

NATIONAL COUNCIL OF PROVINCES
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 88 [CW97E]

88. Mr I M Sileku (Western Cape: DA) to ask the Minister of Finance:

Whether the improvements of audit outcomes in North West have contributed to the betterment of service delivery; if not, why not; if so, what are the relevant details?

CW97E

REPLY:

- The Auditor General's reports indicates some improvement in audit outcomes of 2019/20 in North West province. However, the improvements are notable in the provincial departments whereas provincial public entities status remains the same. The following departments recorded improved audit outcomes from qualified to unqualified between 2018/19 2019/20, Social development, Cooperative Governance and Traditional Affairs and Office of the Premier, joining Education, Legislature and Economic Development, Environment, Conservation and Tourism. While Health and Community Safety and Public Works and Roads maintained qualified status. Provincial Treasury maintained clean audit status while Human Settlement got a disclaimer on its first year of auditing.

- Improvements in audit outcomes in North West have contributed to betterment of service delivery as recorded within Social Development department. However, departments like Health haven't improved in terms of audit outcome in 2019/20 but there is an improvement in quality of health care services. Consequently, the two examples prove that improved audit outcome does not necessarily measure the improvements of service delivery. Details are provided in **Annexure A** below.

Annexure A:

AUDIT OUTCOME FOR THE PROVINCIAL DEPARTMENTS FOR LAST 5 YEARS: 2015/16 to 2019/20

Table 1: North West provincial departments 5-year audit opinion

Department	Audit outcomes						
	2019-20	2018-19	2017-18	2016-17	2015-16		
Provincial Treasury	Green	Green	Green	Green	Green		
Arts, Culture, Sports and Recreation	Yellow	Yellow	Purple	Yellow	Yellow		
Cooperative Governance and Traditional Affairs	Yellow	Blue	Blue	Blue	Blue		
Economic Development, Environment, Conservation and Tourism	Yellow	Blue	Blue	Blue	Blue		
Education	Yellow	Yellow	Yellow	Yellow	Yellow		
Office of the Premier	Yellow	Purple	Purple	Purple	Purple		
Provincial Legislature	Yellow	Yellow	Yellow	Yellow	Yellow		
Social Development	Yellow	Purple	Purple	Yellow	Yellow		
Agriculture and Rural Development	Purple	Purple	Purple	Purple	Yellow		
Community Safety and Transport Management	Purple	Purple	Purple	Purple	Purple		
Health	Purple	Purple	Purple	Purple	Purple		
Public Works and Roads	Purple	Purple	Purple	Purple	Purple		
Human Settlements	Red	Purple	Purple	Purple	Purple		
Legend (audit outcomes)	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse with findings	Disclaimed with findings	Audit not finalised at legislated date	New auditee

Source: Auditors general website

Notes

In 2019/20 provincial departments were reconfigured as follows:

- *Environment programme was moved from Department of Agriculture and Rural Development to the new department of Economic Development, Environment, Conservation and Tourism*
- *Department of Tourism was disestablished as a standalone department and was incorporated into Economic Development, Environment, Conservation and Tourism*
- *Department of Local Government & Human Settlement was dismantled and two new departments were established namely Human Settlement and Cooperative Governance and Traditional Affairs.*
- *Sports and Recreation programme was moved from Department of Education to Department of Arts, Culture and Sports Recreation*

Reasons for improvements in audit outcomes are as follows:

- **Office of the Premier** - Prior year qualifications on transfers and subsidies, goods and services as well as irregular expenditure were addressed. However, an unqualified opinion was only achieved because they corrected all misstatements identified during the audit.
- **Social Development** - Prior year qualifications on employee costs and irregular expenditure were addressed. However, an unqualified opinion was only achieved because they corrected all misstatements identified during the audit.
- **Cooperative Governance & Traditional Affairs (CoGTA)** - Prior year qualification before reconfiguration as Department of Local Government & Human Settlements (LG&HS) on fruitless and wasteful expenditure was addressed.

Impact of (improved) audit outcomes on Service delivery

- Among the three departments with improved audit outcomes, Social Development is the only one delivering services directly to the people while the other two are just supporting or governance cluster departments.

Department of Social development

The main mandate of the department is to provide comprehensive social welfare services to vulnerable groups through social protection, social investment and social cohesion programmes in partnership with stakeholders especially the NGO's. Below are the recorded improvements in service delivery:

- Number of older persons accessing community based care and support services improved from 6 813 in 2018/19 to 7 556 in 2019/20.
- Number of older persons accessing statutory services also improved from 1 573 in 2018/19 to 4 286 in 2019/20.
- Number of persons accessing social rehabilitation services improved from 4 771 in 2018/19 to 6 604 in 2019/20.
- Number of children accessing registered ECD programmes improved from 36 948 in 2018/19 to 52 224(59 961 as audited by AG) in 2019/20.
- Number people accessing food through DSD feeding programmes (Centre based) increased by 21 593 between 2018/19 (15 479) and 2019/20(50 319).

Improved on Service delivery outcomes in other departments with unchanged audits outcomes.

The department of Health have maintained qualified audit opinion but there have been some improvements in operations resulting in better health services being provided to the North West citizens, as indicated in table 2 below.

Table 2: Improved Service delivery in Health

Department of Health		
Challenges	Solutions	Audited service delivery indicators
<p>High vacancy rates, especially at management level.</p>	<p>Filling of key management vacancies and other permanent appointments</p>	<p>Overall: over 3000 posts advertised in 2018/19 and 2331 post were filled by the end of 2019/20.</p>
<p>Collapse of services at hospitals and clinics, requiring the intervention of the SANDF.</p>	<p>A ten-year maintenance and refurbishment plan for hospitals is being implemented.</p>	<p>District Hospital services programme performance - Improved to 82 % in 2019/20 from 70,4 % in 2018/19.</p> <ul style="list-style-type: none"> - Nine clinics have extended their operating hours from 12 to 24 hours - Ideal clinic status improved to 58.8% in 2019/20 from 45.2% in 2018/19. <p>Provincial Hospital programme performance – remains constant at 100% since 2017/18.</p>
<p>Emergency services under-resourced and under-capacitated.</p>	<p>EMS vehicles (ambulances, patient transport, response and forensic vehicles deployed since intervention to insource EMS services.</p>	<p>EMS programme achieved 60% for 2019/20 this is the improvement when compared with 28.5% in 2018/19 – 38 new ambulances added.</p> <ul style="list-style-type: none"> - Improvement notable in the EMS urban response rate under 15 minutes improve from 44% in

		<p>2018/19 to 50.1% in 2019/20.</p> <ul style="list-style-type: none">- EMS rural response rate under 40 minutes also increase from 52.3% in 2018/19 to 56% in 2019/20.
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Source: Annual reports, 2019/20