guards should be on site, their qualifications, locations
- Estimate the costs of security services based on the needs
- Compile the specifications
- Arrange for the BID committees and ensure that the security management unit is

represented in the following committees:

- Specification Committee
- Functionality Committee
- Evaluation Committee
- Adjudication Committee
- Advertise the security services tender
- Arrange for the site inspection and briefing session together with the SCM in order to ensure that the bidders knows exactly what is expected of them
- Appointment of security service provider
- Monitor the Security Services Provider based on the specifications
- Compile the monthly and quarterly report
- Arrange the monthly meetings with the service provider
- Do physical verification on a monthly basis in all facilities
- Ensure that the security guards are trained on a regular basis when there is a need to do so in order to align themselves with new developments.

When the department insources, the delivery chain for the management of security is as follows:

- Identify how many facilities should be provided with security guards,
- How many security guards should be on site, their qualifications, locations
- Estimate the costs of security services based on the needs and the availability of funds
- Start the recruitment process
 - Advertise the posts
 - Appoint the panel members
- Appointment of security management personnel
- Verify the qualifications of the newly appointed officials
- Conduct the vetting process on the newly appointed officials in order to ensure that they don't have criminal records

- Induct the newly appointed security guards in order to inform them about Human Resource Management issues
- Give in-service training to ensure that the officials know what is expected of them
- Ensure that the security guards are trained on a regular basis when there is a need to do so in order to align themselves with new developments.
- Compile the monthly and quarterly report
- Arrange the monthly meetings with the service provider
- Do physical verification on a monthly basis in all facilities
- Analyse the expenditure report
- Monitor the Security Services

The following table reflect the activities as well as the indicators in the security services.

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

OUTSOURCING MODEL			INSOURCING MODEL		
IMPACT	IMP1	Safe Public Health facilities for staff members, as well as the public	IMPACT	IMP1	Safe Public Health facilities for staff members, as well as the public
Indicator		Number of burglaries and assaults in the Public Health facilities	Indicator		Number of burglaries and assaults in the Public Health facilities
Frequency		Quarterly	Frequency		Quarterly
Source of data		Police report/Security Management Report	Source of data		Police report/Security Management Report
OUTCOME	OUTC1	Cost effective Security Services at all Public Health facilities	OUTCOME	OUTC1	Cost effective Security Services at all Public Health facilities
Indicator		Cost of outsourcing in relation to average cost of insourcing security services	Indicator		Cost of insourcing in relation to average cost of outsourcing security services
Frequency		Annually	Frequency		Annually
Source of data		BAS report	Source of data		BAS report
Final Output	FOUT1	Monitor the Services Provider	Final Output	FOUT1	Monitor the security services
Indicator		% compliance with SLA standards	Indicator		Monthly and quarterly security services reports
Frequency		Monthly	Frequency		Quarterly
Source of data		Monthly and Quarterly reports	Source of data		Security management report
Intermediate outputs	IOUT 1	Appointment of the Service Provider for the Security Services	Intermediate outputs	IOUT 1	Analyse the expenditure
Indicator		Service Provider Appointed	Indicator		Analysis of the security management expenditure
Frequency		Annually	Frequency		quarterly
Source of data		SLA (with clear performance standards identified)	Source of data		BAS
Activities	ACT1.4	Arrange for the BID committees process/Advertise the Security Service Tender	Activities	ACT1.4	Appointment of security management personnel
Indicator		Advertisement of the tender	Indicator		Number of personnel appointed
Frequency		once off	Frequency		Once off
Source of data		Departmental website/newspaper/e-tender board/ minutes of the relevant BID committees	Source of data		PERSAL report
Activities	ACT 1.3	Compile the specifications for the security services	Activities	ACT 1.3	Start the recruitment process
Indicator		Bid specification document approved by the Bid Specification Committee	Indicator		Advertisement of security management posts
Frequency		once off	Frequency		Once off
Source of data		Minutes of the Bid Specification Committee	Source of data		Newspaper/Departmental website/Internal circulars
Activities	ACT 1.2	Cost the security services (Benchmark)	Activities	ACT 1.2	Estimate the cost for appointments
Indicator		Benchmarking study (market analysis and department of labour wage guidelines)	Indicator		Benchmarking study (market analysis and department of labour wage guidelines)
Frequency		Annually	Frequency		Once off
Source of data		Department of Labour guidelines and market analysis	Source of data		Department of Labour guidelines and market analysis
Activities	ACT 1.1	Identify the number of facilities needing the security services	Activities	ACT 1.1	Identify the needs for appointment of security management personnel
Indicator		% of facilities security needs assessed	Indicator		% of facilities security needs assessed
Frequency		Annually	Frequency		Once off
Inputs		Public Health facilities/Security Management and SCM staff	Inputs		Public Health facilities/Security Management and SCM staff
Performance indicator			Performance indicator		
Frequency			Frequency		
Programme elements			Programme elements		
Responsibility		DD: Security & Records Management	Responsibility		DD: Security & Records Management

