

# PLUGGING HOLES: EFFORTS TO IMPROVE FINANCIAL PERFORMANCE

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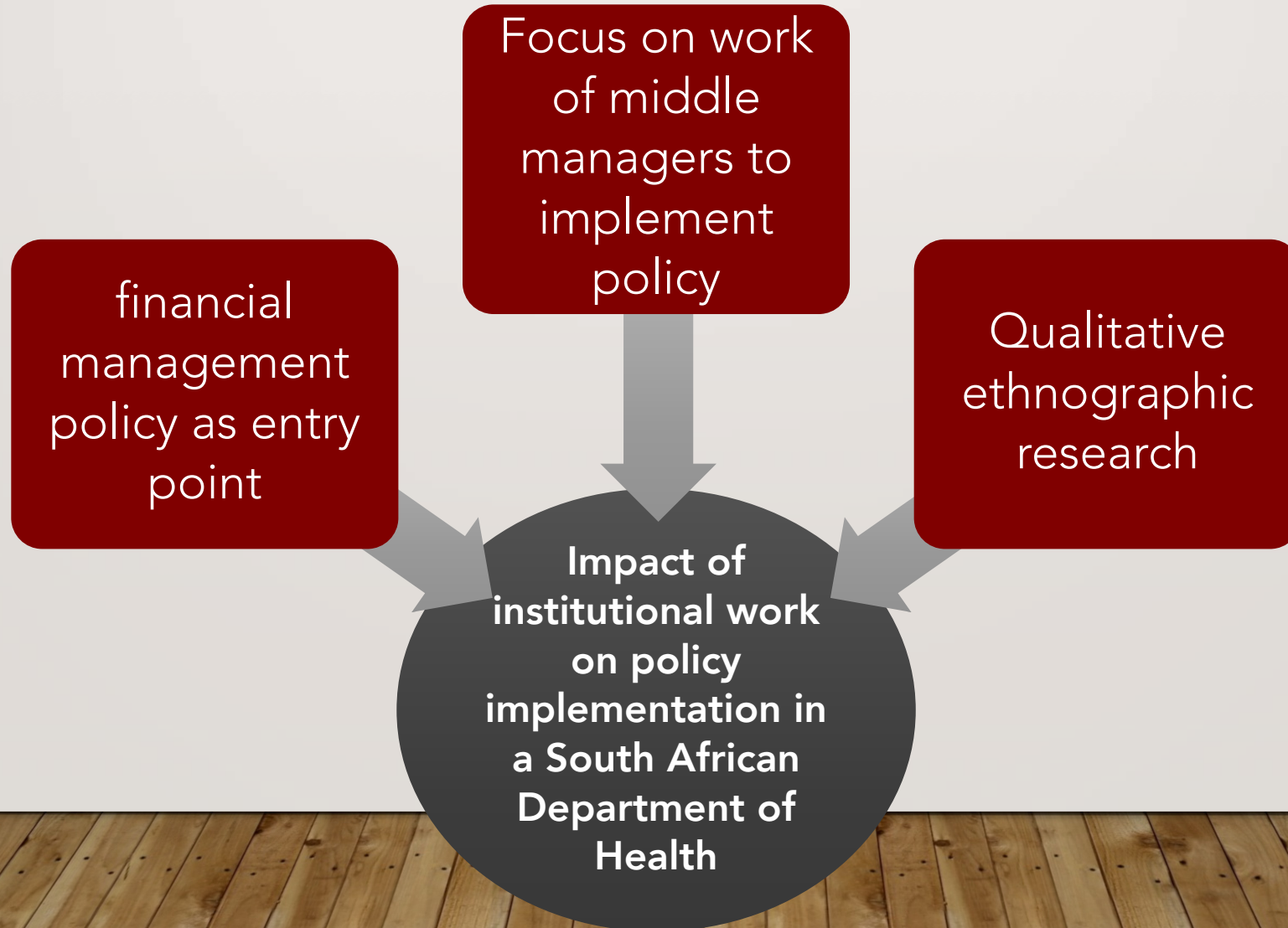
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# BACKGROUND TO THE RESEARCH PROJECT

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# THE SOUTH AFRICAN CONTEXT

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- Structure
  - 1 National DoH: responsible for policy and oversight
  - 9 Provincial DoHs: responsible for oversight and financial management
  - 52 district health offices: responsible for service delivery
- System
  - UHC reform = NHI in South Africa (2012-2026)
  - Currently free public health service but quality is poor
- Financing
  - Programmatic budgeting
  - High HR spend
  - Competing policy priorities, with declining funding → suboptimal quality/service delivery.

