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Partnership Initiative Case Study Series

The Public Service Accountability Monitor and the Health Sector

The Public Sector Accountability Monitor (PSAM) is based in the Eastern Cape, one of the poorest provinces of South Africa. Between 2007 and 2012 PSAM did research and advocacy to improve budgeting and service delivery by the province's health department.

By 2007 the provincial health department had been receiving negative audits from the Auditor General for 10 years. Before 2007 PSAM had a "shame and blame" strategy — research and publicize all the problems in the health department's policies, plans, and budgets, with a particular focus on corruption. In 2007 PSAM changed it strategy. It decided that confrontation did not result in positive change because it allowed officials to say PSAM's reports were politically motivated. PSAM also decided that, instead of regularly analyzing all budget and planning documents, it would focus on the most important ones. And, it would focus most of its efforts on working with the executive because the provincial parliament had low capacity and decisions in the provincial legislature were very politicized.

In its analyses, PSAM repeatedly raised the following issues: poor quality planning documents; weak budgeting that did not follow strategy and address critical problems; unfunded mandates and underfunding by the Provincial Treasury; poor management of procurement and high levels of unauthorised expenditure (making corruption easier); and lack of response to findings and recommendations of the Auditor General and Public Accounts Committee.

By 2012 there had been important improvements in planning, budgeting, and financial management in the Eastern Cape health department. Already by 2010 the information used in plans and budgets had improved, and there was a smaller variance between the budget and actual spending. But the health department was still the worst performer of all departments in terms of procurement, and most performance indicators were not reliable.

In May 2009 the contract of the head of the department was not renewed and a new head was appointed. In late 2010 a new MEC (equivalent to a provincial minister) of health was appointed. These new leaders introduced important interventions to improve service delivery, such as increasing the number of ambulances from 58 to 460, upgrading staff skills, speedier pathology services, and recruiting additional doctors. They also reduced budget allocations for secondary hospitals and increased allocations for primary health care.

There were even bigger changes in financial management and accountability. For example, by early 2012 800 departmental employees had been sacked for fraud and corruption and another 300 did not have their contracts renewed. More than 100 companies were blacklisted because they had shared bank accounts. Hospital nurses who had stolen medication were arrested, and the new department head cancelled large contracts that had not been awarded properly. The former head, chief financial officer, and 11 high-level officials were charged in court with corruption. The department also reduced the discrepancy between budgets and actual expenditures from R1.9 billion in 2009-10 to R0.8 billion in 2011-12.

These changes helped address the problems that PSAM had highlighted through research papers, media, and submissions to the legislature. In particular, media coverage of PSAM's analysis caught the attention of national government, which intervened to address the persistent problems in the Eastern Cape. Government, the legislature, the media, and the public trusted PSAM because its research was objective in separating valid causes of problems, such as underfunding and service backlogs, from causes within the department's control, such as poor management and corruption.