4. Expenditure Observations

The security service obligations includes safeguarding inside and outside hospitals, clinics, provincial as well as the district offices including the parking's.

The current security contract commenced on the 1st of November 2017 and expires the 31st of October 2020 with the following proposed figures:

Table 2: Northern Cape Department of Health proposed prices - 2017/18 to 2019/20

Proposed prices							
Northern Cape Department of Health Security Services -2017/18-2019/2020					Year on Year Growth		
Name of Region	2017/2018	2018/2019	2019/2020	Grand Total	17/18	18/19	4 year
	R 000	R 000	R 000	R 000	18/19	19/20	CAGR
FRANCES BAARD MUNICIPALITIES	R 46,614	R 49,691	R 52,970	R 149,275	6.6%	6.6%	6.6%
JOHN TAOLO GAETSWEWE MUNICIPALITIES	R 22,242	R 23,710	R 25,276	R 71,228	6.6%	6.6%	6.6%
ZF MGCAWU MUNICIPALITIES	R 20,285	R 21,624	R 23,051	R 64,960	6.6%	6.6%	6.6%
PIXLEY KA SEME MUNICIPALITIES	R 18,328	R 19,537	R 20,827	R 58,692	6.6%	6.6%	6.6%
NAMAKWA MUNICIPALITIES	R 12,456	R 13,278	R 14,154	R 39,888	6.6%	6.6%	6.6%
Grand Total	R 119,925	R 127,840	R 136,278	R 384,043	6.6%	6.6%	6.6%

The following expenditure analysis was extracted from BAS report and then converted into pivot tables:

Table 3: Northern Cape Department of Health actual expenditure by Regional Identifier from 2015/16 to 2018/19

Historical Actual Expenditure Growth									
Northern Cape Department of Health - Security Services - 2015/16 to 2018/19					Grand	Year on Year Growth			
Name of the Regions	2015/2016	2016/2017	2017/2018	2018/2019	Total	15/16-	16/17-	17/18-	4 year
	R 000	R 000	R 000	R 000	R 000	16/17	17/18	18/19	CAGR
1. FRANCES BAARD MUNICIPALITIES	R 14,944	R 36,715	R 35,668	R 45,917	R 133,244	145.7%	-2.9%	28.7%	45.4%
2. JOHN TAOLO GAETSWEWE MUNICIPLTS	R 12,516	R 17,240	R 19,564	R 18,854	R 68,174	37.7%	13.5%	-3.6%	14.6%
ZF MGCAWU MUNICIPALITIES	R 10,431	R 13,672	R 17,855	R 18,958	R 60,916	31.1%	30.6%	6.2%	22.0%
4. (blank)	R 8,285	R 765	R 449	R 4,537	R 14,036	-90.8%	-41.3%	910.5%	-18.2%
5. PIXLEY KA SEME MUNICIPALITIES	R 8,112	R 13,314	R 15,767	R 18,642	R 55,835	64.1%	18.4%	18.2%	32.0%
6. NAMAKWA MUNICIPALITIES	R 6,864	R 10,890	R 12,386	R 12,929	R 43,069	58.7%	13.7%	4.4%	23.5%
Grand Total	R 61,152	R 92,596	R 101,689	R 119,837	R 375,274	51.4%	9.8%	17.8%	25.1%

The regional identifier and security services item segments were selected in order to determine the accurate data. The above figures includes equipment for security services, goods and services e.g. access cards, alarm systems, property payment security guards etc. Expenditure on security services in the province has grown at an average of 25% p.a compared to an inflation rate of 5-6%. The growth in expenditure derives from increase on VAT from 14 percent to 15 percent. Furthermore, the department had to increase the number of security guards due to the increased number of theft and crime that were reported throughout the province.

