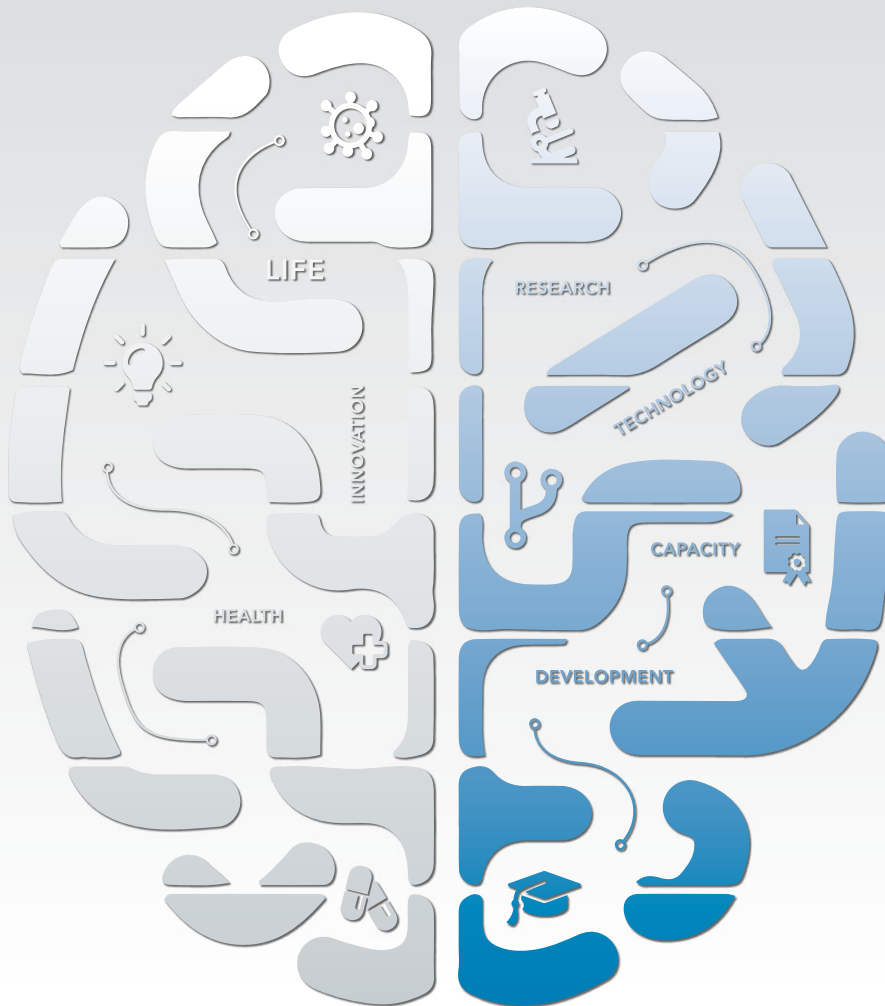




SOUTH AFRICAN MEDICAL RESEARCH COUNCIL

ANNUAL REPORT
2016 | 2017

**PORTFOLIO COMMITTEE
ON HEALTH
NATIONAL PARLIAMENT**
MONDAY, 2 OCTOBER 2017



SCOPE OF PRESENTATION

- A** | MEASURED PERFORMANCE IN THE REPORTING PERIOD
- B** | FINANCIAL PERFORMANCE & POSITION
- C** | HUMAN RESOURCES
- D** | LEGISLATIVE CHANGE PROCESS: UPDATE
- E** | TRANSFORMATION
- F** | INVESTMENT IN RESPONSIVE MEDICAL RESEARCH & INNOVATION

“

*Investing in
responsive
medical
research and
innovation*

”



MEASURED
PERFORMANCE IN THE
REPORTING PERIOD

OUR VISION

Building a healthy nation through research and innovation.

OUR MISSION

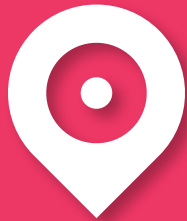
To improve the nation's health and quality of life by conducting and funding relevant and responsive health research, development, innovation and research translation.

OUR MANDATE

The mandate of the South African Medical Research Council, in terms of the MRC Act 58, 1991 (as amended), is to improve the health and quality of life of South Africans. This needs to be realised through research, development and technology transfer.

OUR ORGANISATIONAL VALUES

The key values of the SAMRC and the keywords relating to each value are the following:



PIONEERING

We push the boundaries between the known and the unknown to further our knowledge of human existence.



COLLABORATIVE

We celebrate the capacity of collective minds toward a common goal.



EXCELLENCE

We strive for distinction in everything we do.

MEASURED PERFORMANCE 2016/17



INDICATOR NO.	PROGRAMME PERFORMANCE INDICATOR	FINAL 14/15 PERFORMANCE	FINAL 15/16 PERFORMANCE	FINAL 16/17 PERFORMANCE
1.1	Compliance with legislative prescripts, reflected in the final audit report relating to the processes and systems of the SAMRC	Unqualified Audit	Unqualified Audit	Unqualified Audit
1.2	Percentage (%) of the 2016/17 SAMRC total budget spent on salaries and operations of all corporate administrative functions	21%	19%	18%
2.1	Number of peer reviewed articles with a SAMRC affiliated author that are published in ISI journals during the reporting period	481	680	660
2.2	Number of peer reviewed articles published in ISI journals with acknowledgement of SAMRC support during the reporting period	85	101	135

MEASURED PERFORMANCE 2016/17



INDICATOR NO.	PROGRAMME PERFORMANCE INDICATOR	FINAL 14/15 PERFORMANCE	FINAL 15/16 PERFORMANCE	FINAL 16/17 PERFORMANCE
2.3	Number of published indexed high impact factor journal articles with a SAMRC affiliated author	20	602	605
2.4	Number of ISI journal articles where the first author is affiliated to the SAMRC during the reporting period	229	417	415
2.5	Number of new policies and guidelines that reference SAMRC research	4	4	4
2.6	Number of research grants awarded by the SAMRC	101	112	147
3.1	Number of innovation and technology projects funded by the SAMRC to develop new diagnostics, devices, vaccines and therapeutics	31	34	56

MEASURED PERFORMANCE 2016/17

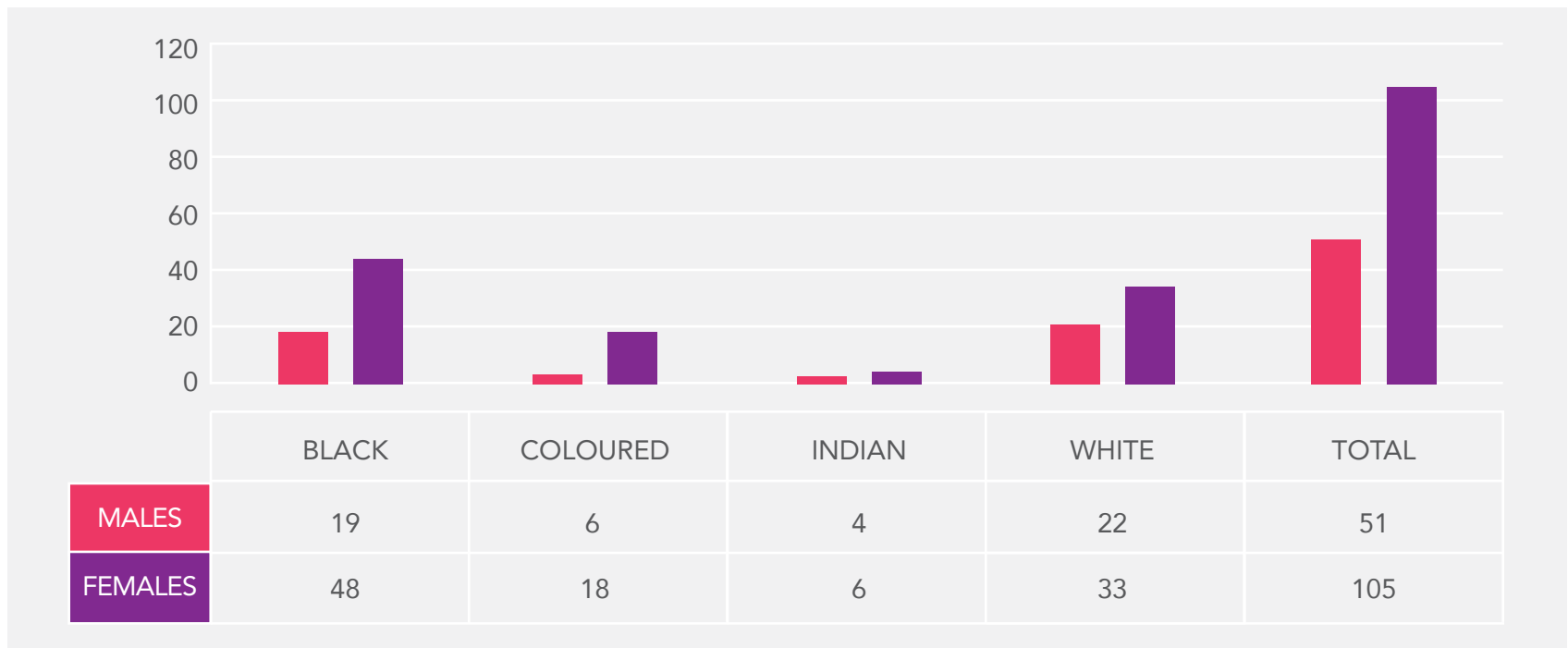


INDICATOR NO.	PROGRAMME PERFORMANCE INDICATOR	FINAL 14/15 PERFORMANCE	FINAL 15/16 PERFORMANCE	FINAL 16/17 PERFORMANCE
3.2	Number of new diagnostics, devices, vaccines and therapeutics developed during the reporting period	NEW INDICATOR	NEW INDICATOR	2
4.1	Number of SAMRC bursaries/ scholarships/ fellowships provided for postgraduate study at masters, doctoral and postdoctoral levels	86	66	156
4.2	Number of masters and doctoral students graduated during the reporting period	NEW INDICATOR	NEW INDICATOR	69

CAPACITY DEVELOPMENT



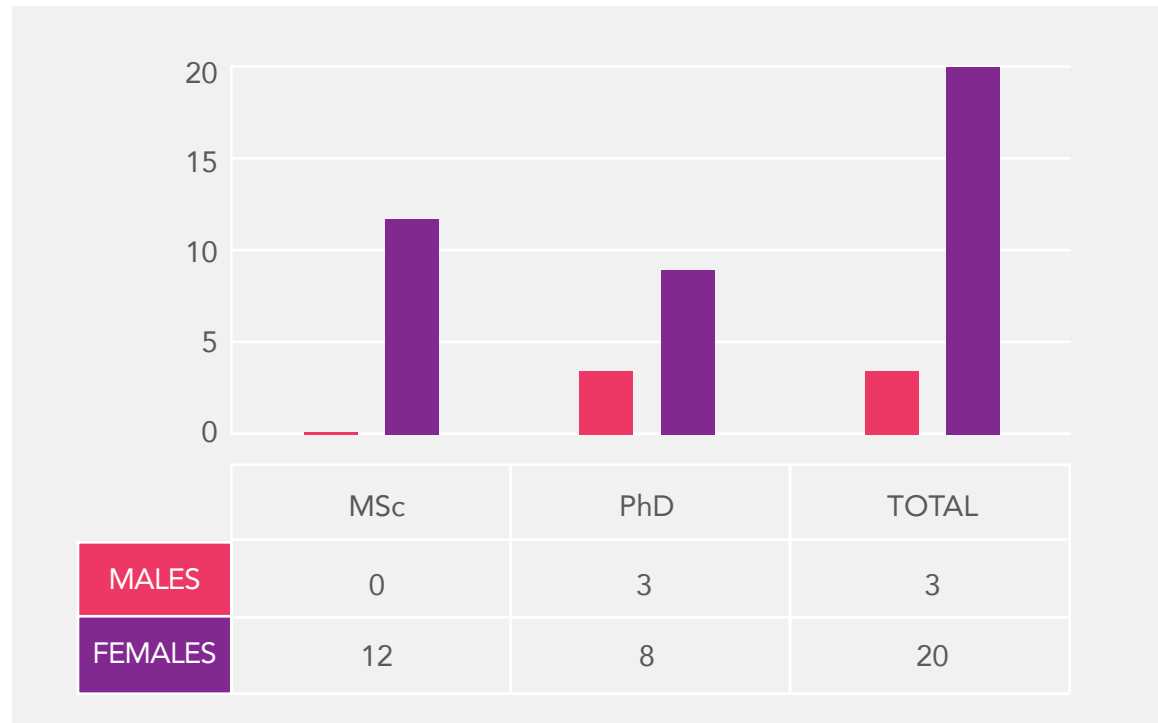
All funded Programmes under Research Capacity Development by Gender and Race (2016/17 Financial Year)



