

SPEAKING NOTES FOR THE MEC OF HEALTH:
HON SASEKANI MANZINI TO THE SCOPA SITTING AT THE
MPUMALANGA PROVINCIAL LEGISLATURE

11 February 2020, Tuesday

Honourable Chairperson and Members, it is our greatest pleasure to receive an invitation that affords us an opportunity to engage with the Select Committee on Public Accounts (SCOPA).

Honourable Chair, we join the people of South African and Africa in congratulating the President of the Republic on his election as the Chairperson of the African Union. We have confidence in the President's ability to steer Africa into economic prosperity, reduce conflict and pursue the African agenda forward.

Honourable Chair, we are meeting here today just two days from the most anticipated second State of the Nation Address of the Sixth Administration by the President of the County, His Excellency Cyril Ramaphosa.

The President shall provide us with the programme of action for the next 12 months and beyond, under the extreme constrained economic climate, which have forced government to review its GDP forecasts.

Most economists' estimates place our GDP forecast just below 1% opposed to the initial projections of 1.8% for 2020 and 2.0% for 2021. In the current financial year, the South African Revenue Services (SARS) had to also review its revenue projection.

Eskom remains our biggest risk to the South African economy and the county's public finances. The continuous load shedding has a greater impact on our fiscus and our ability to provide uninterrupted health services to the people.

During this period, the Department spends more on diesel used by the stand-by generators – a cost that we cannot sustain due to the limited financial resources. This may ultimately see an overspending on this line item but I am monitoring it closely to prevent any unauthorised expenditure.

The Province has also experienced hailstorms in a number of areas and our facilities suffered a heavy blow, with Gert Sibande district experiencing more challenges. The newly built state of the art clinic at Nhlazatshe 6 has been hit by the storm twice between November and December 2019.

In some instances, this forced us to activate emergency plans to urgently send technicians to various sites to resolve damages caused by the storm, for example, when the Carolina Hospital mortuary was blown by the storm, we had to put a contingency plan to relocate the remains of our people to Ermelo and other facilities. Of course, Honourable Chair, all this comes at a cost that was not planned for.

We are raising these issues, Honourable Chair, to paint a picture that the Department is forced to go beyond its financial means to provide uninterrupted services to the people.

Be it as it may, we remain committed to good financial management and accountability and will continue to ensure that we comply with the prescripts governing government finances and supply chain management.

Honourable Chair we subject ourselves here today before the Select Committee on Public Accounts (SCOPA) ,mindful of the fact the ANC Led Government is committed to ensure that the people of this province enjoy a relative good health for a better life.

The resounding mandate that was given to the ANC by the people of Mpumalanga in six (6) successive elections since 1994 continues to guide the Department in the implementation of policies and programmes that ensure the delivery of quality health services to the people of Mpumalanga.

I can say without any doubt that the NHI is the most progressive bill under our democratic government with a solid foundation for us to prioritise the delivery of quality health services and allocate resources appropriately and rationally.

Honourable chair we have not shied away from confronting short-comings within our own health systems. We are doing this against an increase in the disease burden and the demand for quality health services. From the sheer numbers of people who use public health facilities, access to health services is no longer an issue of debate in Mpumalanga. Our focus is to improve the quality of services that we render within our limited resources.

Chairperson, the Department received qualified audit opinions in previous financial years. For the last two financial years from 2017/2018 and 2018/2019,

the only qualification point has been contingent liabilities with the balance having increased by almost R2.3 billion (2017/18: R7.8 billion – 2018/19: R10.2 billion).

Honourable Chairperson, I have committed to the Auditor General to conduct interim audit on contingent liability and we are ready to be audited.

The Department has since put systems in place to deal with the challenges on contingent liabilities and other issues raised during the audit.

We can further report the following improvements:

- No unauthorized expenditure
- Fruitless and Wasteful expenditure balance has decreased by R12.7 million (2017/18: R16.5 million – 2018/19: R3.8 million)
- Overall accruals have decreased by more than R300 million
- Overall expenditure has improved from 99.4% to 99.5%

Chairperson, the Department was selected for piloting the implementation of Public Audit Act amendment in 2018/2019 financial year amongst other 15 auditees in the country. We can report that no material irregularities has been identified and the Department will continue to strengthen the control environment on procurement processes.

The Department is awaiting Provincial Treasury responses on request for condonation on previous financial year's irregular expenditures and financial misconduct committees will continue investigating the unwanted expenditures.

We further request the Honorable Chair and Honorable Members of SCOPA to consider the Department's requests for condonation of unauthorized expenditure for which investigations have been completed by the Department.

Honorable Chairperson, I am also proud to inform this august house that the Department has for the first time qualified to receive the incentive grant for Infrastructure in 2010/2021 financial year of R58.8 million based on 2018/2019 financial performance.

The HOD will provide the responses to the questions that were referred by the honorable members to the Department.

I thank you