The report was further scrutinised to objective level in order to track the expenditure by facilities.

Table 3.1: Northern Cape Department of Health actual expenditure by Facilities from 2015/16 to 2018/19

Expenditure report per facility								Provincial
Northern Cape Department of Health Security Services - 2015/16-2018/19								Cost drivers
Facilities	2015/2016	2016/2017	2017/2018	2018/2019	Grand Total	Blank	Total	Total
	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
FRANCES BAARD MUNICIPALITIES	14,944	36,715	35,668	45,917	133,244	14,036	147,280	
AIDS: PROVINCIAL MAN PROG*P	17	-	-	-	17	-	17	
AIDS: PROVINCIAL MANG PROG*P	-	-	-	5	5	-	5	
COMMUNITY HEALTH CENTRES*P	2,275	4,766	7,407	7,132	21,580	-	21,580	78,251
COMMUNITY HEALTH CLINIC SERV*P	4,258	5,851	4,559	7,486	22,154	-	22,154	90,865
DISTRICT HOSPITALS*P	2,114	11,974	3,620	4,849	22,557	-	22,557	104,730
DISTRICT MANAGEMENT*P	198	1,260	1,927	370	3,755	-	3,755	
EMERGENCY MEDICAL SERVICES*P	-	448	692	1,678	2,818	-	2,818	
FORENSIC SERVICES	-	-	-	-	-	-	-	
FORENSIC SERVICES*P	447	448	602	1,120	2,617	-	2,617	
GENERAL HOSPITALS*P	-	644	-	-	-	-	-	
MANAGEMENT*P	1,112	2,733	1,352	1,744	6,941	114	7,055	
MEDICINE TRADING ACCOUNT	1,511	1,901	-	-	3,412	-	3,412	
MEDICINE TRADING ACCOUNT*P	-	-	1,250	2,257	3,507	-	3,507	
NURSE TRAINING COLLEGE*P	705	588	978	1,611	3,882	-	3,882	
OFFICE OF THE MEC*P	928	1,374	1,346	2,237	5,885	-	5,885	
PR8:PROVINCIAL INFRASTRUC MAN*P	-	-	-	-	-	-	-	
PROVINCIAL TERTIARY HOSP SER*P	-	2,218	-	-	2,218	-	2,218	31,529
PROVINCIAL TERTIARY HOSPITAL SER	-	-	8,918	8,952	17,870	11,441	29,311	
PSYCHIATRIC HOSPITAL*P	1,379	2,482	3,017	6,476	13,354	2,481	15,835	
QUALITY ASSURANCE*P	-	28	-	-	28	-	28	
JOHN TAOLO GAETSWEWE MUNICIPLTS	12,516	17,240	19,564	18,854	68,174			
COMMUNITY HEALTH CENTRES*P	2,438	5,184	4,720	3,095	15,437			