CAPACITY DEVELOPMENT



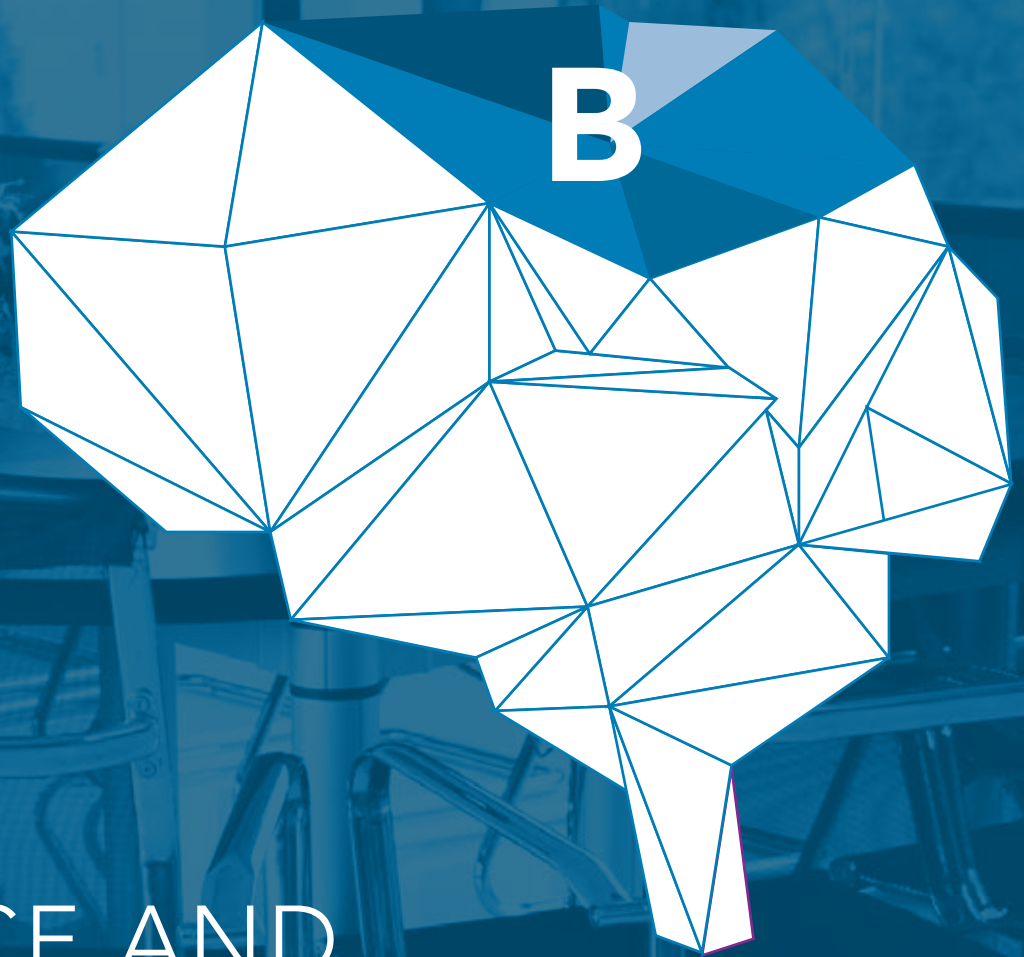
Completed SAMRC Funded Scholars by Level MSc and PhD for 2016/17 Financial Year



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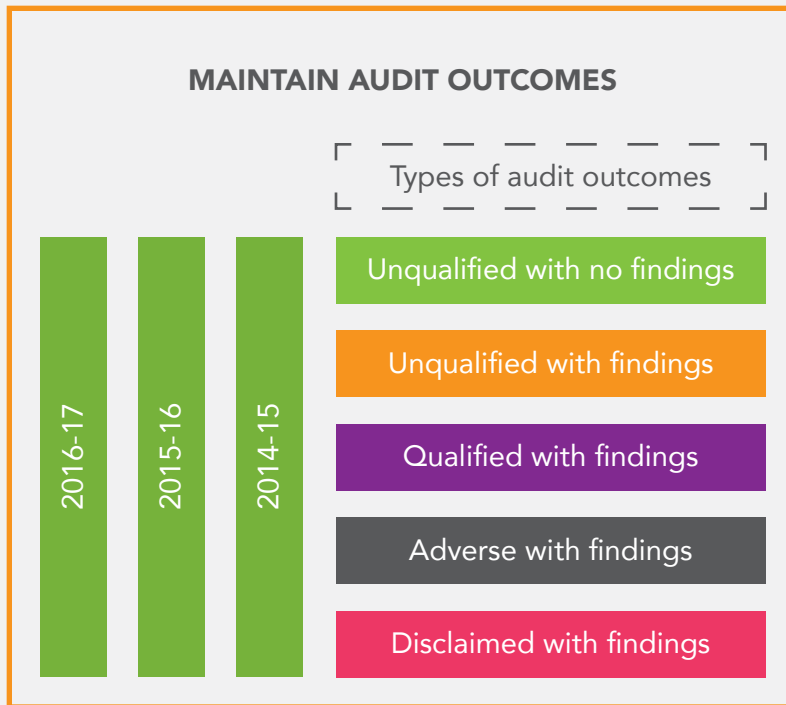
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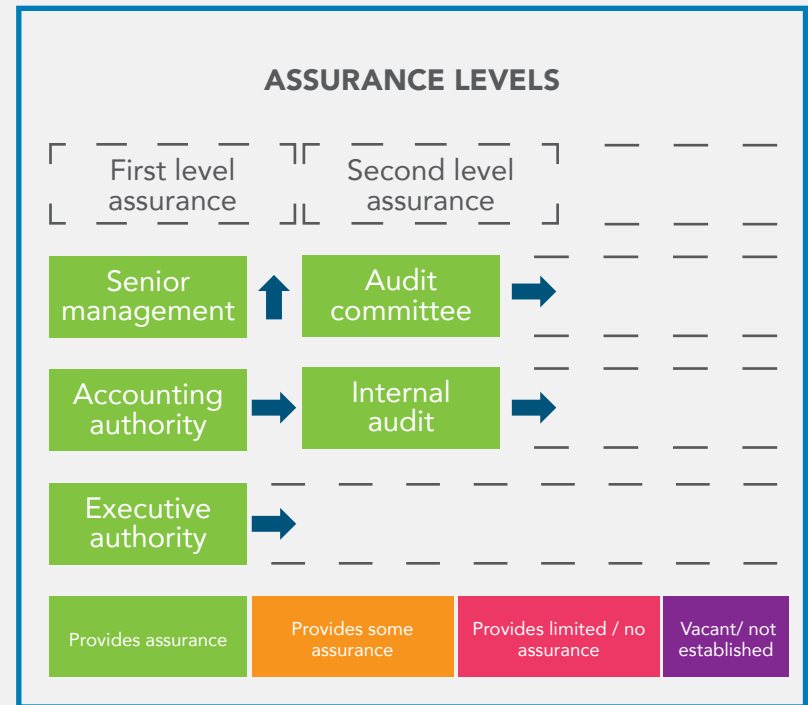
FINANCIAL PERFORMANCE AND POSITION

AUDIT OUTCOME

MAINTAIN AUDIT OUTCOMES



ASSURANCE LEVELS



AUDIT OUTCOME

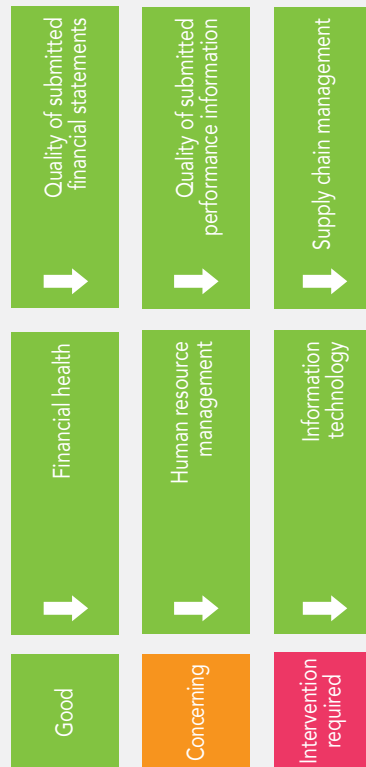
BEST PRACTICES SHOULD BE MAINTAINED

The public entity has maintained its clean audit outcome by:

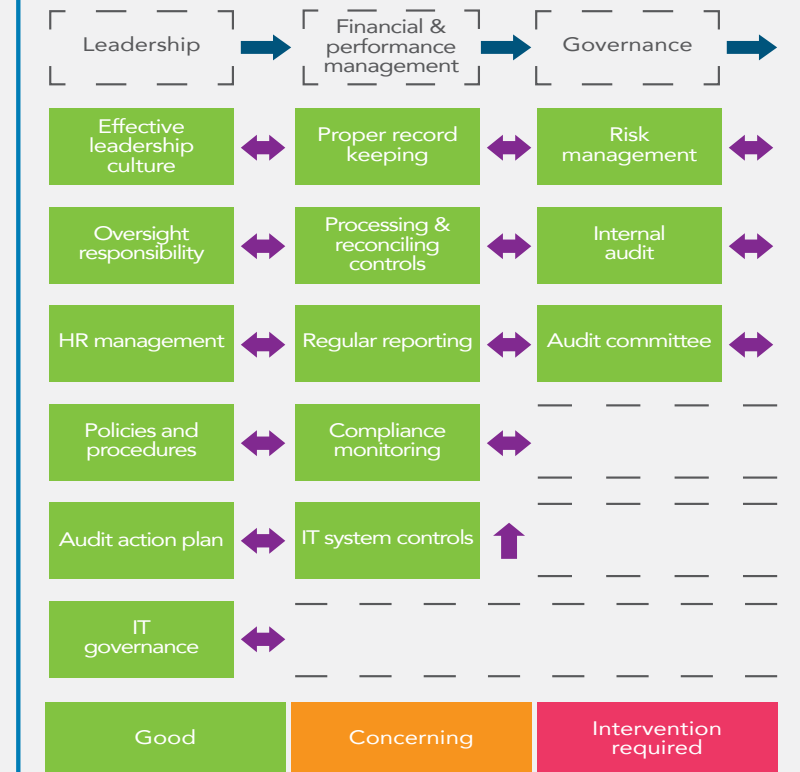
- ensuring that systems, processes and controls are continuously reviewed, renewed when required and implemented at all levels within the entity;
- continuously monitoring of risks through the entity's corporate governance improvement plan and;
- being proactive with regards to new developments that require implementation.

This is achieved through effective leadership, oversight and performance disciplines.

RISK FACTORS



ASSURANCE LEVELS



STATEMENT OF FINANCIAL PERFORMANCE

	2016/17	VARIANCE	2015/16
DESCRIPTIONS	R	%	R
Revenue	937,788,794	10.4%	849,722,349
Other income	6,682,910	-37.5%	10,700,648
Operating expenses	-947,120,846	15.1%	-823,070,915
OPERATING DEFICIT	-2,649,142	-107.1%	37,352,082
Investment income	35,266,897	35.9%	25,947,888
Fair value adjustments	-53,229	-95.8%	-1,266,456
Finance costs	-286,199	-77.9%	-1,294,175
(DEFICIT) SURPLUS FOR THE YEAR	32,278,327		60,739,339

STATEMENT OF FINANCIAL PERFORMANCE

- **Revenue increased by 10.4% to R937m**

- Baseline increased by 5.4% to R577m
- Contract income increased by 19.3% to R361m
- Investment income increased by 35.9% to R35m
- Value of new research contracts R247m