# DEFINING TERMINOLOGY: SUCCESSFUL HEALTH FINANCING

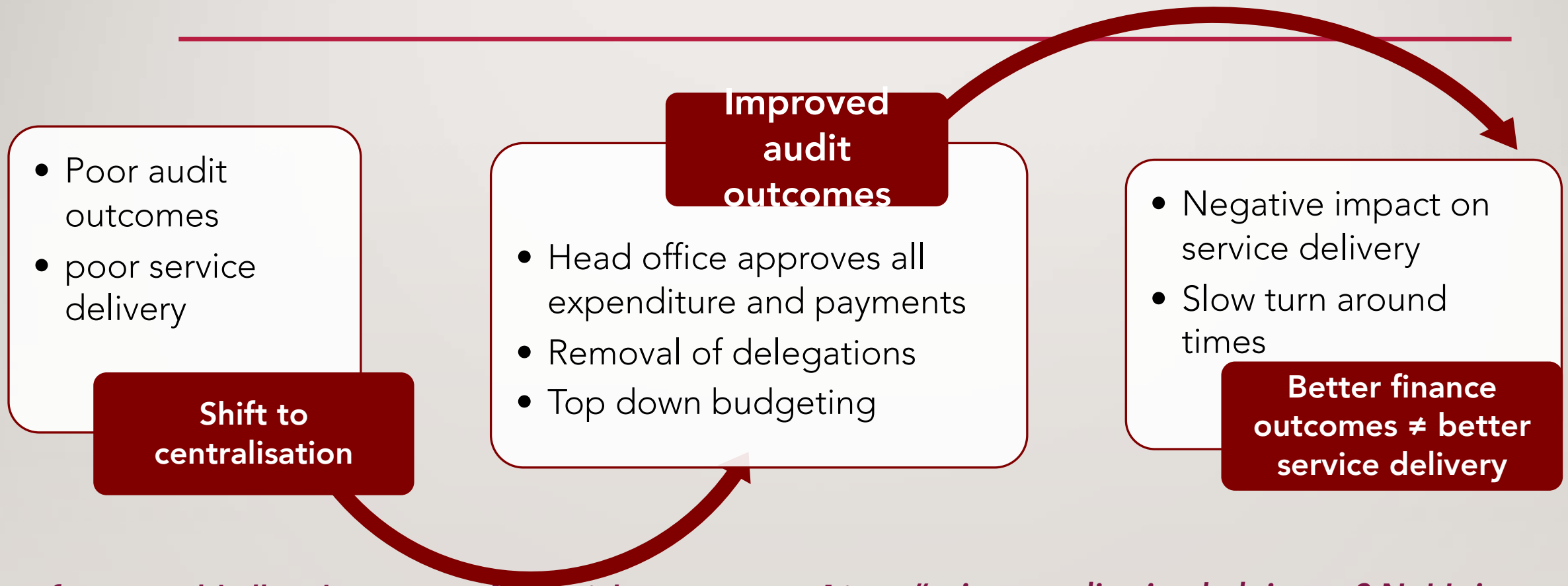
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**Flexibility in spend: in-year agility & responsiveness**

**Accountability to results: evidence based budgeting**

**PFM system: “institutions, policies and processes that govern the use of public funds” (Cashin et al., 2017)**

# EFFORTS TO IMPROVE FINANCIAL PERFORMANCE



*"If you would allow bottom up [financial management] in the Department of Health, the Department would close tomorrow." PDoH Chief Director: Expenditure*

*"...is centralisation helping us? No! It is maybe making us look okay on the books, but is it solving the problem? No!" Tertiary Hospital Manager*



# SILOED RESPONSES CAUSE SILOED RESULTS

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*“[...] we followed the recruitment process, [then] you take all what you’ve done, you submit to the district, from the district to the provincial office, you wait for the provincial Committee to approve. [...] after some six weeks or more they came back, they approved, then when you went to the system the posts were not there because what happens if the post is not appointed to, they just remove it from the PERSAL system.” [Hospital CEO]*

*“...we had a clean financial regulatory audit, but still we have got a negative service delivery report in terms of our national core standards etc. So now you need to make sure that all of these things gel together. That is not an easy thing to do.” [Financial manager for hospital services: PDoH]*

# CONCLUSION

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- Consequence of better FM cannot be worsening service delivery
- Instinct to pull controls and centralise when a system feels chaotic
- Need for communication and participation to ensure efforts are aligned and produce the right outcomes
- How do we measure PFM so that service delivery is a core component and not just periphery