COMMUNITY HEALTH CLINIC SERV*P	6,511	8,166	9,629	11,288	35,594			
DISTRICT HOSPITALS*P	3,567	3,890	4,311	4,391	16,159			
DISTRICT MANAGEMENT*P	-	-	904	50	954			
EMERGENCY MEDICAL SERVICES*P	-	-	-	30	30			
ZF MGCWU MUNICIPALITIES	10,431	13,672	17,855	18,958	60,916			
COMMUNITY HEALTH CENTRES*P	2,685	2,429	4,032	3,446	12,592			
COMMUNITY HEALTH CLINIC SERV*P	1,631	4,935	2,471	1,941	10,978			
DISTRICT HOSPITALS*P	1,260	4,010	8,622	13,196	27,088			
DISTRICT MANAGEMENT*P	3,968	1,347	2,223	16	7,554			
GENERAL HOSPITALS*P	859	699	-	-	1,558			
NURSE TRAINING COLLEGE*P	-	-	317	-	317			
PSYCHIATRIC HOSPITAL*P	28	252	190	359	829			
PIXLEY KA SEME MUNICIPALITIES	8,112	13,314	15,767	18,642	55,835			
COMMUNITY HEALTH CENTRES*P	2,829	3,085	3,551	3,293	12,758			
COMMUNITY HEALTH CLINIC SERV*P	2,167	3,731	3,334	4,106	13,338			
DISTRICT HOSPITALS*P	3,116	5,770	8,156	10,974	28,016			
DISTRICT MANAGEMENT*P	-	280	726	269	1,275			
MANAGEMENT*P	-	-	-	-	-			
NURSE TRAINING COLLEGE*P	-	448	-	-	448			
PR8:DISTRICT HOSPITALS*P	-	-	-	-	-			
NAMAKWA MUNICIPALITIES	6,864	10,890	12,386	12,929	43,069			
COMMUNITY HEALTH CENTRES*P	2,484	4,233	4,569	4,598	15,884			
COMMUNITY HEALTH CLINIC SERV*P	1,471	2,294	2,174	2,862	8,801			
DISTRICT HOSPITALS*P	2,909	3,321	2,639	2,041	10,910			
DISTRICT MANAGEMENT*P	-	1,042	1,582	2,007	4,631			
MANAGEMENT*P	-	-	-	-	-			
PSYCHIATRIC HOSPITAL*P	-	-	1,422	1,421	2,843			
(blank)	8,285	765	449	4,537	14,036			
LAUNDRY SERVICES*P	-	-	-	-	-			
MANAGEMENT*P	114	-	-	-	114			
MEDICINE TRADING ACCOUNT	-	-	-	-	-			
MEDICINE TRADING ACCOUNT*P	-	-	-	-	-			
NURSE TRAINING COLLEGE*P	-	-	-	-	-			
OFFICE OF THE MEC*P	-	-	-	-	-			
PROVINCIAL TERTIARY HOSP SER*P	6,122	761	-	-	6,883			
PROVINCIAL TERTIARY HOSPITAL SER	-	-	21	4,537	4,558			
PSYCHIATRIC HOSPITAL*P	2,049	4	428	-	2,481			
Grand Total	61,152	92,596	101,689	119,837	375,274			