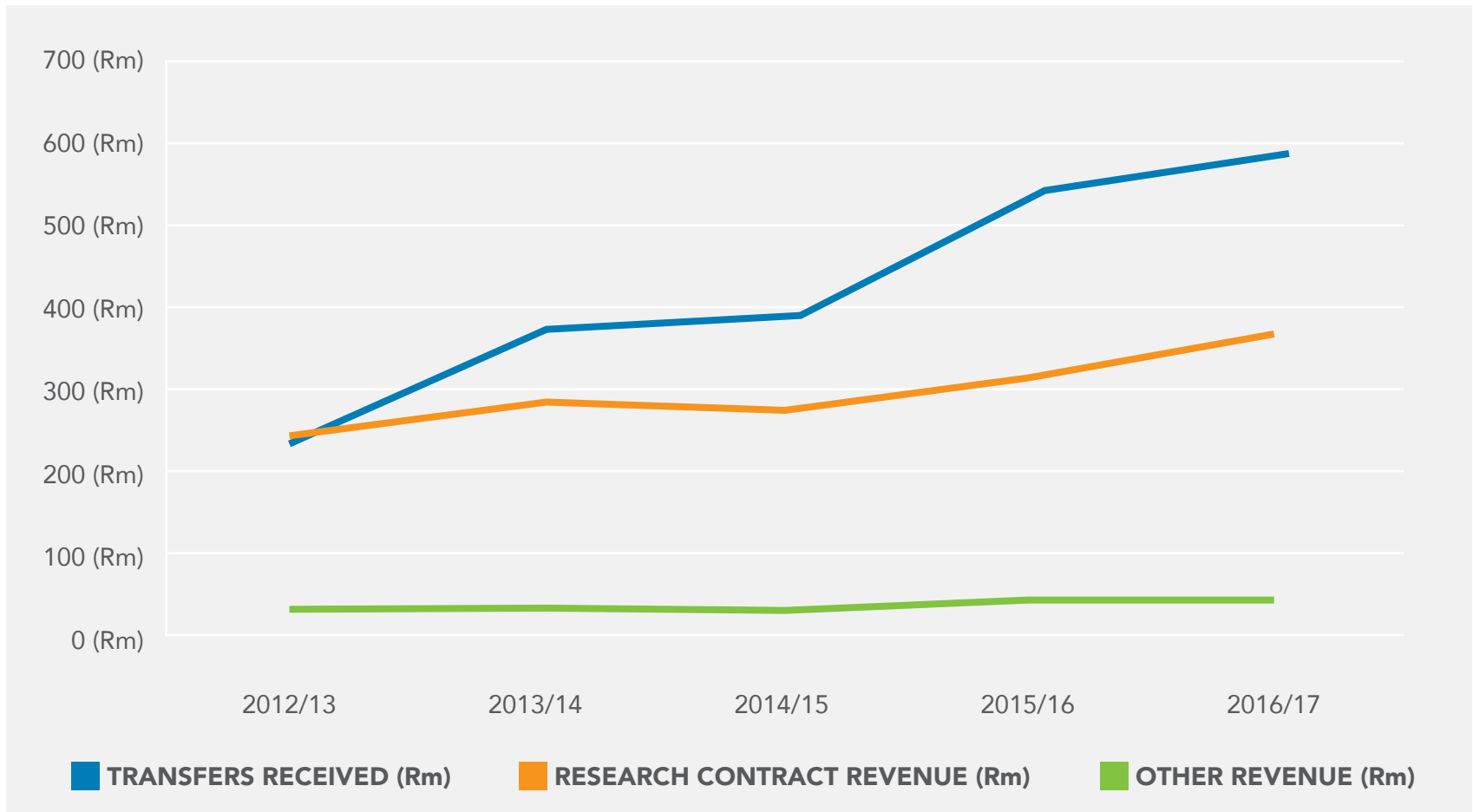


- **Expenses increased by 15.1% to R947m**

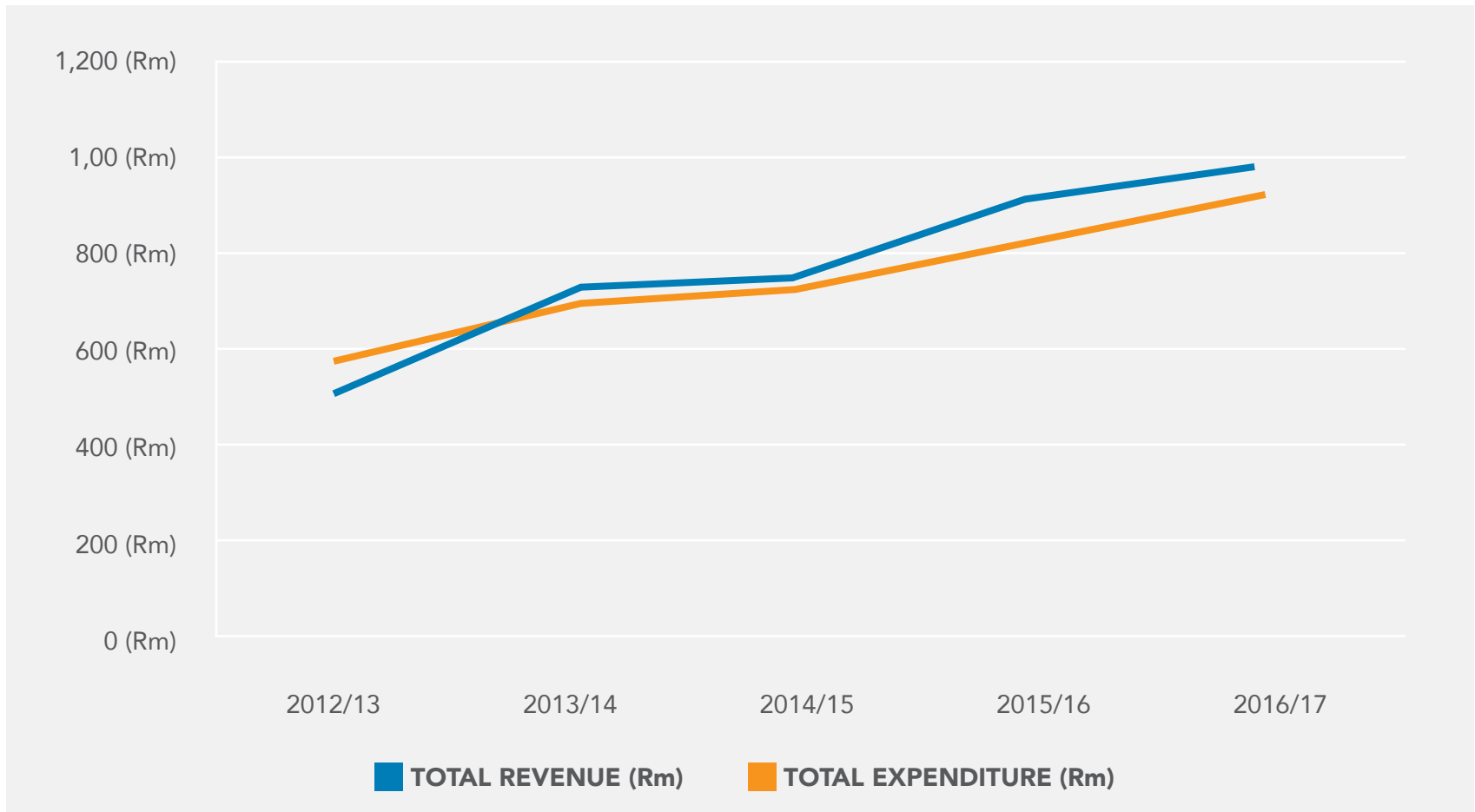
- Collaborative research costs increased by 20.9% to R471m
- Travel costs increased by 6% to R31m
- Staff costs increased by 7.3% to R304m



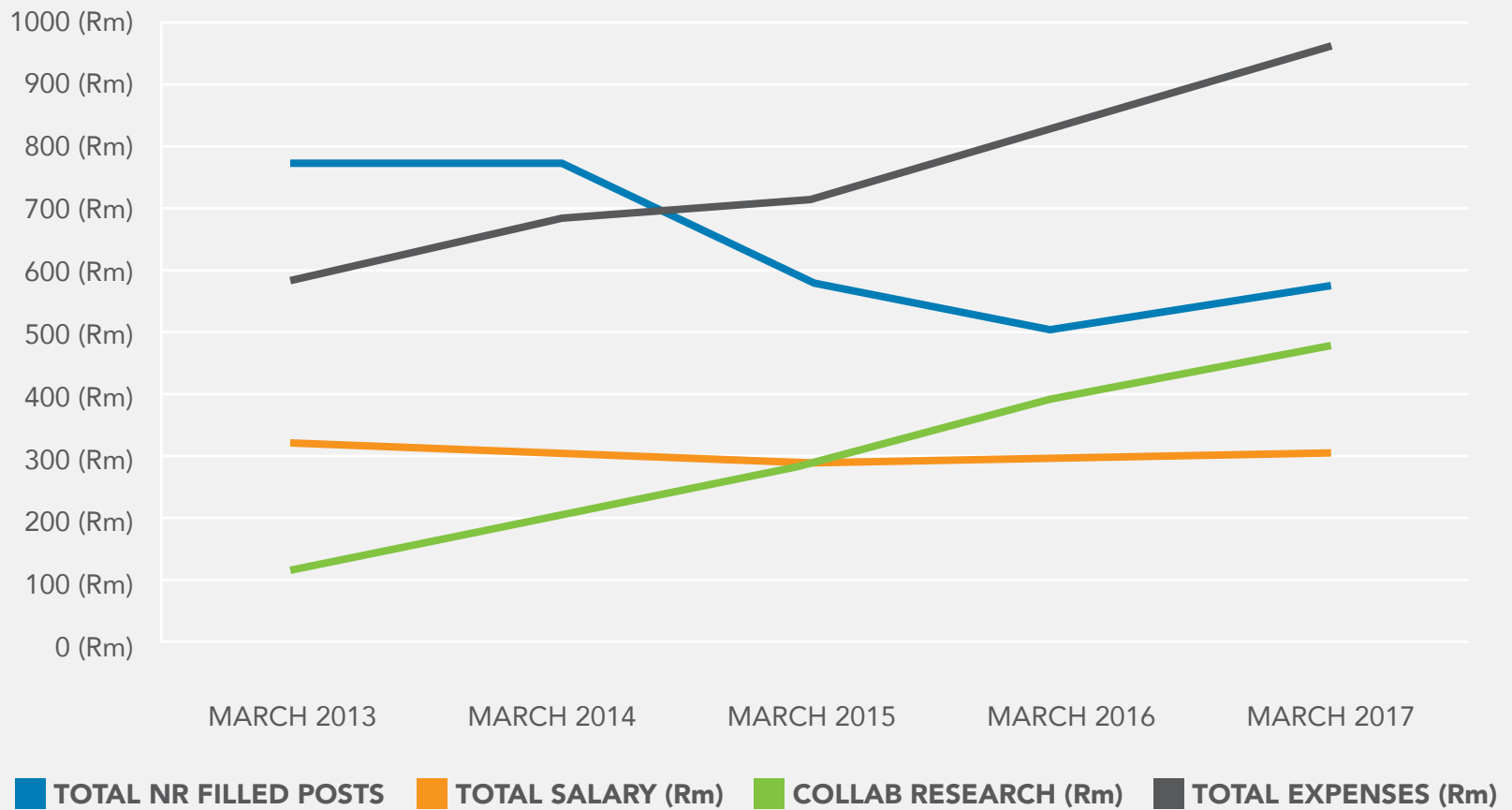
REVENUE GROWTH



REVENUE vs EXPENDITURE



EXPENDITURE TRENDS



EXPENDITURE PER STRATEGIC OBJECTIVE 2016/17

MRC STRATEGIC OBJECTIVES	SPENDING (R'000'M YTD	YTD % SPLIT	MTEF ANNUAL TARGET % SPLIT
	R	%	%
Research Intra Mural	353 113	37%	60%
Research Extra Mural	147 500	16%	
Innovation	216 871	23%	19%
Capacity Development	55 826	6%	4%
Corporate Support	172 449	18%	17%
TOTAL	945 759	100%	100%

SUMMARY



	BUDGET	ACTUAL
	R	R
Total Revenue	932,989,052	979,738,601
Expenditure	-954,989,052	-947,460,274
NETT	-22,000,000	32,278,327

VARIATIONS TO BUDGET

- Original Budget: R22m deficit
- Final Actual: R32m surplus

	ORIGINAL BUDGET	ACTUAL	DIFFERENCE
	R(m)	R(m)	R(m)
Contract Income	321	361	40
Interest	27	35	8

	ORIGINAL BUDGET	ACTUAL	DIFFERENCE
	R(m)	R(m)	R(m)
Collaborative Research	443	471	(26)
Travel	39	31	8
Consulting	21	13	7
Infrastructure Costs	54	27	27
Repair & Maintenance	10	16	(6)

STATEMENT OF FINANCIAL POSITION

Cumulative reserves increased by **10.5%** to **R336m**

Total assets increased by **19.6%** to **R752m**

Cash & cash equivalents increased by **20.9%** to **R544m**

Deferred income increased by **40.2%** to **R289m**

Pension Fund & Medical Aid Liability increased by **R6.2m** to **R12m**



CASH FLOW

Total Cash Received **R1.04bn**

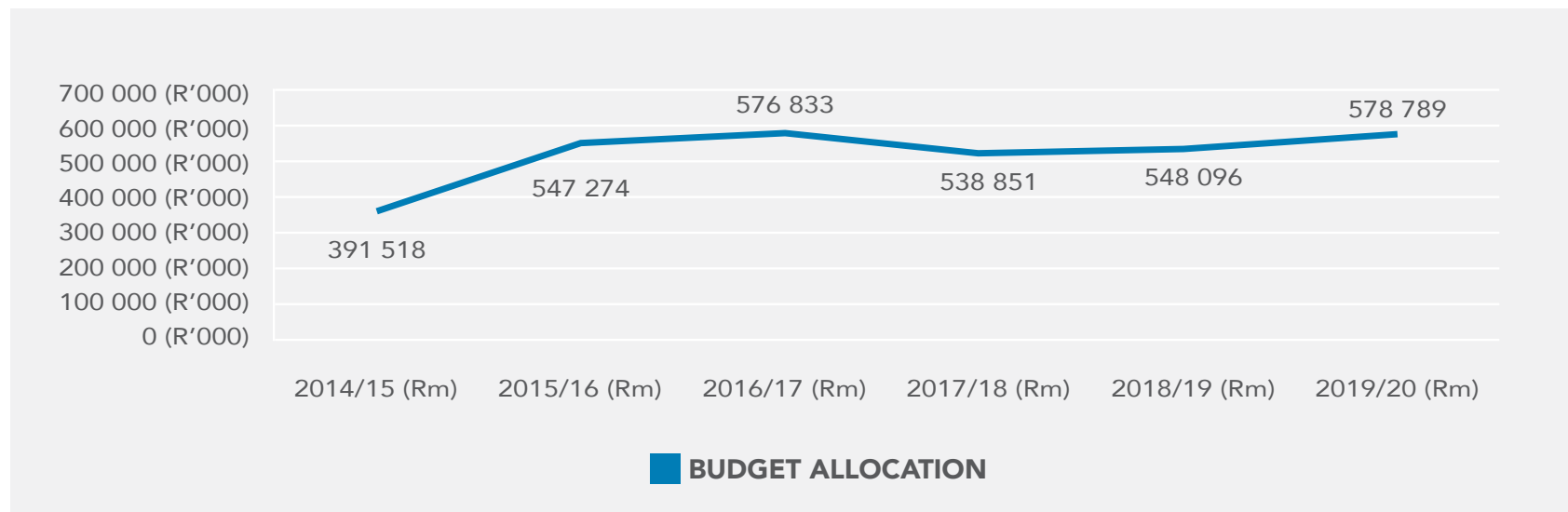
Operating Cash generated **R118m**

Investing Cash Flows **R24m** (Capital Expenditure)

BASELINE INCOME PROJECTIONS



BUDGET ALLOCATION (excl. Vat)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	R(m)	R(m)	R(m)	R(m)	R(m)	R(m)
Budget Allocation	391,518	547,274	576,833	538,851	548,096	578,789
Y on Y % Increase		40%	5%	-7%	2%	6%
Y on Y Amt Increase		155,755	29,560	-37,982	9,245	30,693



CONCLUSION

For **2017/18** the SAMRC baseline allocation will decrease by 7% (**R37m**) and thereafter increases at CPI.

The continuation of the baseline grant together with the approved roll-over of the accumulated reserves of **R336m**, the SAMRC will continue to operate as a going concern.

Reserves will be used to fund research initiatives over the MTEF period however the real decline in the baseline **funding** will severely impact future research and limit the opportunity to attract leverage funding.

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HUMAN RESOURCES

HR HIGHLIGHTS



RECRUITMENT UNDER 32 DAYS



**TRANSFORMATION PLAN PROMOTING
SUCCESSION & PROFESSIONAL CAPACITY**

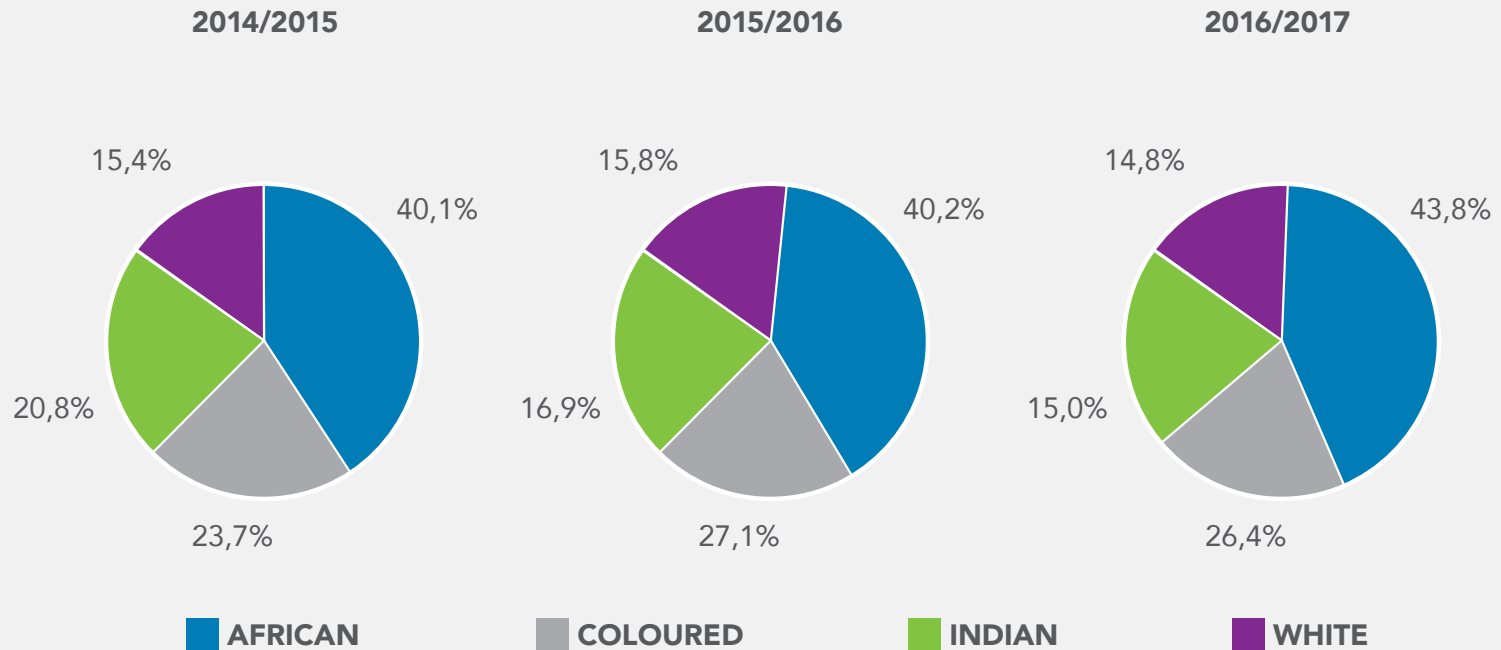


**ORGANISATION WIDE DIVERSITY
WORKSHOPS HOSTED**



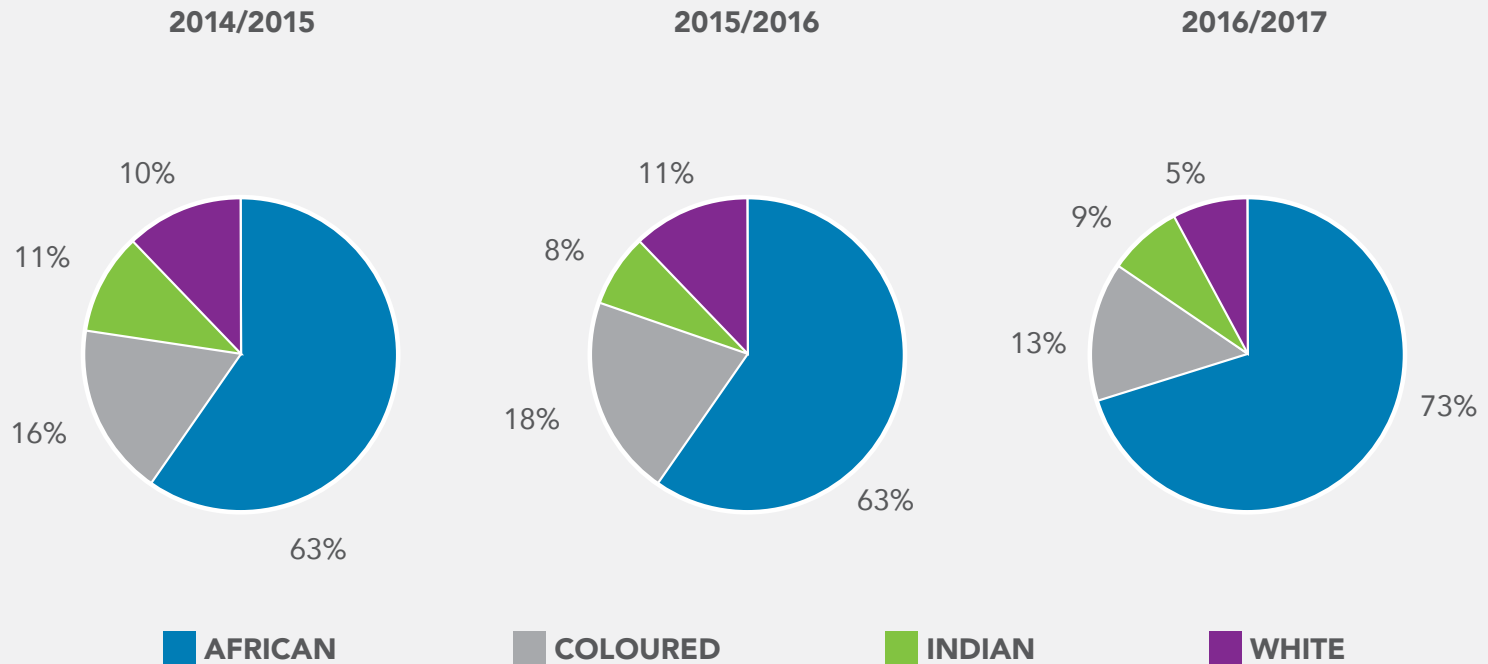
**SUCCESSFUL SALARY NEGOTIATIONS
& NO DISPUTES**

DEMOGRAPHIC PROFILE



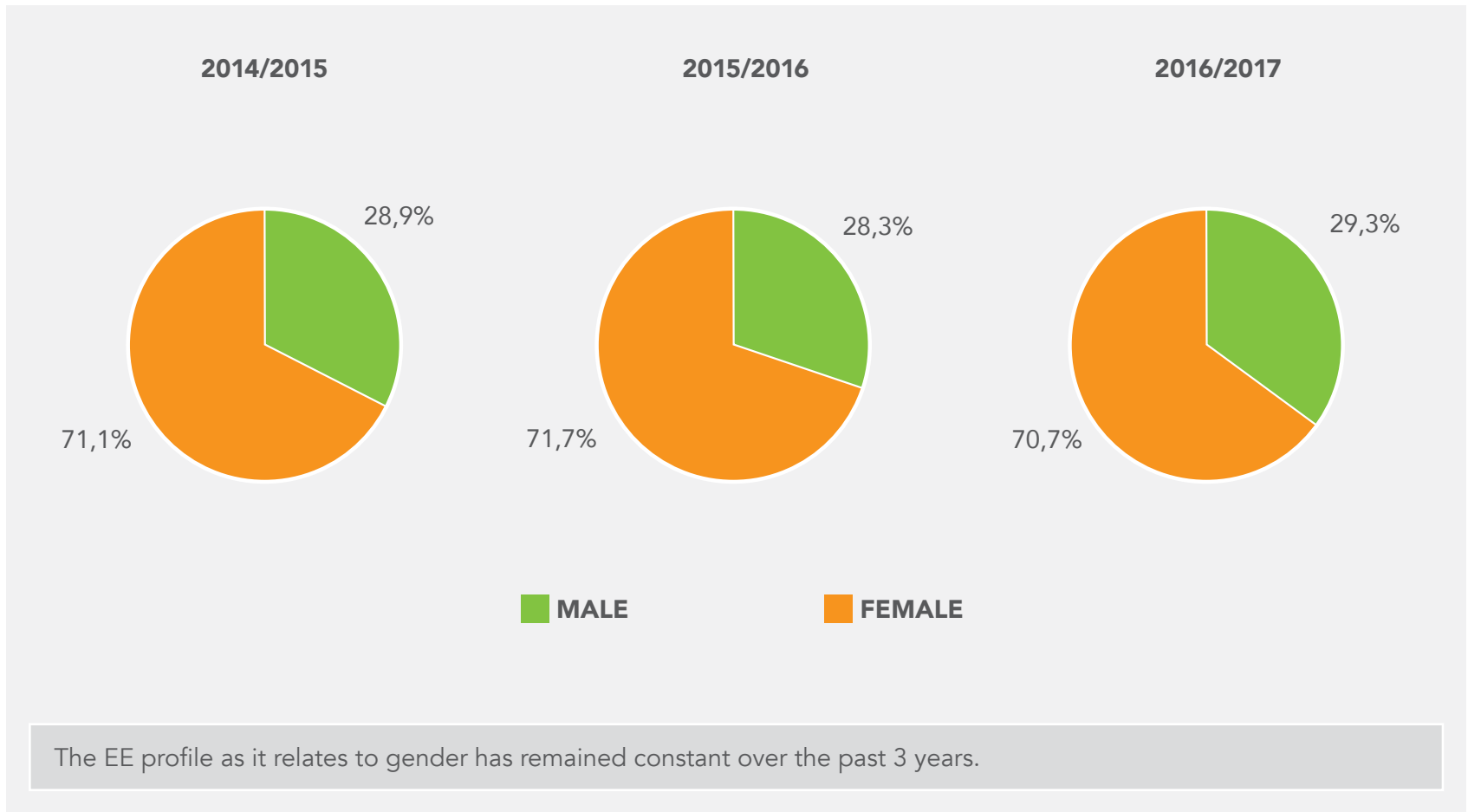
Number of Indian and White staff has reduced in comparison to the last 2 years.

APPOINTMENTS MADE BY RACE



Reduced the number of Indian, Coloured and White appointments compared to last year.