It was discovered that (blank) region comprises facilities with security services expenditure in Kimberley which is situated within Frances Baard Municipality. The above table contains two columns next to the Frances Baard Municipalities which incorporates the (blank) totals. An extra column was also added next to Frances Baard Municipalities in order show the main cost drivers within the province.

Frances Baard Municipalities is situated in the capital city of Northern Cape Province with 43 health facilities and 281 security guards, hence the highest cost driver within the province amounting to R147, 280 million between 2015/16 and 2018/19. On the other hand, Namakwa Municipalities is the smallest region with 17 health facilities, 70 security guards and the total expenditure of R43, 069 million.

The Provincial Tertiary Hospital Services is the main cost driver amongst the health facilities within the province with the total expenditure of R31,529 million between 2015/16 and 2018/19 mainly because it contains the highest total number of security guards (69 security guards).

The province consists of 5 district hospitals which spent 104,739 million between 2015/16 and 2018/19. The above table also shows that the District Hospitals in Frances Baards Municipalities spent a total amount of 2,114 million in 2015/16 and realised a huge spike of 11,794 million in 2016/17, of which the expenditure went down again in 2017/18 and 2018/19 with the total spending of 3,620 million and 4,849 million respectively.

In 2018/19 the department insourced 70 security officials at the Mental Health Hospital. The actual expenditure incurred on compensation of employees is shown on the following table:

Table 3.2: Northern Cape Department of Health insourced service actual expenditure

Insourced Services Mental Health Hospital	
Items	2018/19
	R 000
Basic Salary	5,071
Basic Salary: Backdated	2
Employer Contribution: PSCBC	1
Employers Contribution: PHWSBC	3
GEHS Individual Save	243
Housing Allowance - Arrears	24
Housing Allowance: Home Owner (RES 7 OF 2015)	85
Long Service Awards - 30 Years -New	20
Medical Employer Contributions	511
Pension Employer Contribution	660
Performance Bonus	6
Service Bonus	134
Grand Total	6,760

The total amount of R6,760 million was not included in the previous tables.

The following table comprises the difference between the outsourcing and insourcing security services.

Table 4: Comparison between the outsourcing and insourcing security services – 2019/20.

Comparison between outsourcing and insourcing													
Northern Cape Department of Health- 1 November 2019 to 31 October 2020													
Outsourcing						Insourcing							
Region	Yearly Grand Total	Monthly	Number of Security	Average Salary Notch	Average Salary	Region	Salary Notch	Monthly	Number of Security	Notch plus 37%	Operational Costs -30%	Sub-Total	Grand Total
	R 000	R 000			R 000			R 000			R 000	R 000	R 000
Frances Baard	52,970	4,414	259	204	17.04	Frances Baard	122,595	3,625	259	167,955	13,050	43,500	56,550
JT Gaetsewe	25,275	2,106	125	202	16.85	JT Gaetsewe	122,595	1,749	125	167,955	6,299	20,995	27,294
Picley Ka Seme	20,827	1,736	103	202	16.85	Picley Ka Seme	122,595	1,442	103	167,955	5,190	17,299	22,489
ZF Mgcawu	23,051	1,921	114	202	16.85	ZF Mgcawu	122,595	1,596	114	167,955	5,744	19,147	24,891
Namakwa	14,154	1,179	70	202	16.84	Namakwa	122,595	980	70	167,955	3,527	11,757	15,284
TOTAL	136,277	11,356	671					9,392	671		33,809	112,698	146,507

OUTSOURCING	INSOURCING	DIFFERENCE/SAVINGS
2019/20	2019/20	2019/20
R 000	R 000	R 000
136,277	146,507	-10,230

Comparison was made using data from the Service Level Agreement between the department of Health and the current service provider. It was discovered that the outsourcing model will be cost effective with a projected savings of R 10,230 million. The projections for the insourcing model was based on the entry level of security guards which is level 3 and the following costs were not included:

- Directors and Supervisors posts
- Training
- Uniform
- Firearms and the Licencing thereof
- Radios
- Other security equipment's
- Cellular phones etc.

5. Performance

The expenditure for security services in the Department of Health was 25.1 percent from 2015/16 to 2018/19. Included in the expenditure data of the outsourced security services is both the operational and compensation of employees.

Interviews were conducted with three Security Managers from different departments including the Northern Cape Department of Health which also revealed some of the performance information mentioned above. The cost drivers of the department were also identified in table

3.1 and it was discovered that the Provincial Tertiary Hospital is the main cost drivers in the province followed by the 5 District Hospital, the Community Health Centres and the Community Health Clinics. Human Resource Management was also consulted in terms of the entry level of the security guards. Comparison between the outsourcing model and the insourcing model was also done in table 4 and it was discovered that the outsourcing model is cost effective.

It was discovered during the investigation that because of the shortage of personnel and vehicles in the department of health, most of the security services duties especially in the regions are completed by the outsourced officers. There are also inspectors from the service provider's side who are travelling around the province to ensure effective service delivery.

6. Options

The following table consists of comparison between the outsourcing model and insourcing model

Table 3: Comparison between Outsourcing and Insourcing of security services in the Northern Cape Department of Health

Outsourced services	Insourced Services
1. More work sensitive and focused	Laxity is rife
2. Salaries are low	Salaries are reasonable
3. No Medical Aid	Medical Aid is available
4. The service provider provide the number of officers at the write time and place as per specifications	The recruitment process takes too long
5. Privilege to employ more officials/officers due to low salaries and few benefits/allowances	Unable to employ high number of officials/officers due to unlimited resources
6. No bond subsidies which may put strain on officials/officers with regards to finances	Bond subsidies are available although needs more funding
7. No long term contracts and as a results the officials/officers cannot make long term bonds	Permanent jobs of which officials/officers have privileges to have long term bonds.