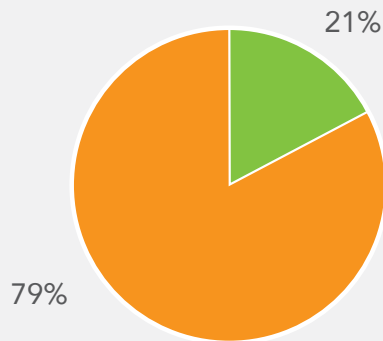
EE PROFILE BY GENDER



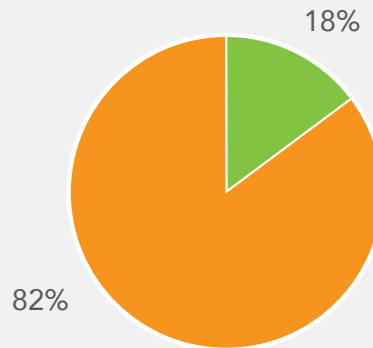
APPOINTMENTS BY GENDER



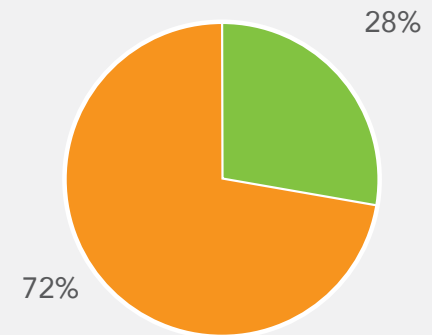
2014/2015



2015/2016



2016/2017

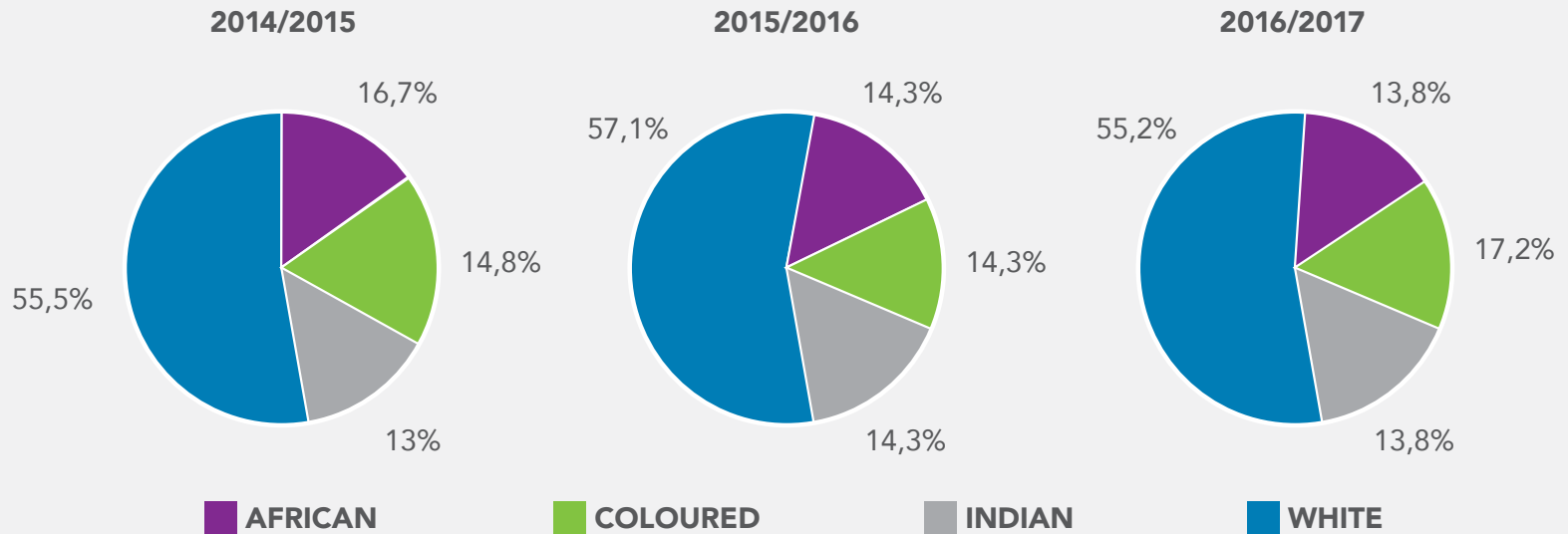


MALE

FEMALE

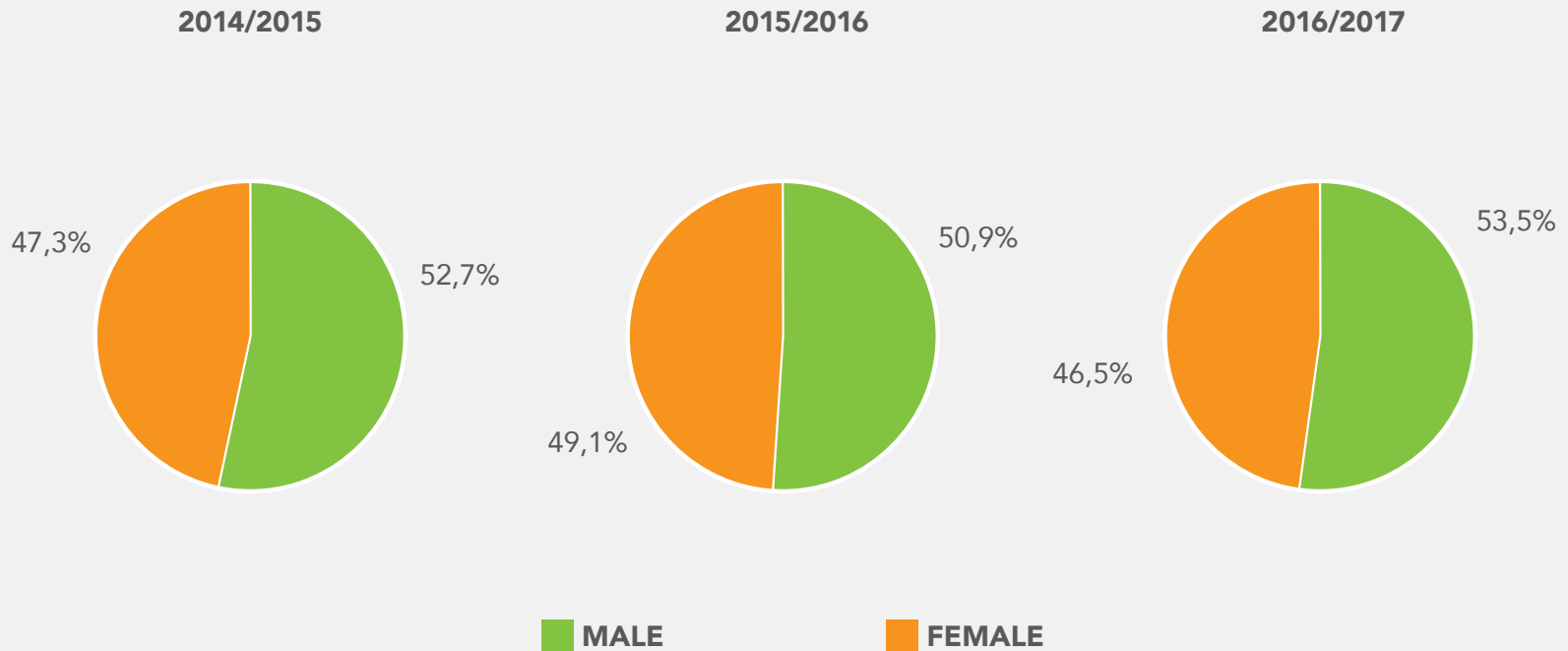
There are attempts to appoint more male employees in an attempt to balance the gender equity somewhat.

SENIOR MANAGEMENT BY RACE



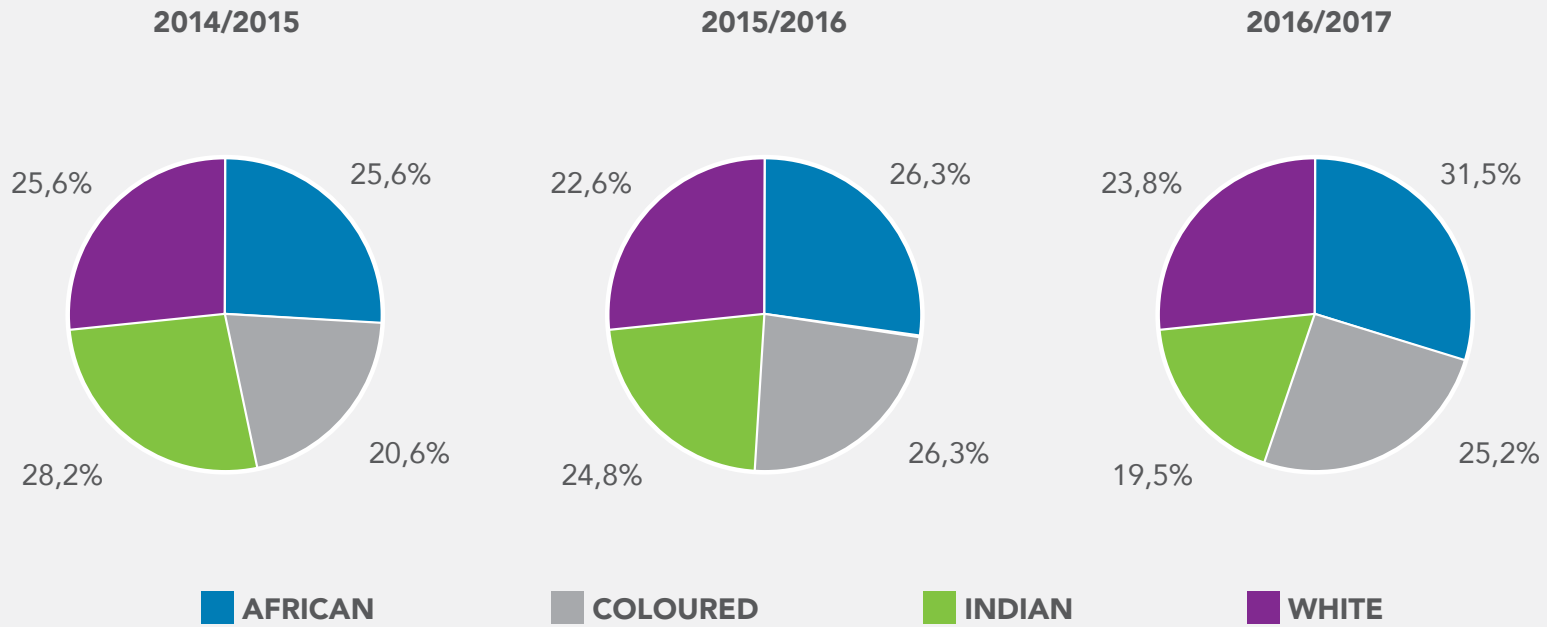
YEAR	WHITE	INDIAN	COLOURED	AFRICAN	TOTAL
2014-2015	30	7	8	9	54
2015-2016	32	8	8	8	56
2016-2017	32	8	10	8	58

SENIOR MANAGEMENT BY GENDER



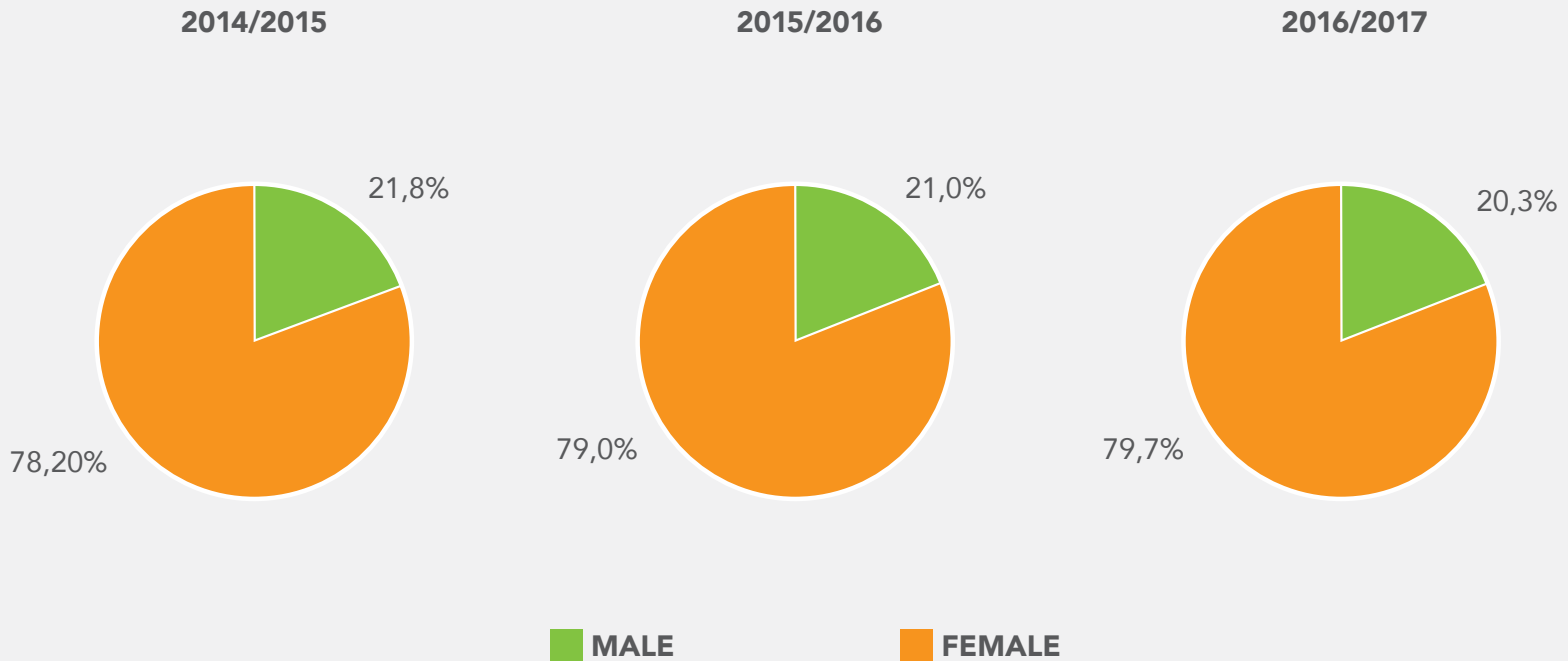
The gender profile at senior management level has not changed over the past three years.

PROFESSIONALS BY RACE



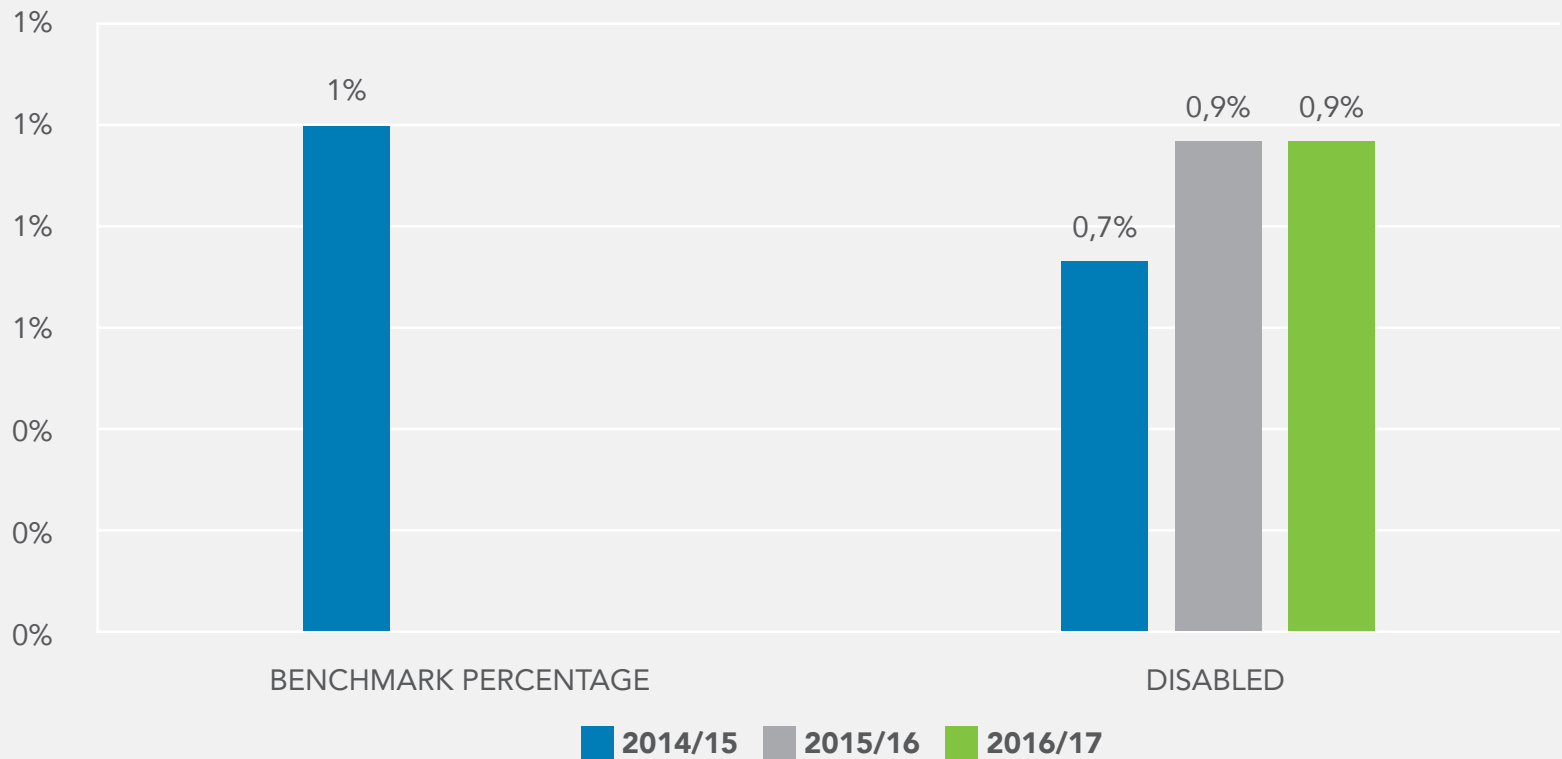
Increase in the number of African and Coloured to this category of middle management employees
Fewer skilled Indian employees over the 3 years
The number of White employees has remained constant