Outsourced services	Insourced Services
8. If an officer call off sick at any time, there reliever is always provided immediately without the intervention of the department.	No reliever e.g. if an officer is called off sick in the morning or during the day is a struggle to replace him/her especially in places that are too far from the provincial office.
9. If there is an industrial strike, the company take a risk of ensuring that there are officials on site because they know that any loss or damage will be claimed from them.	If there is an industrial strike, the officials/officers also go on strike without even thinking of any loss or damage
10. If the department is closing early during festive seasons or so on there will always be officers on site	If the department is closing early during festive seasons or so on the officers are also closing. They don't even answer their phones during weekend or holidays.
11. If Nurses are not happy about the service of the officer, the service provider replaces him/her with immediate effect	If Nurses are not happy about the service of the officer, the department cannot replace him/her with immediate effect without his/her consent and if he/she doesn't want to leave it is a labour case which is also time consuming for the department
12. The service provider provide his/her own transport and security equipment	SCM processes and the availability of funds make it difficult for the security services to operate effectively
13. The department only manages the situation and the officers are the service providers' problem to take care of.	The department manages the situation as well as the officers e.g. during weekends or after pay day most of the officers call off sick

Based on the above-mentioned scenarios it is clear that the performance of insourcing model still needs to be refined, the policies and legislation also need to be reviewed. At the moment the outsourcing model is more productive, however there are security information and key control areas that needs to be considered, such as the codes of the CCTV on site that cannot be trusted to the private company. Therefore there is a need of both the insourcing at supervisory level as well as the outsourcing models

7. Recommendations

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

1. Security Services budget and expenditure

It is recommended that the budget and expenditure for the security services should be captured under the security management objective and responsibilities with appropriate regional identifier for effective and accurate financial reporting purpose.

The following outcomes were discovered:

- The expenditure was captured per different responsibilities/facilities which made it difficult and time consuming to analyse the data especially if not working at the financial environment or not familiar with government segments.
- The Regional Identifier of other responsibilities/facilities within Kimberley where captured under (blank) which was also time consuming because the investigation had to go deeper to check and verify whether the responsibilities captures are those of the department of health.

2. Recommended Model

It is recommended that the status quo at the Department of Health should remain, furthermore the insourcing model should be at the supervisory level and the number be increased as follows:

- **Provincial level:** 1 Director, 1 Secretary, 1 Deputy Director and 1 Security Officer
- **Regional Level:** 1. Assistant Director per facility depending on the size
- The insourcing model is very crucial in terms of key control areas, information security and the management of the control room. They are also trained on how to deal with mental patient and they also know which officials are allowed to leave with medical equipment etc.

Furthermore it was also discovered that the current status comprises of 1 Director, 1 Deputy Director and 1 Security officer who are all placed at the provincial office and are overseeing

628 outsourced security officers around the province and 70 insourced security officers with different levels from 3 to 9 at the Mental Hospital.

8. Action

As one of the departmental financial managers, after receiving the assessment of the final submission of my performance and expenditure review, the interviews will be conducted with the relevant officials including the three that were already interviewed and this will be completed in a weeks' time. Copies of my PER will be given to them and advise them to share the information with their senior management for implementation purpose, they will be further requested to give feedback within a months' time.

Before the finalisation of the second draft budget -2020/21 financial year which is October 2019 a recommendation will be submitted to the department of health and provincial treasury in order to increase the budget of security management to accommodate the proposal of increasing the insource model. Furthermore an assessment will be conducted to all Health facilities in order to determine the type of security equipment needed and project the cost thereof.

The PER will also be presented to the provincial treasury senior management team in order to extend the recommendations to other departments.

Before the finalisation of the second draft I am also going to meet with the financial management unit especially the Deputy Director: Management Accounting and advise him to align the budget with the service in order to allow effective analysis of data even for future terms.