PROFESSIONALS BY GENDER



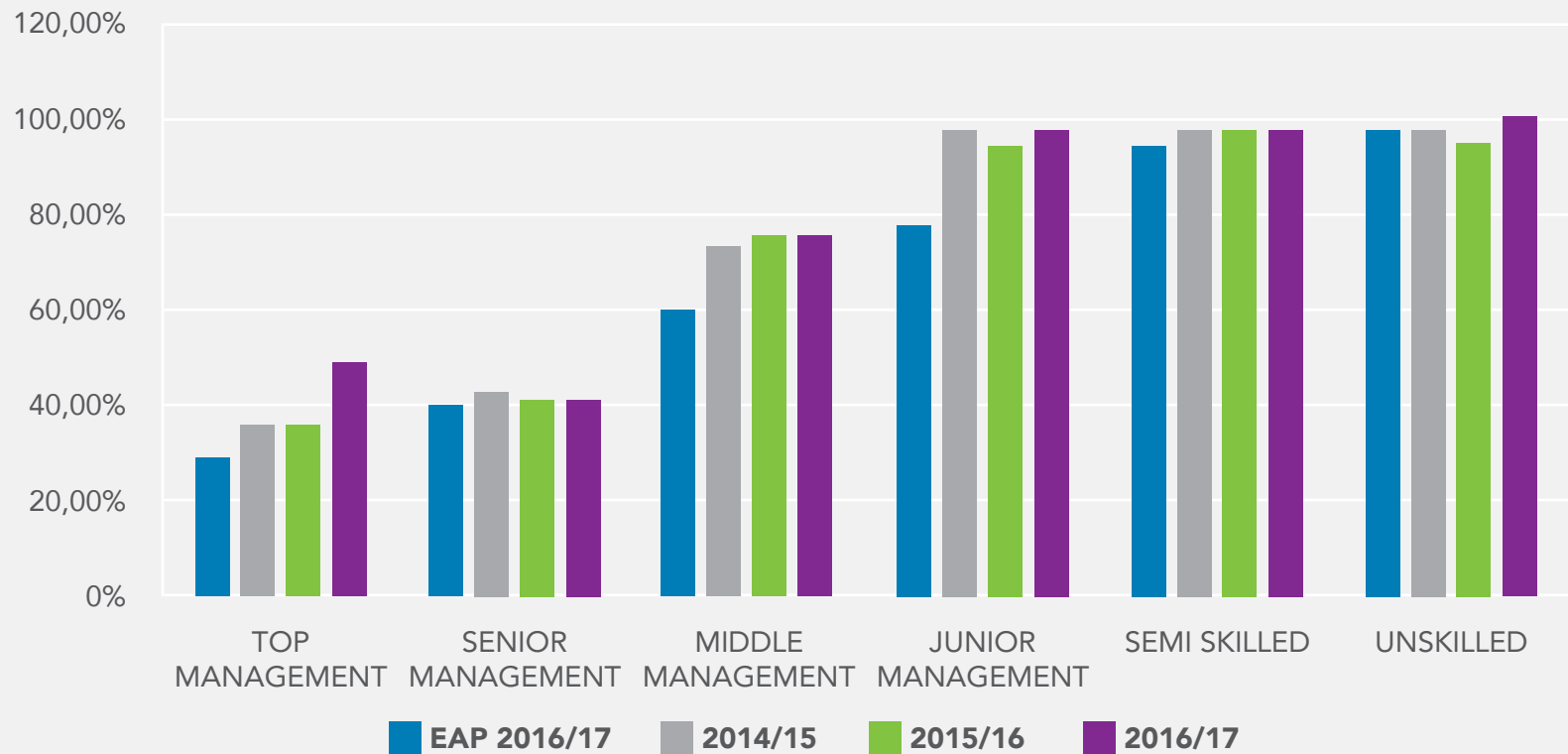
Slight increase in the number of females to this category of middle management employees
Slight decrease in the number of males

DISABLED EMPLOYEES vs NATIONAL RATIO



Increase in the number of disabled employees over the 3 year period

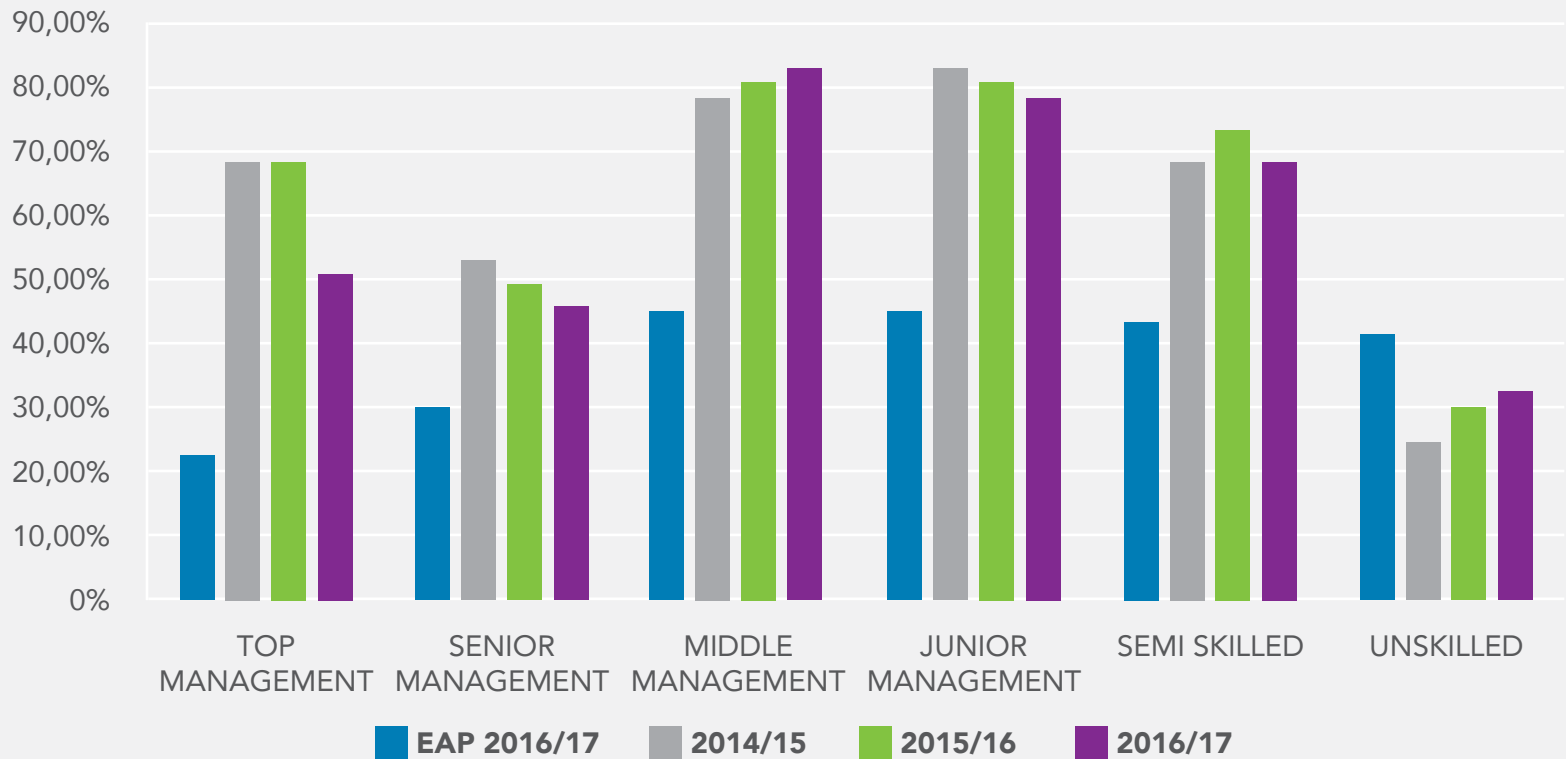
SAMRC vs EAP - BLACK



We exceed the targets for Black employees in all categories when compared to the Economically Active Population.

(17th Commission for employment equity annual report 2016-2017)

SAMRC vs EAP - FEMALE



We exceed the targets for Female staff in all categories when compared to the Economically Active Population

(17th Commission for employment equity annual report 2016-2017)

MRC vs ECONOMICALLY ACTIVE POPULATION

	BLACK %					FEMALE %				
	1997	2014/15	2015/16	2016/17	EAP	1997	2014/15	2015/16	2016/17	EAP
Top Management	25.0	33%	33%	50%	28.2%	12.5	67%	67%	50%	22.0%
Senior Management	13.0	46%	44%	45%	40.4%	22.0	52%	48%	46%	33..%
Middle Management (Professional)	15.0	74%	77%	76%	59.7%	53.8	78%	79%	80%	45.6%
Junior Management (Skilled)	42.4	94%	92%	94%	77.5%	74.3	80%	78%	76%	46.0%
Semi - Skilled	55.5	96%	97%	97%	91.5%	79.4	69%	72%	66%	42.8%
Unskilled	95.2	98%	97%	100%	98%	47.6	28%	38%	43%	40.7%

“

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”



LEGISLATIVE CHANGE PROCESS: UPDATE

UPDATE: SAMRC ACT



Adopting suitable amendments to optimise response

REASON	SAMRC ACT's CURRENT DRAWBACK
Modernise the SAMRC Act	Current Act outdated with references non-existent law, e.g. reference to 1983 Constitution.
Align the SAMRC Act with current legislation	Current Act using references to e.g. Public Deposits Act of 1984 and therefore not aligned to e.g. PFMA of 1991
Competitively position the SAMRC	Over and above the allocation from the National Fiscus, the Act must enable the SAMRC to grow the funding base and compete with its (SAMRC) counterparts.
Improve the efficacy of the SAMRC	Current Act needs to be aligned with the Companies Act 2008 and the King Code on Corporate Governance

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TRANSFORMATION



5TH CONSECUTIVE UNQUALIFIED AUDIT



EFFECTIVE STRATEGIC TRANSFORMATION PLAN



24 NRF RATED SCIENTISTS



**GLOBAL PUBLIC-PRIVATE
PARTNERSHIPS CEMENTED**



**INVESTING IN RESPONSIVE MEDICAL RESEARCH
& INNOVATION**

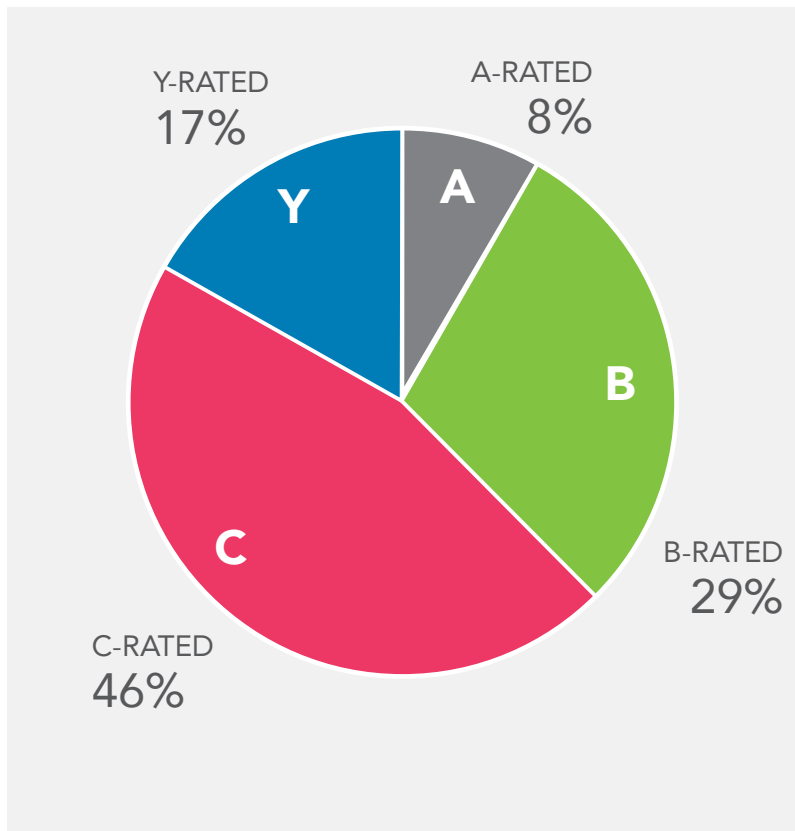
TRANSFORMATION PLAN



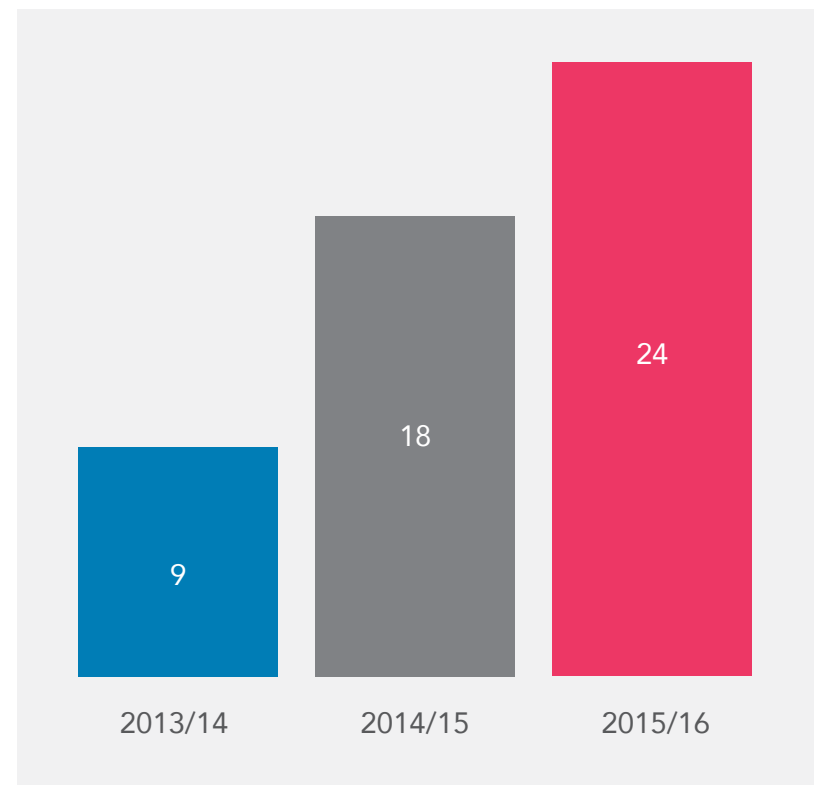
- **IDENTIFIED LIMITED CRITICAL MASS IN HEALTH & MEDICAL RESEARCH**
- **AUGMENTATION OF DOCTORAL & POSTDOCTORAL RESEARCHERS**
- **OPTIMISATION OF POSTS**
- **COMPETITIVE INTRAMURAL FUNDING PROGRAMME**
- **IMPLEMENTATION PLAN & TIMELINES FOR 2017 – 2021**

PROFESSIONAL TRANSFORMATION

NRF Rated SAMRC Scientists



Growth of NRF Rated SAMRC Scientists



FUNDING TRANSFORMATION



IN 2012 OUR FIGURES REVEALED THE FOLLOWING:



White 72% Indian 11% African 11% Coloured 5%

IN 2015 OUR FIGURES REVEALED THE FOLLOWING:



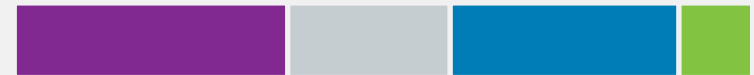
White 34% Indian 12% African 27% Coloured 27%

IN 2013 OUR FIGURES REVEALED THE FOLLOWING:



White 83% Indian 0% African 10% Coloured 7%

IN 2016 OUR FIGURES REVEALED THE FOLLOWING:



White 37% Indian 22% African 31% Coloured 10%

IN 2014 OUR FIGURES REVEALED THE FOLLOWING:



White 48% Indian 15% African 33% Coloured 4%

TRANSFORMING CAPACITY DEVELOPMENT

Mid-Career Scientist by Gender, Race and Institution 2016/17 Financial Year

	GENDER	RACE	INSTITUTION
Prof Khumalo	Female	Black	UCT
Prof Mokwena	Female	Black	SMU
Prof Gamielien	Male	Black	UWC

“ The research strengthening and capacity-building funding opportunity will equip and capacitate identified institutions to conduct excellent multidisciplinary research to address some of the key questions that could impact on lowering the burden of disease in South Africa. ”

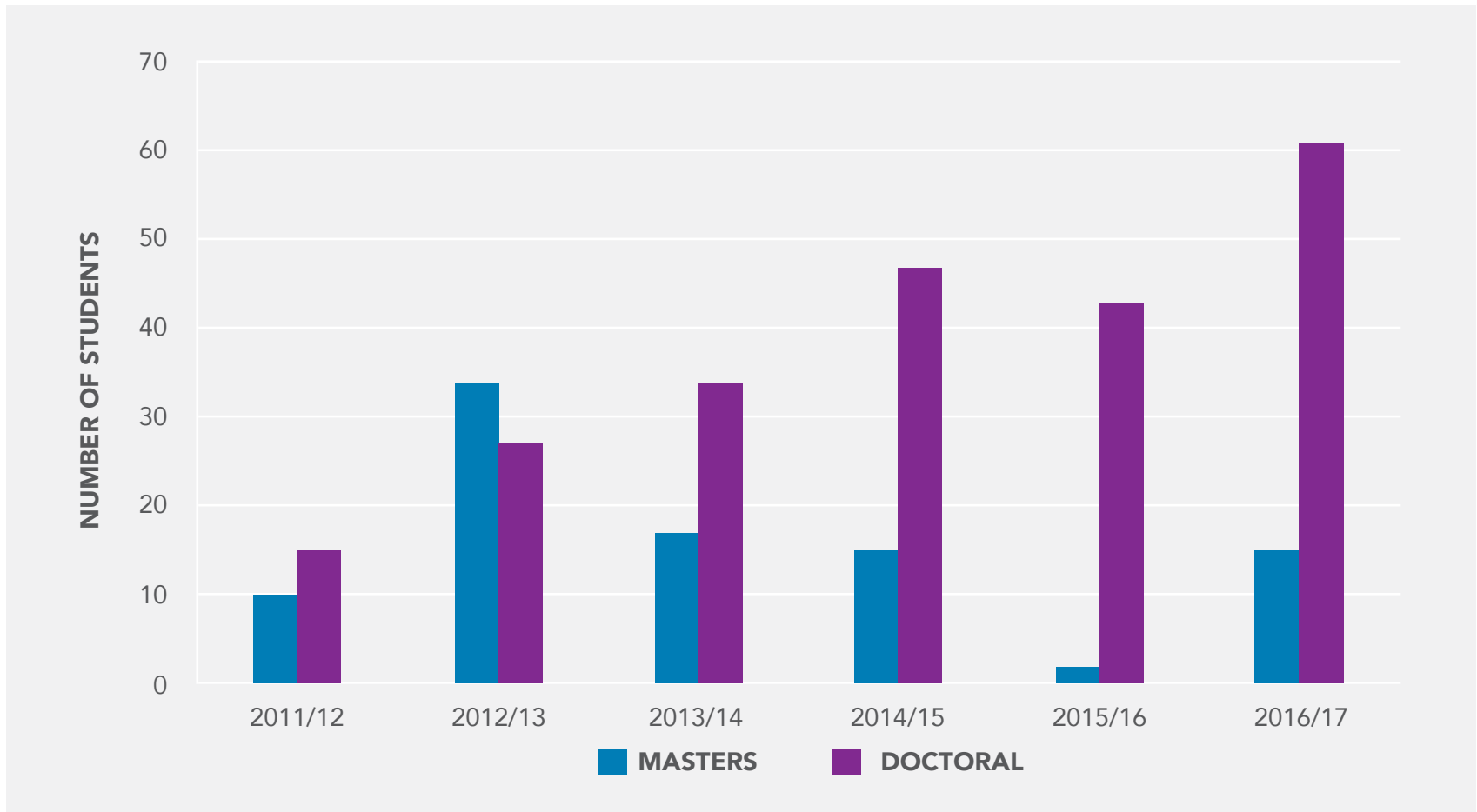


8 MILLION INVESTED



**IN 8 PREVIOUSLY
RESOURCE
CONSTRAINED
UNIVERSITIES**

TRANSFORMING CAPACITY DEVELOPMENT



TRANSFORMING: COLLABORATIONS, PUBLIC-PRIVATE PARTNERSHIPS & AGREEMENTS



SENEGAL



SUDAN



RWANDA



CANADA



INDIA



SWEDEN

“

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”



INVESTMENT IN RESPONSIVE MEDICAL RESEARCHERS & INNOVATION

QUADRUPLE BURDEN OF DISEASE IN SOUTH AFRICA

MATERNAL, NEWBORN & CHILD HEALTH

~1%
of global burden

2-3x
> average for
comparable countries



HIV/AIDS & TB



17%
of HIV burden > global average

23x

5%
of TB burden > global average

7x

NON-COMMUNICABLE DISEASES



<1%
of global burden



2-3x
> average for
developing countries

VIOLENCE & INJURY



1.3%
of global burden
of injuries

2x
> global average
for
injuries

5x
> global average
for homicide

BREAKING NEW GROUND

**NEW GENE DISCOVERED: SUDDEN
CARDIAC DEATH**

ANTIVIRAL THERAPY

**20 GLOBAL RESEARCH PROJECTS
IN 8 COUNTRIES – SEXUAL
VIOLENCE RESEARCH INITIATIVE**

UMBIFLOW

**SOUTH AFRICAN TUBERCULOSIS
BIOINFORMATICS INITIATIVE**

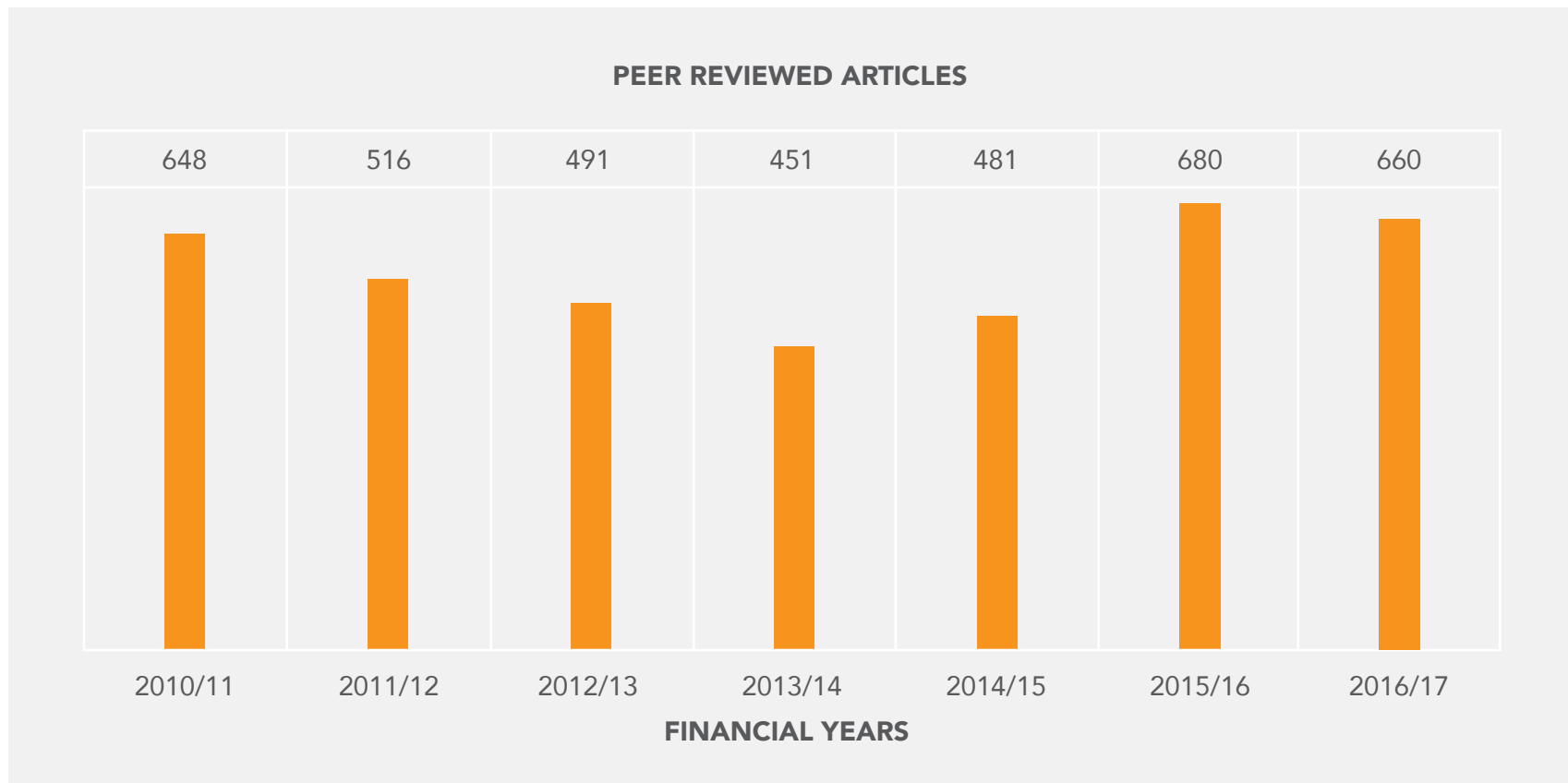
**POX-PROTEIN PUBLIC PRIVATE
PARTNERSHIP**

**PRODUCTION & CHARACTERISATION OF CAP 256-VRC26 MONOCLONAL IN
PLANTS**

GENERATING OUR "CURRENCY"



Peer reviewed articles, 2010 - 2016



FUNDING RESPONSIBLY

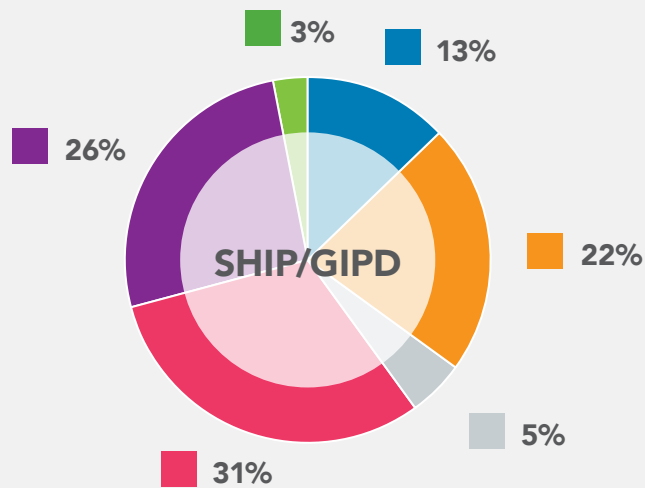
Total value of funding allocated to research and innovation during the 2016/17 reporting period.



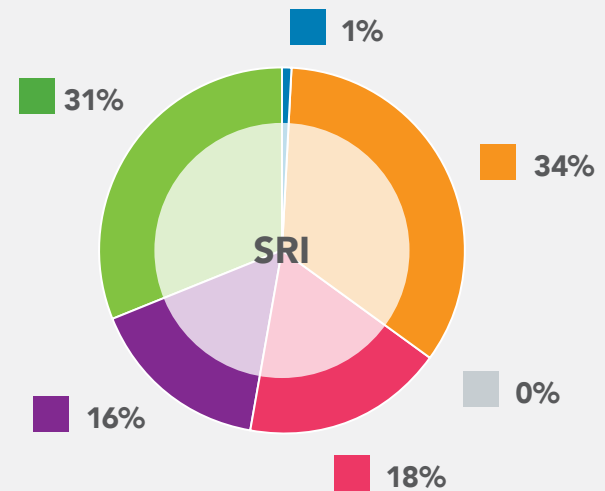
TOTAL DISBURSEMENTS



SHIP/GIPD DISBURSEMENTS PER PRIORITY AREA
2016/2017



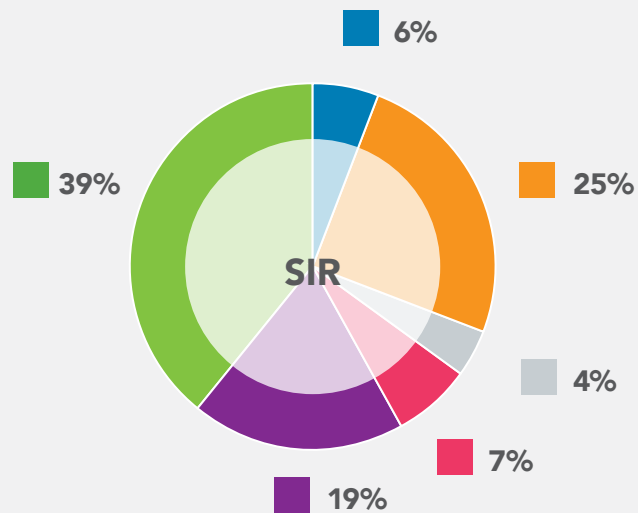
SRI DISBURSEMENTS PER PRIORITY AREA
2016/2017



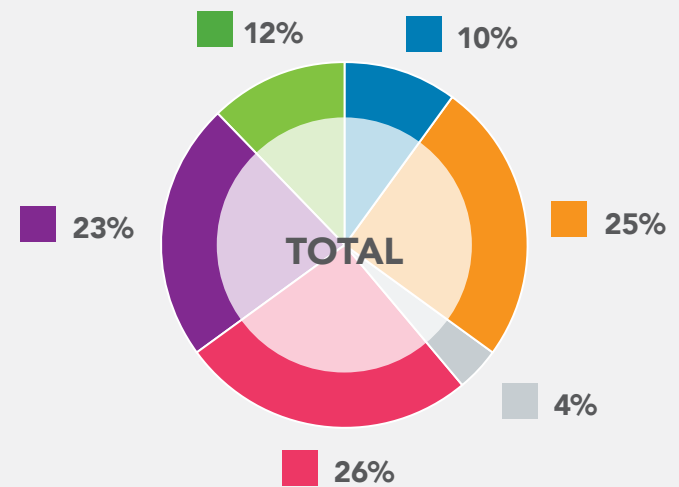
MHC NCD MALARIA TB HIV OTHER

TOTAL DISBURSEMENTS

SIR DISBURSEMENTS PER PRIORITY AREA
2016/2017



TOTAL DISBURSEMENTS PER PRIORITY AREA
2016/2017



■ MHC
 ■ NCD
 ■ MALARIA
 ■ TB
 ■ HIV
 ■ OTHER

STRATEGIC HEALTH INNOVATION PARTNERSHIPS (SHIP)

CAPACITATING OUR NEXT GENERATION OF MEDICAL RESEARCHERS

STUDENT REGISTRATIONS 2014 - 2017

39 PhD students in total



25 BLACK



14 WHITE



25 FEMALE



14 MALE

13 MSc students



5 BLACK



8 WHITE



6 FEMALES



7 MALES

BOASTS: 5 patents

3 PASSMORE
(US, SA EUROPE)

1 WEINBERG

1 CHIBALE
(MMV '594)

COLLABORATION

10

TB Collaborating Centres



3

Clinical Cancer Research Centres



3

Malaria Collaborating Centres

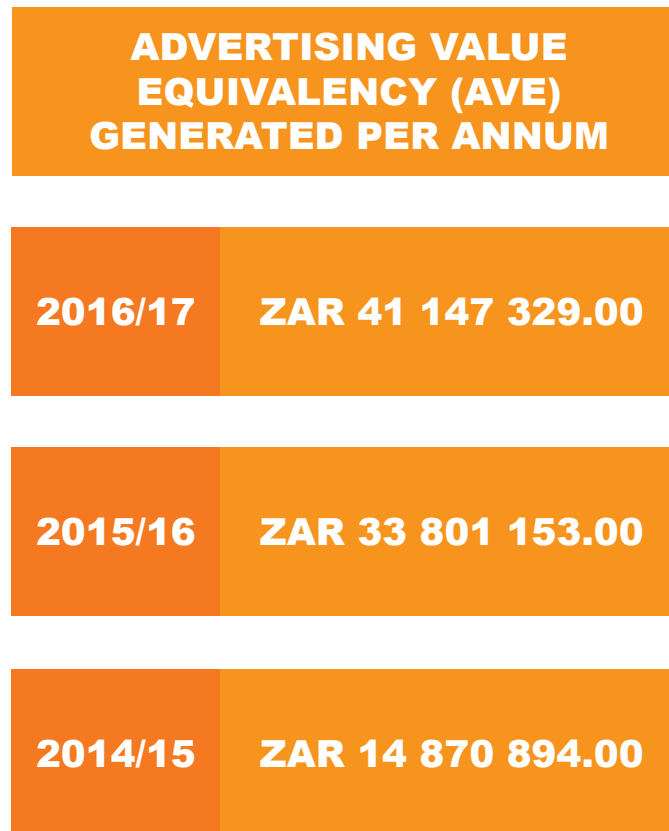
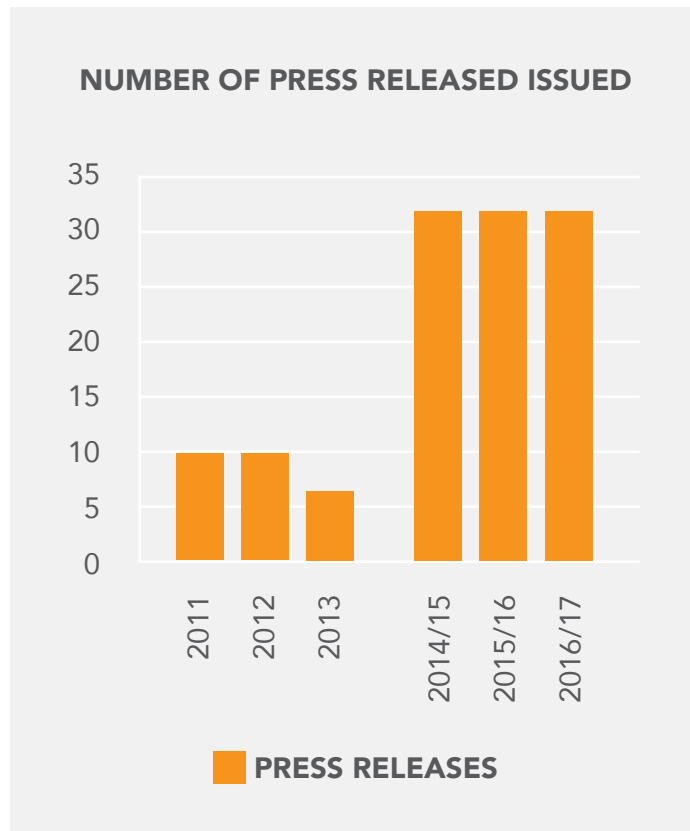


INVESTING IN MENTAL HEALTH



PROFILING OUR RESEARCH

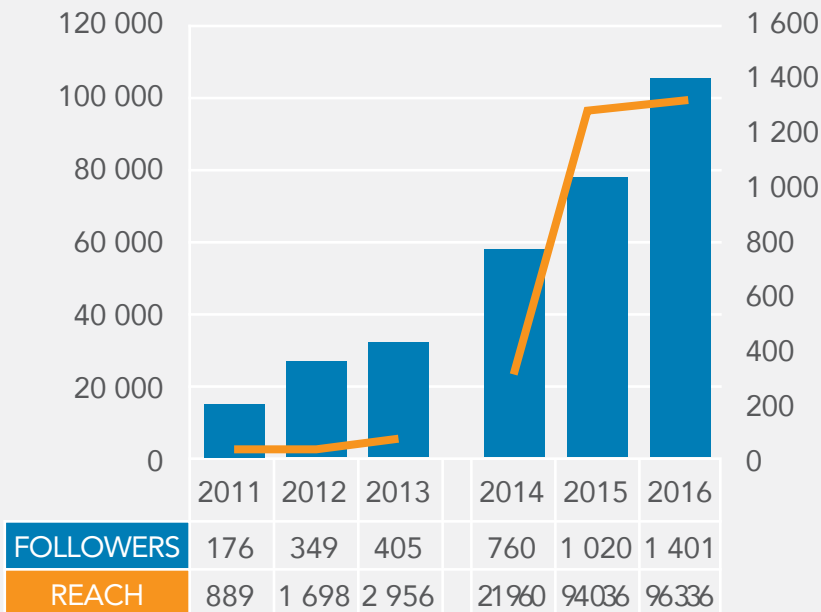
Enhanced communication with the public



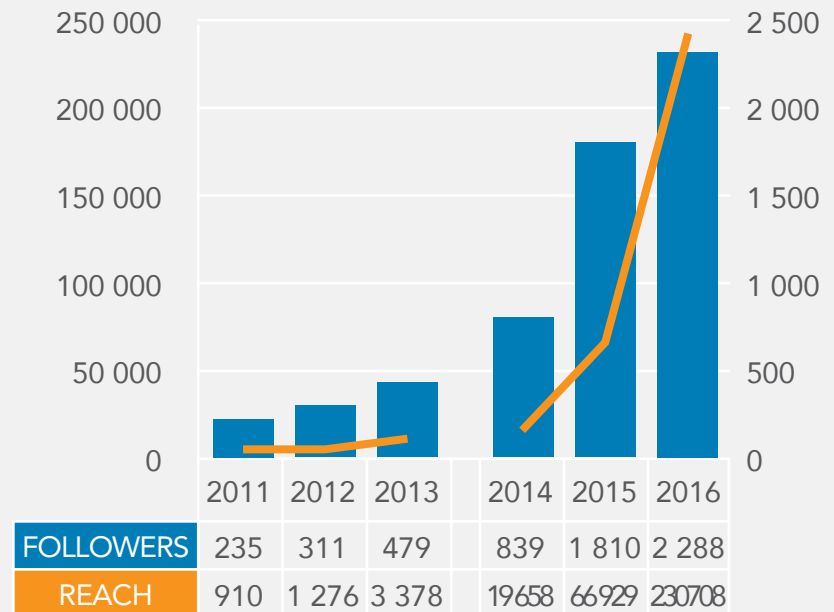
PROFILING OUR RESEARCH

Social Media performance improved

TWITTER STATS 2011-2016



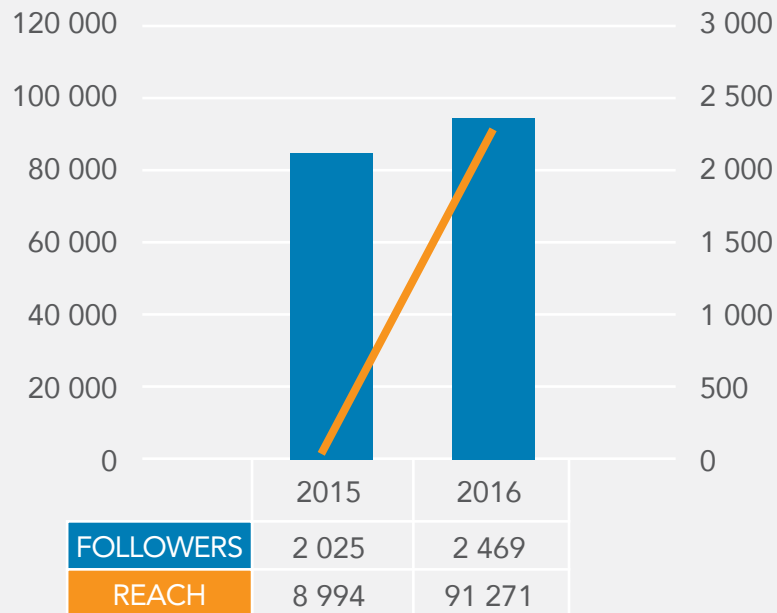
FACEBOOK STATS 2011-2016



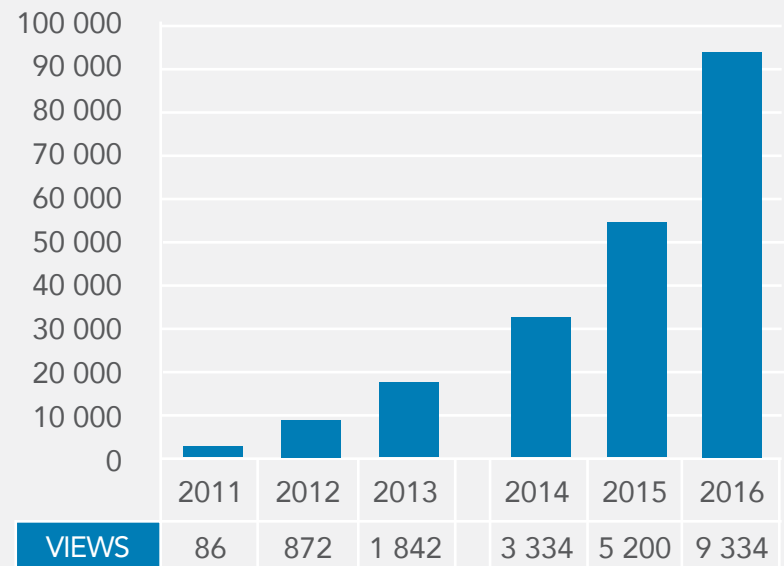
PROFILING OUR RESEARCH

Social Media performance improved

LINKEDIN STATS 2015-2016



SAMRC YOUTUBE STATS 2011-2016



THANK YOU

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